FINANCIAL REPORT

2017

Half-year financial report at 30 June 2017

Half-year financial report at 30 June 2017

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Half-year management report at 30 June 2017

1. Key events in the period

As announced by the President of the French Republic on 28 July 2016, VINCI Autoroutes signed a €432 million Motorways Investment Plan on 26 January 2017.

This plan provides for 20 construction operations on the ASF and Escota networks to improve mobility in the regions, in particular enabling improvements to urban and peri-urban transport links through the development of 15 interchanges.

These developments will be co-financed by the regional authorities concerned and by ASF and Escota through additional toll increases in 2019, 2020 and 2021.

The draft amendments to the specifications and master contracts were approved by the State services in early 2017 and were submitted for an advisory opinion to the French Rail and Road Activities Authority (*ARAFER*) on 13 March 2017. The opinion was delivered on 14 June 2017.

In addition to these contractual amendments, the economic trends noted at the end of 2016 continued in the first half of 2017.

France's GDP (Gross Domestic Product) increased by 0.4% in the first quarter of 2017, while Spain's grew by 2.0%.

The household confidence indicator was still on the right track and business confidence in France's manufacturing industry reached its highest level since 2011.

Fuel prices have fallen considerably since the beginning of 2017. On average, they are however still 15% higher than the average price for the same period in 2016.

In the same context, the leap year in 2016 adversely affected the increase in light vehicle traffic (+1.8%) but the two long weekends in spring 2017 compensated for this.

Heavy vehicle traffic recorded a significant increase (+3.6%), despite the fact there was one fewer working day in the first half of 2017 compared to the same period in 2016.

ASF group's revenue was therefore up 3.6% in the first half of 2017 and its EBITDA ratio, which reflects its financial performance, was 74.1%.

After five years' work, the new section of the A9 motorway at Montpellier was officially opened by the Prime Minister on 10 March 2017 and opened to traffic on 30 and 31 May 2017, more than six months ahead of schedule.

This final phase marks the end of the largest motorway construction project in recent years in France, which involved an investment of €800 million and more than 300 companies and 1,500 people.

The opening of the new A9 has significantly improved driving conditions on this very busy motorway axis which links Spain to the rest of Europe, by separating through traffic from local traffic in and around Montpellier.

2. Group's activity

2.1. Results

2.1.1. Revenue

The ASF group's consolidated revenue for the first halves of 2017 and 2016 breaks down as follows:

(in € millions)	1st half 2017	1st half 2016	% change
Toll revenue	**1,736.3**	**1,676.6**	**3.6%**
of which ASF	1,379.0	1,325.9	4.0%
of which Escota	357.3	350.7	1.9%
Fees for use of commercial premises	**27.6**	**25.7**	**7.4%**
of which ASF	24.0	22.1	8.6%
of which Escota	3.6	3.6	0.0%
Fees for optical fibres, telecommunications and other	**7.1**	**6.6**	**7.6%**
of which ASF	5.1	4.7	8.5%
of which Escota	2.0	1.9	5.3%
Revenue excluding concession companies' revenue derived from works	**1,771.0**	**1,708.9**	**3.6%**
of which ASF	1,408.1	1,352.7	4.1%
of which Escota	362.9	356.2	1.9%
Concession companies' revenue derived from works	**249.4**	**251.0**	**-0.6%**
of which ASF	212.9	208.2	2.2%
of which Escota	36.5	42.8	-14.5%
Total revenue	**2,020.4**	**1,959.9**	**3.1%**
of which ASF	1,621.0	1,560.9	3.8%
of which Escota	399.4	399.0	0.1%

Consolidated revenue for the first half of 2017 (excluding revenue from construction work) was €1,771.0 million, up 3.6% on the same period in 2016 (€1,708.9 million).

Prices

The reference index for the price increase at 1 February 2017 showed an increase of 0.36%.

On this basis, and in accordance with the amendment to the concession arrangement signed on 21 August 2015 by the State, ASF and Escota, the price increase excluding taxes at 1 February 2017 was as follows:

- for ASF: [0.70 i + 0.945], i.e. 1.2% for all classes of vehicles;
- for Escota: [0.70 i + 0.34], i.e. 0.59% for all classes of vehicles.

Traffic

Traffic in the first half of 2017 was affected by the following factors:

- one working day less for light vehicle and heavy vehicle traffic in 2017 because of the leap year in 2016;
- a sharp rise in the price of diesel (by an average of 15.2%) in the first half of 2017 compared to the same period in 2016, limiting the increase in light vehicle traffic;
- a particularly hot, sunny 2017, with the exception of January which was harsher than in 2016, favouring light vehicle traffic;
- economic growth in France (+0.5% in the first quarter) and neighbouring countries, especially Spain (+0.8% in the first quarter).

Against this backdrop, ASF and Escota achieved a 2.1% increase in traffic in the first half of 2017 compared with the first half of 2016:

- +1.8% for light vehicles which accounted for 85.2% of total traffic;
- +3.6% for heavy vehicles, which accounted for 14.8% of total traffic.

Users travelled 17,860.4 million kilometres on the ASF and Escota networks in the first half of 2017 (17,497.7 million in the first half of 2016):

Distance travelled (in millions)	1st half 2017				1st half 2016				Change 1st half 2017/2016	
	ASF	Escota	ASF + Escota	%	ASF	Escota	ASF + Escota	%	Amount	%
Light vehicles	12,103.6	3,107.0	15,210.6	85.2%	11,864.7	3,075.6	14,940.3	85.4%	270.3	1.8%
Heavy vehicles	2,313.3	336.5	2,649.8	14.8%	2,231.8	325.6	2,557.4	14.6%	92.4	3.6%
Light + heavy vehicles	**14,416.9**	**3,443.5**	**17,860.4**	**100.0%**	**14,096.5**	**3,401.2**	**17,497.7**	**100.0%**	**362.7**	**2.1%**

The annual average daily traffic on the network as a whole was 31,693 vehicles per day in the first half of 2017 compared with 30,935 vehicles per day in the first half of 2016, representing year-on-year growth of 2.4%.

The number of payment transactions rose by 1.9% to 358.4 million in the first half of 2017 (351.7 million in the first half of 2016).

The use of automatic payment lanes and ETC payments increased by 1.9% to 358.3 million transactions in the first half of 2017 (351.6 million transactions in the first half of 2016).

The percentage of transactions in automatic payment lanes and ETC payments reached 100% in the first half of 2017, no change from the same period in 2016.

Breakdown of ASF and Escota transactions by collection method:

Type of transaction (in millions)	1st half 2017	1st half 2016	Change 1st half 2017/2016	2017 breakdown	2016 breakdown
Manual payments	**0.1**	**0.1**	**-32.0%**	**0.0%**	**0.0%**
Automatic payments	164.8	168.1	-1.9%	46.0%	47.8%
ETC payments	193.5	183.5	5.4%	54.0%	52.2%
Sub-total automatic and ETC	**358.3**	**351.6**	**1.9%**	**100.0%**	**100.0%**
Total	**358.4**	**351.7**	**1.9%**	**100.0%**	**100.0%**

There were 2,355,245 subscribers to the light vehicle tag payment system for the two companies at 30 June 2017, which corresponds to 2,882,329 tags in circulation (compared with 2,033,158 subscribers and 2,496,495 tags at 30 June 2016).

	30/06/2017			30/06/2016			Change at 30 June 2017/2016	
	ASF	Escota	ASF + Escota	ASF	Escota	ASF + Escota	Amount	%
Number of customers	2,099,548	255,697	2,355,245	1,783,069	250,089	2,033,158	322,087	15.8%
Number of tags	2,519,038	363,291	2,882,329	2,142,314	354,181	2,496,495	385,834	15.5%

Revenue from tolls

Toll revenue breaks down by payment method as follows:

Income (in € millions)	1st half 2017			1st half 2016			Change 1st half 2017/2016	
	ASF	Escota	ASF + Escota	ASF	Escota	ASF + Escota	Amount	%
Immediate payment	79.0	36.5	115.5	86.6	38.6	125.2	(9.7)	-7.7%
Account subscribers	6.4	3.0	9.4	7.5	3.4	10.9	(1.5)	-13.6%
ETC payments	809.4	216.5	1,025.9	747.6	205.0	952.6	73.3	7.7%
Bank cards	425.1	87.9	513.0	415.9	88.6	504.5	8.5	1.7%
Charge cards	58.5	13.3	71.8	67.7	15.0	82.7	(10.8)	-13.1%
Onward-invoiced expenses	0.6	0.1	0.7	0.7	0.1	0.8	(0.1)	-6.5%
Toll revenue	**1,379.0**	**357.3**	**1,736.3**	**1,325.9**	**350.7**	**1,676.6**	**59.8**	**3.6%**

Toll revenue increased by 3.6% in the first half of 2017 to €1,736.3 million, from €1,676.6 million in the first half of 2016.

This change was due to the combined effect of the following two main factors:

- effect of traffic: +2.1%;
- effect of prices and rebates: +1.5%.

Revenue from commercial premises

Revenue from commercial premises amounted to €27.6 million in the first half of 2017 compared with €25.7 million in the first half of 2016, a 7.4% increase.

Revenue from the rental of optical fibres, pylons and other items

Revenue from rental of optical fibre and pylons was €7.1 million in the first half of 2017, up 7.6% on the first half of 2016 (€6.6 million).

2.1.2. Operating income

Operating income was €981.6 million in the first half of 2017, up 5.0% (€46.9 million) on the first half of 2016 (€934.7 million).

Revenue (excluding works revenue) was up 3.6%. Effective management of operating expenses (excluding construction charges) limited their increase to 2.6%.

The significant changes in operating expenses were thus the following:

- an 11.7% (€13.2 million) fall in "**external services**": €99.4 million in the first half of 2017 (€112.6 million in the first half of 2016);
- an increase of 3.0% (€10.0 million) in "**depreciation expense**": €343.6 million in the first half of 2017 (€333.6 million in the first half of 2016), largely as a result of the second half of 2016 structures commissioning effect (the Borne Romaine tunnel, relief motorway for the A9 at Montpellier, etc.);
- an increase of 3.4% (€6.2 million) in "**taxes and levies**": €190.5 million in the first half of 2017, up from €184.3 million in the first half of 2016;
- a €22.1 million increase in "**net provision expense**": €6.4 million expense for the first half of 2017 (€15.7 million profit for the same six-month period in 2016);
- a decrease of 1.8% (€2.8 million) in "**employment costs**": €153.8 million in the first half of 2017 (€156.6 million in the first half 2016);
- an increase of 0.9% (€0.1 million) in "**purchases consumed**": €11.6 million in the first half of 2017 (€11.5 million in the first half of 2016).

2.1.3. Cost of net financial debt and other financial income and expense

The cost of net financial debt was down 14.7% (€25.7 million) to €148.7 million in the first half of 2017, compared with €174.4 million in the first half of 2016 (see Note D.4. "Cost of net financial debt" of the Notes to the condensed half-year consolidated financial statements for the six months ended 30 June 2017).

Other financial income and expense increased by €1.4 million, resulting in net income of €8.5 million in the first half of 2017, compared with net income of €7.1 million for the same period of 2016 (see Note D.5. "Other financial income and expense" of the Notes to the condensed half-year consolidated financial statements for the six months ended 30 June 2017).

2.1.4. Income tax expense

The income tax expense, corresponding to current and deferred tax, was €288.3 million in the first half of 2017 compared with €262.7 million in the first half of 2016, an increase of 9.7%. This increase was the result of the improvement in the Group's results. The non-current changes in deferred tax had no impact on the net income tax amount recognised.

2.1.5. Net income

Net income attributable to owners of the parent amounted to €552.4 million in the first half of 2017, up 9.6% compared with €504.0 million in the year-earlier period.

Earnings per share amounted to €2.391 in the first half of 2017 compared with €2.182 in the first half of 2016.

Net income attributable to non-controlling interests was €0.8 million in the first half of 2017, an increase of €0.1 million.

2.2. Investments

ASF and Escota made investments totalling €290.9 million in the first half of 2017, compared with €301.6 million in the first half of 2016, a decrease of €10.7 million:

	1st half 2017			1st half 2016			Change 1st half 2017/2016
Type of investment *(in € millions)*	**ASF**	**Escota**	**ASF + Escota**	**ASF**	**Escota**	**ASF + Escota**	**%**
Construction of new sections(*)	3.5		3.5	10.2		10.2	-65.7%
Supplementary investments on motorways in service(*)	229.9	36.4	266.3	218.0	53.7	271.6	-2.0%
Operating tangible fixed assets(*)	13.5	7.6	21.1	13.7	6.0	19.8	6.7%
Total	**246.9**	**44.0**	**290.9**	**241.9**	**59.7**	**301.6**	**-3.5%**

(*) *Including capitalised production, borrowing costs, grants and financial investments.*

These investments related mainly to:

New sections

A64 – Briscous/Bayonne – Mousserolles (former RD1) (11 km)
The RD1 was reclassified for motorway use by a decree published on 9 January 2015.

By 31 December 2016 all the construction necessary to open the motorway was finished.

The prefectural decree authorising the opening of the section, which had been upgraded to motorway standards, was signed on 2 January 2017.

Widening and capacity improvement

A9 – Le Boulou/Le Perthus widening to three-lane dual carriageway (9 km)
All preliminary official authorisations were obtained.

The large scale construction work, which began in September 2016, continued with completion of the earthworks, drainage work and viaducts.

Progress on the project is in line with contractual objectives for widening this section.

A9 – Relief motorway for the A9 at Montpellier (24 km)
The work on the relief motorway itself has been completed. It was opened on 31 May 2017, more than six months ahead of schedule.

There is some additional work to be completed in autumn 2017, while the environmental upgrading of the old A9 at Montpellier continues.

A61 – Widening to three-lane dual carriageway: phase 1 (35 km)
It has been decided that the three-lane dual carriageway section between the A61/A66 junction and the Port Lauragais service station and the section between the no. 25 Lézignan interchange and the A61/A9 junction will open to the public 60 months after the declaration of public utility.

A decision to instruct an archaeological analysis was taken on 13 January 2017. It affects some 15 sites.

Progress is being made on the amicable purchases and a large part of the land control procedures has been completed.

Pre-project engineering for each of the two sections, A66/Port Lauragais and Lézignan/A9, is under way.

The first preliminary work was started as of October 2016, and the notices for bidding on the major contracts were published.

A63 – Ondres/Biriatou: widening to three-lane dual carriageway (39 km)
The large scale work, begun in the autumn of 2014, continues, on target for completion of the upgrade of the Biriatou/Biarritz section to a three-lane dual carriageway in the first quarter of 2018, ahead of schedule.

The last phase of the operation will essentially involve work on the central reservation and completion of the bridges/tunnels and acoustic screens.

A63 – Saint-Geours-de-Maremne/Ondres widening to three-lane dual carriageway (27 km)
The three-lane dual carriageway section of the A63 between Ondres and Saint-Geours-de-Maremne is scheduled to open 48 months after the declaration of public utility.

Land purchases are still underway, and virtually all of the occupancy required for the work is under control.

An additional land ownership enquiry was conducted in February 2017 to enable further occupancy (relates mainly to the basins).

Work on the new crossing structure over the Bordeaux-Hendaye railway line has been completed, as has the preparatory work (deforestation, diversion of existing services, etc.).

The two major contracts for large scale work have been assigned and initial work began in spring 2017. The large scale construction work will begin in September 2017.

Progress on the project is, at this stage, in line with contractual objectives for the upgrade of this section to a three-lane dual carriageway.

Escota's investments related in particular to:

- final works on the A8 motorway between Nice and La Turbie (the Borne Romaine project), which was opened on 28 March 2017;
- the modernisation programme for all network stations;
- the construction of four eco-bridges on the A8 motorway;
- the widening of the A57 east of Toulon, linked to the Motorway stimulus plan.

2.3. Financing

ASF contracted the following financing in the first half of 2017:

- on 18 January 2017, a bond issue under its EMTN (Euro Medium Term Note) programme for €1 billion, maturing in January 2027, with a 1.25% coupon;
- on 20 April 2017, a bond issue under its EMTN (Euro Medium Term Note) programme for €500 million, maturing in April 2026, with a 1.125% coupon.

Alongside this, the main debt repayments made in the first half of 2017 were:

- different loans taken out with CNA-EIB for a total amount of €669.5 million in January and April;
- EIB loans for €20.8 million;
- reduction in the credit facility with VINCI of €1,040.0 million.

2.4. Balance sheet

Total non-current net assets amounted to €12,666.0 million at 30 June 2017, a drop of €111.7 million compared with 31 December 2016 (€12,777.7 million).

This reduction is due primarily to the negative net change in non-current derivative assets of €74.7 million and investments in property, plant and equipment and intangible assets of €48.9 million. In the first half of 2017, the increase in depreciation and amortisation (€343.6 million) was higher than the gross amount of construction and operating assets acquired (€291.0 million).

In addition, this change also reflects a €13.5 million increase in investments in companies accounted for under the equity method as a result of a capital increase of the company Axxès.

Total current assets amounted to €680.3 million at 30 June 2017, down €68.2 million on the 31 December 2016 figure of €748.5 million, due mainly to a reduction of €63.9 million in cash and cash equivalents, other current (non-operating) assets of €15.1 million, trade and other receivables of €3.6 million and derivative financial instruments (current assets) of €12.0 million. This decrease was partly offset by the €26.5 increase in current tax assets.

Equity increased by €404.9 million to €523.7 million at 30 June 2017, compared with €118.8 million at 31 December 2016. This change resulted mainly from positive net income in the first half of 2017 (including the portion of non-controlling interests) of €553.2 million and variations in amounts recognised directly in equity of €20.6 million, less final dividend payments for the 2016 financial year of €164.3 million (including the portion of non-controlling interests) and share-based payments of €4.6 million.

Total non-current liabilities were €10,702.2 million at 30 June 2017 (€11,213.7 million at 31 December 2016), a decrease of €511.5 million. This was mainly due to a net reduction in bonds in issue and other loans and borrowings (€482.2 million) and non-current derivative liabilities of €53.8 million.

This decrease was offset in part by increases of €21.8 million in deferred tax liabilities, €1.4 million in provisions for employee benefits and €1.3 million in other non-current liabilities.

Total current liabilities amounted to €2,120.4 million at 30 June 2017, down €73.3 million on the 31 December 2016 figure of €2,193.7 million. This decrease was due principally to current income taxes payable of €82.9 million, other current operating and non-operating liabilities of €73.4 million and current derivative liabilities of €3.3 million, but was partly offset by an increase in current financial debt (€65.5 million), current provisions (€10.3 million) and trade payables (€10.5 million).

After taking account of these various items, **the Group's net financial debt** at 30 June 2017 amounted to €10,871.9 million, compared with €11,195.1 million at 31 December 2016, a decrease of €323.2 million.

2.5. Cash flows

The Group's statement of cash flows shows **a closing net balance of cash and cash equivalents** of €34.1 million, down €63.9 million from the opening balance of €98.0 million.

This change breaks down as follows:

- **operating cash flow before tax and financing costs** of €1,312.5 million in the first half of 2017, up 3.9% on the same period in 2016 (€1,263.8 million). As a proportion of revenue, cash flows from operations before tax and financing costs rose from 74.0% in the first half of 2016 to 74.1% in the first half of 2017;
- **cash flows from operating activities**, after the change in the working capital requirement and current provisions, taxes and interest paid, were up 5.5% to €731.1 million in the first half of 2017 (€692.7 million for the same period in 2016);

- **negative cash flows used in investing activities** amounted to €311.9 million in the first half of 2017, up 13.8% compared to the figure for the first half of 2016 (€274.0 million);
- **net cash flows used in financing activities** totalled €483.1 million in the first half of 2017 compared with an outflow of €383.6 million in the first half of 2016. These flows comprise dividends paid to ASF shareholders (€164.0 million), long-term borrowings in the amount of €1,500.0 million, the repayment of long-term borrowings and lines of credit for a total of €1,730.3 million and a €88.5 million negative impact from cash management assets and other current financial debts.

3. Main transactions with related parties

Details of the main transactions with related parties can be found in Note K.22. "Transactions with related parties" of the Notes to the condensed half-year consolidated financial statements for the six months ended 30 June 2017.

4. Risk factors

Since toll revenue accounts for virtually all the revenue from operating concessions, the main risks for the ASF group relate in particular to traffic or infrastructure usage and users' acceptance of tolls and prices. Traffic levels may also be affected by fuel prices.

Details of the main financial risks are given in Note I.19. "Financial risk management" to the 2016 consolidated annual financial report.

5. Parent company financial statements

5.1. Revenue

ASF's revenue (excluding construction revenue) amounted to €1,408.1 million in the first half of 2017, up 4.1% compared with the first half of 2016 (€1,352.7 million).

5.2. Net income

ASF's net income for the first half of 2017 was €451.5 million, up 24.0% on the same period in 2016 (€364.1 million).

It includes the dividends received from its subsidiary Escota (€44.9 million) in the first half of 2017 (the income for the first half of 2016 did not include any dividends received from this subsidiary).

Condensed half-year consolidated financial statements at 30 June 2017

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement for the period

(in € millions)	Note	1st half 2017	1st half 2016	2016
Revenue[1]	**C.2.**	**1,771.0**	**1,708.9**	**3,689.5**
Concession companies' revenue derived from works		249.4	251.0	535.8
Total revenue		2,020.4	1,959.9	4,225.3
Revenue from ancillary activities		20.5	18.7	39.0
Operating expenses	D.3.	(1,060.4)	(1,041.1)	(2,261.3)
Operating income from ordinary activities	**D.3.**	**980.5**	**937.5**	**2,003.0**
Share-based payments (IFRS 2)	D.3.	(1.5)	(1.0)	(4.7)
Income/(loss) of companies accounted for under the equity method		2.8	(3.7)	(3.7)
Other ordinary operating items		(0.2)	0.3	31.3
Ordinary net operating income	**D.3.**	**981.6**	**933.1**	**2,025.9**
Consolidation scope effect			1.6	1.6
Operating income	**D.3.**	**981.6**	**934.7**	**2,027.5**
Cost of gross financial debt		(148.7)	(174.7)	(334.4)
Financial income from cash investments			0.3	0.3
Cost of net financial debt	**D.4.**	**(148.7)**	**(174.4)**	**(334.1)**
Other financial income and expense	D.5.	8.5	7.1	13.4
Income tax expenses	D.6.	(288.3)	(262.7)	(563.5)
of which impact of non-current changes in deferred tax[2]				*26.2*
Net income		**553.2**	**504.7**	**1,143.3**
Net income attributable to non-controlling interests		0.8	0.7	1.5
Net income attributable to owners of the parent		**552.4**	**504.0**	**1,141.8**
Net income per share attributable to Group	**D.7.**			
Earnings per share *(in €)*		2,391	2,182	4,943
Diluted earnings per share *(in €)*		2,391	2,182	4,943

(1) Excluding concession companies' revenue derived from works.
(2) The Group's deferred tax at 31 December 2016 was reassessed in the light of adoption of the 2017 Finance Act in France, which provides for a reduction of corporation tax from 33.33% to 28.00% for all companies from 2020. At 31 December 2016, the impact on the Group's results was €26.2 million (i.e. €0.113 per share). At 30 June 2017, there was no additional impact on results.

Consolidated comprehensive income statement for the period

		1st half 2017			1st half 2016			2016		
(in € millions)	Note	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Net income		**552.4**	**0.8**	**553.2**	**504.0**	**0.7**	**504.7**	**1,141.8**	**1.5**	**1,143.3**
Financial instruments: changes in fair value		34.2		34.2	(8.0)		(8.0)	29.5		29.5
of which:										
Available-for-sale financial assets		*(1.5)*		*(1.5)*	*(0.8)*		*(0.8)*	*(0.4)*		*(0.4)*
Cash flow hedges[1]		*35.7*		*35.7*	*(7.2)*		*(7.2)*	*29.9*		*29.9*
Translation differences				0.0	(1.4)		(1.4)	(1.4)		(1.4)
Tax[2]		(11.8)		(11.8)	2.7		2.7	(11.1)		(11.1)
Other comprehensive income that can be recycled in net income at a later date	**H.14.2.**	**22.4**		**22.4**	**(6.7)**		**(6.7)**	**17.0**		**17.0**
Actuarial gains and losses on retirement benefit obligations		(2.8)		(2.8)	(5.8)		(5.8)	(0.2)		(0.2)
Tax		1.0		1.0	2.0		2.0	(1.5)		(1.5)
Other comprehensive income that cannot be recycled in net income at a later date	**H.14.2.**	**(1.8)**		**(1.8)**	**(3.8)**		**(3.8)**	**(1.7)**		**(1.7)**
All other comprehensive income recognised directly in equity	**H.14.2.**	**20.6**	**0.0**	**20.6**	**(10.5)**	**0.0**	**(10.5)**	**15.3**	**0.0**	**15.3**
Total comprehensive income		**573.0**	**0.8**	**573.8**	**493.5**	**0.7**	**494.2**	**1,157.1**	**1.5**	**1,158.6**

(1) *Changes in the fair value of cash flow hedges (interest-rate hedges) are recognised in equity for the effective portion. Cumulative gains and losses in equity are taken to profit or loss at the time when the hedged cash flow affects profit or loss.*
(2) *Tax effects relating to changes in the fair value of financial instruments used to hedge cash flows (effective portion).*

Consolidated balance sheet – assets

(in € millions)	Note	30/06/2017	30/06/2016	31/12/2016
Non-current assets				
Concession intangible assets	E.8.	11,525.3	11,575.8	11,552.7
Other intangible fixed assets		30.4	30.8	29.6
Property, plant and equipment	F.9.	579.3	611.3	601.6
Investments in companies accounted for under the equity method	G.12.	13.5		
Other non-current financial assets	G.13.	16.1	16.1	17.7
Non-current derivative financial instruments - assets	I.16.	501.4	696.6	576.1
Total non-current assets		**12,666.0**	**12,930.6**	**12,777.7**
Current assets				
Inventories and work in progress	F.10.1.	4.2	4.5	4.3
Trade and other receivables	F.10.1.	306.0	284.2	309.6
Other current operating assets	F.10.1.	158.9	133.5	167.3
Other current non-operating assets		41.5	23.3	48.2
Current tax assets		26.5	8.4	
Current derivative financial instruments - assets	I.16.	109.1	117.9	121.1
Cash and cash equivalents	I.16.	34.1	77.0	98.0
Total current assets		**680.3**	**648.8**	**748.5**
Total assets		**13,346.3**	**13,579.4**	**13,526.2**

Consolidated balance sheet – equity and liabilities

(in € millions)	Note	30/06/2017	30/06/2016	31/12/2016
Equity				
Share capital		29.3	29.3	29.3
Consolidated reserves		53.0	53.7	(920.2)
Net income attributable to owners of the parent		552.4	504.0	1,141.8
Amounts recognised directly in equity	H.14.2.	(113.1)	(159.5)	(133.7)
Equity attributable to owners of the parent		**521.6**	**427.6**	**117.2**
Non-controlling interests	H.14.3.	2.1	2.2	1.6
Total equity		**523.7**	**429.8**	**118.8**
Non-current liabilities				
Non-current provisions	F.11.	0.4	0.1	0.4
Provisions for employee benefits	J.20.	100.6	102.1	99.2
Bonds	I.16.	8,696.4	7,450.2	7,330.0
Other loans and borrowings	I.16.	1,681.3	2,739.5	3,529.9
Non-current derivative financial instruments - liabilities	I.16.	113.1	170.3	166.9
Other non-current liabilities		23.7	19.2	22.4
Deferred tax liabilities		86.7	96.8	64.9
Total non-current liabilities		**10,702.2**	**10,578.2**	**11,213.7**
Current liabilities				
Current provisions	F.10.2.	407.8	433.5	397.5
Trade payables	F.10.1.	91.3	76.2	80.8
Other current operating liabilities	F.10.1.	375.5	367.4	416.3
Other current non-operating liabilities		220.1	189.1	252.7
Current tax liabilities				82.9
Current derivative financial instruments - liabilities	I.16.	16.8	27.7	20.1
Current financial debts	I.16.	1,008.9	1,477.5	943.4
Total current liabilities		**2,120.4**	**2,571.4**	**2,193.7**
Total equity and liabilities		**13,346.3**	**13,579.4**	**13,526.2**

Consolidated cash flow statement

(in € millions)		1st half 2017	1st half 2016	2016
Consolidated net income for the period (including non-controlling interests)	Note	**553.2**	**504.7**	**1,143.3**
Net depreciation and amortisation		343.6	333.6	670.3
Net increase/(decrease) in provisions and impairments		(0.9)	(0.9)	(44.0)
Share-based payments (IFRS 2) and other restatements		(3.5)	0.2	9.3
Gain or loss on disposals		(1.2)	(0.8)	(1.3)
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated entities		(3.1)	3.4	3.4
Capitalised borrowing costs		(12.6)	(13.5)	(27.1)
Cost of net financial debt recognised	D.4.	148.7	174.4	334.1
Current and deferred tax expense recognised	D.6.	288.3	262.7	563.5
Cash flows (used in)/from operations before tax and financing costs		**1,312.5**	**1,263.8**	**2,651.5**
Changes in operating working capital requirement and current provisions	F.10.1.	(15.9)	(54.0)	(55.9)
Income taxes paid		(384.3)	(313.4)	(571.0)
Net interest paid		(181.2)	(203.7)	(326.9)
Cash flows (used in)/from operating activities	**I**	**731.1**	**692.7**	**1,697.7**
Purchases of property, plant and equipment and intangible assets		*(6.3)*	*(4.2)*	*(9.2)*
Operating investments net of disposals		**(6.3)**	**(4.2)**	**(9.1)**
Operating cash flow		**724.8**	**688.5**	**1,688.6**
Investments in concession fixed assets (net of grants received)		*(305.0)*	*(274.3)*	*(495.2)*
Disposals of concession fixed assets		*9.1*	*2.5*	*(20.8)*
Growth investments in concessions		**(295.9)**	**(271.8)**	**(516.0)**
Free cash flow (after investments)		**428.9**	**416.7**	**1,172.6**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*(10.7)*	*(3.7)*	*(3.7)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)			*6.1*	*6.1*
Net effect of changes in scope of consolidation			*(1.5)*	*(1.5)*
Net financial investments		**(10.7)**	**0.9**	**0.9**
Other		1.0	1.1	1.7
Net cash flows (used in)/from investing activities	**II**	**(311.9)**	**(274.0)**	**(522.6)**
Dividends paid				
- to shareholders of ASF	*H.15.*	*(164.0)*		*(977.0)*
- to the non-controlling interests of consolidated companies		*(0.3)*		*(1.4)*
Proceeds from new long-term borrowings	I.16.1.	1,500.0	890.0	890.0
Repayments of long-term loans	I.16.1.	(1,730.3)	(1,228.3)	(985.0)
Change in cash management assets and other current financial debts		(88.5)	(45.3)	(45.6)
Net cash flows (used in)/from financing activities	**III**	**(483.1)**	**(383.6)**	**(1,119.0)**
Other changes	**IV**		**3.7**	**3.7**
Change in net cash	**I + II + III + IV**	**(63.9)**	**38.8**	**59.8**
Net cash and cash equivalents at beginning of period		**98.0**	**38.2**	**38.2**
Net cash and cash equivalents at end of period		**34.1**	**77.0**	**98.0**
Change in cash management assets and other current financial debts		88.5	45.3	45.6
(Proceeds from)/repayment of loans		230.3	338.3	95.0
Other changes		68.3	18.4	19.0
Change in net financial debt		**323.2**	**440.8**	**219.4**
Net financial debt at beginning of period		**(11,195.1)**	**(11,414.5)**	**(11,414.5)**
Net financial debt at end of period	**I.16.**	**(10,871.9)**	**(10,973.7)**	**(11,195.1)**

Consolidated statement of changes in equity

	Equity attributable to owners of the parent							
(in € millions)	Share capital	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Equity at 01/01/2016	**29.3**	**(835.3)**	**893.1**	**1.4**	**(150.4)**	**(61.9)**	**2.3**	**(59.6)**
Net income for the period			504.0			504.0	0.7	504.7
Other comprehensive income recognised directly in the equity of companies controlled				(1.4)	(9.1)	(10.5)		(10.5)
Total comprehensive income for the period			**504.0**	**(1.4)**	**(9.1)**	**493.5**	**0.7**	**494.2**
Allocation of net income and dividend payments		893.1	(893.1)			0.0		0.0
Share-based payments (IFRS 2)		(4.1)				(4.1)		(4.1)
Changes in consolidation scope							(0.8)	(0.8)
Equity at 30/06/2016	**29.3**	**53.7**	**504.0**	**0.0**	**(159.5)**	**427.6**	**2.2**	**429.8**
Net income for the period			637.8			637.8	0.8	638.6
Other comprehensive income recognised directly in the equity of companies controlled					25.8	25.8		25.8
Total comprehensive income for the period			**637.8**	**0.0**	**25.8**	**663.6**	**0.8**	**664.4**
Allocation of net income and dividend payments		(977.0)				(977.0)	(1.4)	(978.4)
Share-based payments (IFRS 2)		3.1				3.1		3.1
Equity at 31/12/2016	**29.3**	**(920.2)**	**1,141.8**	**0.0**	**(133.7)**	**117.2**	**1.6**	**118.8**
Net income for the period			552.4			552.4	0.8	553.2
Other comprehensive income recognised directly in the equity of companies controlled					20.6	20.6		20.6
Total comprehensive income for the period			**552.4**	**0.0**	**20.6**	**573.0**	**0.8**	**573.8**
Allocation of net income and dividend payments		977.8	(1,141.8)			(164.0)	(0.3)	(164.3)
Share-based payments (IFRS 2)		(4.6)				(4.6)		(4.6)
Changes in consolidation scope								
Equity at 30/06/2017	**29.3**	**53.0**	**552.4**	**0.0**	**(113.1)**	**521.6**	**2.1**	**523.7**

NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

A. General principles and use of estimates

A.1. General principles

The accounting policies retained at 30 June 2017 are the same as those used in preparing the consolidated financial statements at 31 December 2016, except for the standards and/or amendments adopted by the European Union and mandatory as from 1st January 2017 (see below).

The Group's condensed half-year consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 25 July 2017. As these are condensed consolidated financial statements, they do not include all the information required by IFRSs for annual financial statements and should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016.

The Group's condensed half-year consolidated financial statements are presented in millions of euros to one decimal place. Rounding to the nearest hundred thousand euros may, in certain cases, give rise to non-material discrepancies in the totals and sub-totals indicated in the tables.

A.1.1 Change in the presentation of the Group's condensed half-year consolidated financial statements

The presentation of the Group's condensed half-year consolidated financial statements was modified from that used for financial years until 30 June 2016.

The changes had mainly to do with arranging and ordering the notes by subject matter. These changes are intended to make the Group's financial statements easier to read, use, and grasp, consistent with the recommendations of the AMF and the work undertaken by the International Accounting Standards Board.

The basis of preparation for the statements, the consolidation methods specifically applicable to the companies in the Group's scope, and the use of estimates to draw up the consolidated statements are all discussed in detail in Note A. "General principles and use of estimates". The other consolidation rules and methods, more general and not specific to the Group, are now presented in Note L. "Other consolidation rules and methods".

The presentations of the income statement, comprehensive income statement, cash flow statement and changes in shareholders' equity have not been affected by the improvements made. The balance sheet is presented exactly as in years past, with the exception of the addition of line items intended to single out the amounts of provisions for employee benefits.

A.1.2 New standards and interpretations applicable from 1 January 2017

There are no new standard or amendment applicable for the first time from 1 January 2017 within the European Union.

A.1.3 Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2017

The Group has not applied early any of the following standards or interpretations that might affect it, application of which was not mandatory at 1 January 2017:

- IFRS 9 "Financial Instruments";
- IFRS 15 "Revenue from Contracts with Customers";
- IFRS 16 "Leases";
- Amendments to IAS 7 "Disclosure Initiative";
- Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses";
- Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions";
- Annual improvements, cycle 2014-2016;
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Uncertainty over Income Tax Treatments".

An analysis of the impacts and practical consequences of application of these standards, amendments and interpretations is currently underway.

IFRS 15 "Revenue from Contracts with Customers" (or recognition of revenue) is the new IFRS standard governing the accounting principles for revenue. It replaces standards IAS 11 "Construction Contracts" and IAS 18 "Revenue", as well as the different existing interpretations, particularly IFRIC 15 "Agreements for the Construction of Real Estate".

In the context of implementing this standard, an evaluation grid has been put in place to identify any differences between the current IFRIC 12 model for recognition of revenue and the new IFRS 15 references. At this stage, the Group does not expect the method of recognition of revenue from concession contracts using the intangible model to be affected by IFRS 15.

The Group will finalise these analyses before the end of 2017 with the aim of quantifying the impacts, which are not expected to be significant, and to be able to provide the new information for presentation in the Notes.

The Group should apply one of the two simplified transitional measures proposed by IFRS 15.

IFRS 9 "Financial Instruments" proposes new provisions regarding the classification and measurement of financial assets based on the business management model and the contractual characteristics of the financial assets.

The standard will change the methods for recording impairment of the Group's financial assets, as IFRS 9 proposes a new model based on expected losses. The provisions on hedge accounting should be more favourable for the Group, since the standard aims to align accounting methods and the risk management policy implemented by the Group.

The ASF group does not expect there to be a significant impact on the classification and measurement of financial assets. The Group considers that at the present time the existing, effective hedging relationships meet the provisions of IFRS 9. Work is underway, in particular regarding the assessment of expected credit losses and the IASB's discussions about changes in debt.

IFRS 16 "Leases" changes the recognition of leases by lessees. According to the provisions of IAS 17, the accounting treatment of leases is determined by assessing the transfer of risks and rewards of ownership of the asset, whereas IFRS 16 imposes a single lessee accounting model that affects the balance sheet in a similar way to finance leases. The standard provides for certain exceptions to this accounting model for short-term leases or if the value of the leased asset is low. The accounting provisions applicable to lessors remain much the same in the new standard.

The Group has started collecting the necessary information to carry out impact simulations so as to determine, in particular, which transition method will be selected. The Group does not intend to apply the standard early from 2018.

The Group is following the marketplace discussions regarding the implementation of these three important standards and will adapt its work according to the conclusions reached.

A.2. Consolidation methods

In accordance with IFRS 10, companies in which the Group directly or indirectly owns the majority of the voting rights at Shareholders' General Meetings, on the Board of Directors or within the equivalent governing body, giving it the power to govern their operating and financial policies, are generally considered to be controlled companies and are consolidated under the full consolidation method. To determine control, the ASF group performs an in-depth analysis of the governance that has been set up and the rights held by the other shareholders. Whenever necessary, an analysis is also made of the instruments held by the Group or third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) and which, if exercised, might alter the type of influence wielded by each of the parties.

An analysis is made should any event arise liable to have an impact on the level of control exercised by the Group (change to an entity's share capital distribution or its governance, exercise of a dilutive financial instrument, etc.).

IFRS 11 "Joint Arrangements" concerns all aspects relating to the accounting of jointly controlled entities. This standard has no impact within the ASF group as the Group has no joint ventures or joint operations.

Associates are entities over which the Group exercises significant influence. They are consolidated by the equity method in accordance with IAS 28. Significant influence is assumed to exist where the Group's shareholding is at least 20%. However, it may exist for smaller percentages, for example where the Group is represented on the Board of Directors or in any equivalent governance body and thus plays a role in developing the entity's operational and financial policies and its strategic directions.

The Group's consolidation scope does not include subsidiaries with material non-controlling interests or individually significant associates. This assessment is based on the effect of these holdings on the Group's financial performance, consolidated balance sheet and cash flows. The ASF group does not have holdings in structured entities as defined by IFRS 12 either.

A.3. Measurement rules and methods

A.3.1. Use of estimates

The preparation of financial statements under IFRS requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements.

These estimates assume the operation is a going concern and are made on the basis of information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

The consolidated half-year financial statements for the period have been prepared with reference to the immediate environment, in particular as regards the estimates given below:

- profit or loss recognised on the basis of the stage of completion of the construction contracts;
- values used in impairment tests;

- measurement of share-based payment expenses under IFRS 2;
- measurement of retirement benefit obligations;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefits (IAS 19);
- measurement of certain financial instruments at fair value;
- measurement at fair value of identifiable financial assets and liabilities acquired when business combinations are formed.

A.3.2. Fair value measurement

The Group mainly uses fair value to measure, on a recurring basis on the balance sheet, derivative instruments, cash and cash equivalents, financial assets held for sale, cash management financial assets and identifiable financial assets and liabilities acquired when business combinations are formed. The fair value of other financial instruments (mainly debt instruments and loans and receivables at amortised cost) is indicated in Note I.19. "Book and fair value of financial instruments by accounting category".

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

It is recorded on the main market of the asset or liability (or the most advantageous in the absence of a main market), i.e. that which offers the largest volume and the best level of activity. The fair value of derivative financial instruments includes a counterparty risk assessment for derivative assets and an own credit risk for derivative liabilities.

The Group uses the following measurement methods to determine these fair values:

- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert the sum of future cash flows to a single discounted amount;
- cost-based approaches, which take the physical, technological and economic obsolescence of the asset being measured into account.

Fair values are prioritised according to three levels:

- level 1: price quoted on an active market. Marketable securities and some available-for-sale financial assets and listed bond issues are measured in this way;
- level 2: internal model using observable factors based on internal valuation techniques: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments such as swaps, caps and floors traded over the counter is made on the basis of models commonly used by market participants to price such financial instruments;

  every quarter, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by the counterparties;
- level 3: internal model using non-observable factors: this model applies to customer relationships and contracts acquired through business combinations, as well as to holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

A.3.3. Specific measurement rules and methods applied by the Group in preparing the interim financial statements

A.3.3.1. Seasonal nature of the business

The first half of the year is affected by the seasonal nature of the Group's business.

In motorway concession companies, traffic volumes are lower in the first half than the second because of high levels of light-vehicle traffic in the summer period. In the last few years, first-half revenue has accounted for 46-47% of the full-year total, depending on the network and the year.

As a result, first-half revenue and earnings cannot be extrapolated over the full year.

The seasonality of the Group's business is reflected in the net use of cash in the first half, which is attributable to the lower level of receipts during this period and the pattern of operating cash flows, the majority of which is generated in the second half of the year.

The impact of seasonal factors has not resulted in any adjustment to the Group's half-year financial statements.

Group income and expenses in respect of ordinary activities that are of a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. They are neither brought forward nor deferred at the closing date for the half-year accounts.

Income and expenses invoiced on an annual basis (e.g., patent and licence fees) are accounted for on a pro rata basis using an estimate for the full year.

Risks arising in the first half are provisioned in the accounts for the period.

A.3.3.2. Estimation of the tax income expense

The tax income expense for the first half year is determined by applying the estimated average tax rate for the whole of 2017 (including deferred tax) to the pre-tax profit. This rate can be adjusted for the tax effects of exceptional items recognised in the period.

A.3.3.3. Retirement benefit obligations

No new comprehensive actuarial assessment is carried out for the half-year consolidated financial statements. The expense for the half year in respect of retirement benefit obligations is half the expense calculated for 2017 on the basis of the actuarial assumptions at 31 December 2016. Impacts arising from changes in assumptions relating to post-employment benefits (discount rate) during the first half of 2017 are recognised under other comprehensive income.

B. Change in the consolidation scope

There were no changes in the consolidation scope in the first half of 2017.

In February 2017, the ASF group subscribed to a capital increase by the company Axxès. On completion of this transaction, its percentage owned (42.9%) and the consolidation method remained unchanged.

At 30 June 2017, Escota was the only fully-consolidated company and Axxès (associate) was the only company consolidated using the equity method.

C. Financial indicators

C.1. Information by operating segment

The ASF group is managed as a single business line, namely the management and operation of motorway concession sections, to which ancillary payments are connected in relation to commercial premises, rental of fibre optic facilities, telecommunication equipment, and heavy goods vehicle parking facilities.

C.2. Revenue

(in € millions)	1st half 2017	1st half 2016	Change 1st half 2017 vs 1st half 2016	2016
Toll revenue	1,736.3	1,676.6	3.6%	3,617.6
Fees for use of commercial premises	27.6	25.7	7.2%	57.0
Fees for optical fibres, telecommunications and other	7.1	6.6	7.6%	14.9
Revenue excluding concession companies' revenue derived from works	**1,771.0**	**1,708.9**	**3.6%**	**3,689.5**
Concession companies' revenue derived from works	249.4	251.0	-0.6%	535.8
Total revenue	**2,020.4**	**1,959.9**	**3.1%**	**4,225.3**

1st half 2017

	Revenue		
(in € millions)	ASF	Escota	Revenue 1st half 2017
Toll revenue	1,379.0	357.3	1,736.3
Fees for use of commercial premises	24.0	3.6	27.6
Fees for optical fibres, telecommunications and other	5.1	2.0	7.1
Revenue excluding concession companies' revenue derived from works	**1,408.1**	**362.9**	**1,771.0**
Breakdown of revenue	79.5%	20.5%	100.0%
Concession companies' revenue derived from works	**212.9**	**36.5**	**249.4**
Total revenue	**1,621.0**	**399.4**	**2,020.4**

1st half 2016

(in € millions)	Revenue ASF	Revenue Escota	Revenue 1st half 2016
Toll revenue	1,325.9	350.7	1,676.6
Fees for use of commercial premises	22.1	3.6	25.7
Fees for optical fibres, telecommunications and other	4.7	1.9	6.6
Revenue excluding concession companies' revenue derived from works	**1,352.7**	**356.2**	**1,708.9**
Breakdown of revenue	79.2%	20.8%	100.0%
Concession companies' revenue derived from works	**208.2**	**42.8**	**251.0**
Total revenue	**1,560.9**	**399.0**	**1,959.9**

2016

(in € millions)	Revenue ASF	Revenue Escota	2016 revenue
Toll revenue	2,886.5	731.1	3,617.6
Fees for use of commercial premises	49.4	7.6	57.0
Fees for optical fibres, telecommunications and other	10.8	4.1	14.9
Revenue excluding concession companies' revenue derived from works	**2,946.7**	**742.8**	**3,689.5**
Breakdown of revenue	79.9%	20.1%	100.0%
Concession companies' revenue derived from works	**426.3**	**109.5**	**535.8**
Total revenue	**3,373.0**	**852.3**	**4,225.3**

D. Main items in the income statement

D.3. Operating income

(in € millions)	1st half 2017	1st half 2016	2016
Revenue(*)	**1,771.0**	**1,708.9**	**3,689.5**
Concession companies' revenue derived from works	249.4	251.0	535.8
Total revenue	2,020.4	1,959.9	4,225.3
Revenue from ancillary activities	**20.5**	**18.7**	**39.0**
Purchases consumed	(11.6)	(11.5)	(23.5)
External services	(99.4)	(112.6)	(222.1)
Temporary employees	(1.9)	(1.6)	(2.1)
Subcontracting (including concession construction costs)	(254.9)	(255.8)	(547.4)
Taxes and levies	(190.5)	(184.3)	(514.5)
Employment costs	(153.8)	(156.6)	(306.5)
Other operating income and expenses	1.7	(0.8)	1.1
Depreciation and amortisation	(343.6)	(333.6)	(670.3)
Net provision expense	(6.4)	15.7	24.0
Operating expenses	**(1,060.4)**	**(1,041.1)**	**(2,261.3)**
Operating income from ordinary activities	**980.5**	**937.5**	**2,003.0**
% of revenue(*)	*55.4%*	*54.9%*	*54.3%*
Share-based payments (IFRS 2)	(1.5)	(1.0)	(4.7)
Income/(loss) of companies accounted for under the equity method	2.8	(3.7)	(3.7)
Other ordinary operating items	(0.2)	0.3	31.3
Ordinary net operating income	**981.6**	**933.1**	**2,025.9**
Consolidation scope effect		1.6	1.6
Operating income	**981.6**	**934.7**	**2,027.5**

(*) *Excluding concession companies' revenue derived from works.*

Operating income from ordinary activities measures the operating performance of the Group's fully consolidated subsidiaries before taking account of expenses related to share-based payments (IFRS 2). It also excludes the share of the profit/(loss) of companies accounted for under the equity method, other ordinary operating items and consolidation scope effects.

Ordinary net operating income is intended to show the Group's level of recurring operating performance excluding the impact of the period's non-recurring transactions and events. It is obtained by adding to the operating income from ordinary activities the impacts associated with share-based payments (IFRS 2), income of companies accounted for under the equity method and other current operating income and expenses.

D.4. Cost of net financial debt

During the first half of 2017, debt financing costs were €148.7 million, down €25.7 million on the first half of 2016 (€174.4 million).

This was mainly due to a lower average interest rate, with refinancing completed at a lower rate than loans that had reached maturity.

Net financial debt can be broken down as follows for the period:

(in € millions)	1st half 2017	1st half 2016
Financial liabilities at amortised cost	(179.2)	(202.4)
Financial assets and liabilities at fair value through profit or loss		0.3
Derivatives designated as hedges: assets and liabilities	30.0	30.6
Derivatives at fair value through profit and loss: assets and liabilities	0.5	(2.9)
Total cost of net financial debt	**(148.7)**	**(174.4)**

D.5. Other financial income and expense

Other financial income and expenses break down as follows:

(in € millions)	1st half 2017	1st half 2016
Effect of discounting to present value	(4.1)	(6.4)
Capitalised borrowing costs	12.6	13.5
Total other financial income and expenses	**8.5**	**7.1**

Other financial expenses comprised the effect of discounting assets and liabilities at more than one year for €4.1 million in the first half of 2017, compared to €6.4 million for the same period in 2016.

This discounting effect arose largely from provisions for the obligation to maintain the condition of concession assets in the amount of €3.1 million in the first half of 2017 (€5.3 million for the same period in 2016) and provisions for retirement benefit obligations in the amount of €1.0 million in the first half of 2017 (€1.1 million for the same period in 2016).

Other financial income comprised capitalised borrowing costs (€12.6 million in the first half of 2017 and €13.5 million for the same period in 2016).

D.6. Income tax expenses

Net income tax expense was €288.3 million (€262.7 million in the first half of 2017).

The effective tax rate, excluding the profit or loss of companies accounted for under the equity method, was 34.6%, excluding non-current changes in deferred tax (34.2% in the first half of 2016). The non-current changes in deferred tax had no impact on the net income tax amount recognised.

D.7. Earnings per share

The Company's capital since 2002 has comprised 230,978,001 shares. The Company holds no treasury shares or instruments convertible into equity. As a result, the weighted number of shares to be taken into consideration when calculating basic and diluted earnings per share in the first half of 2017 and the first half of 2016 is 230,978,001. Basic and diluted earnings per share are the same.

Earnings per share in the first half of 2017 came to €2.391 (€2.182 in the first half of 2016).

E. Concession contracts

E.8. Concession intangible assets

E.8.1. Detail of concession intangible assets

(in € millions)	Cost of infrastructure	Advances and in progress	Investment subsidies	Total
Gross amount				
At 01/01/2016	**20,218.1**	**984.4**	**(361.7)**	**20,840.8**
Acquisitions in the period(*)	72.7	490.3	(47.2)	515.8
Disposals and retirements during the period	(3.1)			(3.1)
Other movements	195.3	(196.5)	0.3	(0.9)
At 31/12/2016	**20,483.0**	**1,278.2**	**(408.6)**	**21,352.6**
Acquisitions in the period(*)	67.8	194.2	(5.1)	256.9
Disposals and retirements during the period	(1.3)			(1.3)
Other movements	764.1	(762.0)	5.3	7.4
At 30/06/2017	**21,313.6**	**710.4**	**(408.4)**	**21,615.6**
Depreciation and amortisation				
At 01/01/2016	**(9,390.7)**		**148.0**	**(9,242.7)**
Amortisation during the period	(566.5)		9.5	(557.0)
Other movements	0.1		(0.3)	(0.2)
At 31/12/2016	**(9,957.1)**		**157.2**	**(9,799.9)**
Amortisation during the period	(296.0)		5.6	(290.4)
At 30/06/2017	**(10,253.1)**	**0.0**	**162.8**	**(10,090.3)**
Net value				
At 01/01/2016	**10,827.4**	**984.4**	**(213.7)**	**11,598.1**
At 31/12/2016	**10,525.9**	**1,278.2**	**(251.4)**	**11,552.7**
At 30/06/2017	**11,060.5**	**710.4**	**(245.6)**	**11,525.3**

(*) *Including capitalised borrowing costs.*

Investments in the first half of 2017, excluding capitalised borrowing costs, amounted to €244.3 million (€488.7 million in 2016).

Borrowing costs included in the cost of concession assets before their entry into service amounted to €12.6 million in the first half of 2017 (€27.1 million in full-year 2016).

Concession intangible assets comprise assets under construction for €710.4 million at 30 June 2017 (including €550.7 million for ASF and €159.7 million for Escota), compared with €1,278.2 million at 31 December 2016 (including €1,086.0 million for ASF and €192.2 million for Escota). ASF's capital spending has been primarily on the relief motorway for the A9 at Montpellier, the widening of the A9 near the Spanish border and the widening of the A63 motorway in France's Pays basque region.

E.8.2. Commitments made under concession contracts

Contractual investment and renewal obligations

ASF and Escota's contractual investment obligations mainly consist of the capital spending commitments undertaken as part of the multi-annual plans and the motorway stimulus plan implemented in the second half of 2015.

They do not include obligations relating to maintenance expenditure on infrastructure under concession for which provisions have been allocated (see Note F.10.2. "Breakdown of current provisions").

Progress made on construction during the period led to a reduction in commitments of €186.5 million. The main investments are described in Note E.8.1. presenting the Group's concession intangible assets.

These investments are financed by the issue of bonds in the market, taking out new bank loans, and drawing on available credit facilities.

The corresponding commitments break down as follows:

(in € millions)	30/06/2017	31/12/2016
ASF	1,005.0	1,200.2
Escota	524.5	515.8
Total	**1,529.5**	**1,716.0**

Annual concession performance report

The annual reports for 2016 on compliance with ASF's and Escota's contractual obligations and performance of their master contracts were submitted in June 2017 to the French Government's Transport Infrastructure Department. The companies have met all their commitments.

F. Other balance sheet items and business-related commitments

F.9. Property, plant and equipment

(in € millions)	Tangible fixed assets related to concession contracts	Advances and in progress on property, plant and equipment related to concession contracts	Investment grants on concession property, plant and equipment	Other property, plant and equipment	Total
Gross amount					
At 31/12/2016	2,229.3	78.3	(9.1)	0.0	2,298.5
At 30/06/2017	**2,237.2**	**86.0**	**(9.3)**	**0.0**	**2,313.9**
Depreciation and amortisation					
At 31/12/2016	(1,705.1)	0.0	8.2	0.0	(1,696.9)
At 30/06/2017	**(1,742.9)**	**0.0**	**8.3**	**0.0**	**(1,734.6)**
Net value					
At 31/12/2016	524.2	78.3	(0.9)	0.0	601.6
At 30/06/2017	**494.3**	**86.0**	**(1.0)**	**0.0**	**579.3**

F.10. Working capital requirement and current provisions

F.10.1. Change in the working capital requirement

				Changes 30/06/2017 – 31/12/2016	
(in € millions)	30/06/2017	30/06/2016	31/12/2016	Changes in operating WCR	Other changes
Inventories and work in progress (net)	4.2	4.5	4.3	(0.1)	
Trade and other receivables	306.0	284.2	309.6	(3.6)	
Other current operating assets	158.9	133.5	167.3	(3.5)	(4.9)
Inventories and operating receivables (I)	**469.1**	**422.2**	**481.2**	**(7.2)**	**(4.9)**
Trade payables	(91.3)	(76.2)	(80.8)	(10.5)	
Other current operating liabilities	(375.5)	(367.4)	(416.2)	40.6	0.1
Trade and other operating payables (II)	**(466.8)**	**(443.6)**	**(497.0)**	**30.1**	**0.1**
Working capital requirement (excluding current provisions) (I+II)	**2.3**	**(21.4)**	**(15.8)**	**22.9**	**(4.8)**
Current provisions	**(407.8)**	**(433.5)**	**(397.5)**	**(7.0)**	**(3.3)**
of which part at less than one year of non-current provisions	*(0.6)*	*(1.4)*	*(0.6)*	*0.3*	*(0.3)*
Working capital requirement (including current provisions)	**(405.5)**	**(454.9)**	**(413.3)**	**15.9**	**(8.1)**

F.10.2. Breakdown of current provisions

Changes in current provisions reported in the balance sheet were as follows in the first halves of 2017 and 2016:

(in € millions)	Opening	Allocations	Usage	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Closing
01/01/2016	**416.2**	**81.4**	**(46.5)**	**(10.5)**	**(0.8)**	**0.2**	**440.0**
Obligation to maintain the condition of concession assets	381.3	74.9	(55.8)	(1.7)	(31.1)		367.6
Other current liabilities	57.5	19.8	(18.2)	(15.9)	(13.9)		29.3
Reclassification of the part at less than one year	1.2					(0.6)	0.6
31/12/2016	**440.0**	**94.7**	**(74.0)**	**(17.6)**	**(45.0)**	**(0.6)**	**397.5**
Obligation to maintain the condition of concession assets	367.6	33.9	(25.9)				375.6
Other current liabilities	29.3	4.3	(0.5)	(1.6)	0.1		31.6
Reclassification of the part at less than one year	0.6						0.6
30/06/2017	**397.5**	**38.2**	**(26.4)**	**(1.6)**	**0.1**	**0.0**	**407.8**

Current provisions (including the part at less than one year of non-current provisions) are directly connected with the operating cycle and mainly comprise provisions for the obligation to maintain the condition of concession assets. These principally cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. Provisions are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indices (mainly the TP01 and TP09 indices). Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructures.

The provisions relating to the obligation to maintain the condition of concession assets comprised €309.2 million for ASF at 30 June 2017 (€303.4 million at 31 December 2016) and €66.4 million for Escota at 30 June 2017 (€64.2 million at 31 December 2016).

Provisions for other current liabilities mainly comprise provisions for other risks related to operations.

F.11. Non-current provisions

Changes in non-current provisions reported in the balance sheet (excluding those for employee benefits) were as follows in 2016 and in the first half of 2017:

(in € millions)	Opening	Allocations	Usage	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Closing
01/01/2016	**0.3**	**0.4**	**(0.9)**	**(0.2)**	**0.8**	**(0.2)**	**0.2**
Other liabilities	1.4	1.2	(0.9)	(45.7)	45.0		1.0
Reclassification of the part at less than one year	(1.2)					0.6	(0.6)
31/12/2016	**0.2**	**1.2**	**(0.9)**	**(45.7)**	**45.0**	**0.6**	**0.4**
Other liabilities	1.0	0.6	(0.1)	(0.4)	(0.1)		1.0
Reclassification of the part at less than one year	(0.6)						(0.6)
30/06/2017	**0.4**	**0.6**	**(0.1)**	**(0.4)**	**(0.1)**	**0.0**	**0.4**

Provisions for other liabilities not directly related to the operating cycle, include the provisions for disputes and arbitration (described in Note K.23. "Note on litigation").

G. Data on the Group's shareholdings

G.12. Investments in companies accounted for under the equity method: associates

G.12.1. Changes during the period

(in € millions)	30/06/2017	31/12/2016
Value of shares at start of the period	**0.0**	**5.0**
Increase in the share capital of companies accounted for under the equity method	10.7	3.7
Group share of income (loss) for the period	2.8	(3.7)
Changes in consolidation scope and translation differences		(5.0)
Value of shares at end of the period	**13.5**	**0.0**

G.12.2. Aggregated financial information

At 30 June 2017, investments in companies accounted for under the equity method relate to Axxès.

	30/06/2017	30/06/2016	31/12/2016
(in € millions)	Axxès	Axxès	Axxès
% held	**42.9%**	**42.9%**	**42.9%**
Income statement			
Revenue	202.3	188.4	372.2
Net income	2.8	(3.7)	(3.7)

In accordance with IAS 28, the Group limits the accounting of its share of losses in associates to the proportion of its interest in the associate. At both 30 June 2017 and 31 December 2016, there were no unrecognised losses against associates.

G.13. Other non-current financial assets (including available-for-sale financial assets)

(in € millions)	30/06/2017	31/12/2016
Listed shares in subsidiaries and affiliates	3.7	5.2
Available-for-sale financial assets (gross)	**3.7**	**5.2**
Available-for-sale financial assets (net)	**3.7**	**5.2**
Loans and receivables	12.4	12.5
Other non-current financial assets	**16.1**	**17.7**

Available-for-sale financial assets

During the period, the change in available-for-sale financial assets breaks down as follows:

(in € millions)	30/06/2017	31/12/2016
Start of the period	**5.2**	**5.6**
Changes in fair value recognised in equity	(1.5)	(0.4)
End of period	**3.7**	**5.2**

Loans and receivables

Loans and other receivables stated at amortised cost amounted to €12.4 million and mainly include the participation of the companies in the construction effort. They are presented on the consolidated balance sheet as assets under the heading "Other non-current financial assets" (for the portion due in less than one year).

The portion of loans and receivables at less than one year is included under other current financial assets in the amount of €1.4 million at 30 June 2017 (€1.7 million at 31 December 2016).

Changes over the period can be broken down as follows:

(in € millions)	1st half 2017	2016
Start of the period	**12.5**	**11.6**
Acquisitions in the period		1.4
Disposals and retirements during the period	(0.1)	(0.5)
End of period	**12.4**	**12.5**

H. Equity

H.14. Shareholders' equity

H.14.1. Share capital

The number of shares outstanding has amounted to 230,978,001 since 2002. The Company holds no treasury shares or instruments convertible into equity.

H.14.2. Transactions recognised directly in equity

(in € millions)		30/06/2017 Attributable to owners of the parent	30/06/2017 Attributable to non-controlling interests	30/06/2017 Total	31/12/2016 Attributable to owners of the parent	31/12/2016 Attributable to non-controlling interests	31/12/2016 Total
Available-for-sale financial assets							
Reserve at beginning of period		**2.0**	**0.0**	**2.0**	**2.3**	**0.0**	**2.3**
Changes in fair value in the period		(1.5)		(1.5)	(0.4)		(0.4)
Gross reserve before tax effect at balance sheet date	**I**	**0.5**	**0.0**	**0.5**	**1.9**	**0.0**	**1.9**
Hedges of net investments							
Reserve at beginning of period		**(171.1)**	**0.0**	**(171.1)**	**(201.0)**	**0.0**	**(201.0)**
Changes in fair value in the period		14.1		14.1	3.2		3.2
Fair value items recognised in profit or loss		21.6		21.6	26.7		26.7
Gross reserve before tax effect at balance sheet date	**II**	**(135.4)**	**0.0**	**(135.4)**	**(171.1)**	**0.0**	**(171.1)**
Gross reserve before tax effect at balance sheet date (items that may be recycled through profit or loss)	**I+II**	**(134.9)**	**0.0**	**(134.9)**	**(169.2)**	**0.0**	**(169.2)**
Associated tax effect		45.4		45.4	57.3		57.3
Reserve net of tax (items that may be recycled through profit or loss)	**III**	**(89.5)**	**0.0**	**(89.5)**	**(111.9)**	**0.0**	**(111.9)**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(21.8)**	**0.0**	**(21.8)**	**(20.1)**	**0.0**	**(20.1)**
Actuarial gains and losses recognised in the period		(2.8)		(2.8)	(0.2)		(0.2)
Associated tax effect		1.0		1.0	(1.5)		(1.5)
Reserve net of tax at balance sheet date (items that may not be recycled through profit or loss)	**IV**	**(23.6)**	**0.0**	**(23.6)**	**(21.8)**	**0.0**	**(21.8)**
Total of transactions recognised directly in equity	**III+IV**	**(113.1)**	**0.0**	**(113.1)**	**(133.7)**	**0.0**	**(133.7)**

The amount recorded in equity with respect to cash flow hedges mainly concerns operations relating to interest rate risk hedging. These operations are described in Note I.19.1.2. "Description of hedging transactions" of the 2016 consolidated annual financial report.

H.14.3. Non-controlling interests

Non-controlling interests totalled €2.1 million at 30 June 2017 and were exclusively those of Escota (as at 30 June and 31 December 2016).

H.15. Dividends

The dividends paid by ASF SA in respect of 2016 and 2015 break down as follows:

	2016	2015
Interim dividend		
Amount *(in € millions)* **(I)**	**977.0**	**1,108.7**
Per share *(in euros)*	4.23	4.80
Final dividend		
Amount *(in € millions)* **(II)**	**164.0**	
Per share *(in euros)*	0.71	
Total net dividend per share		
Amount *(in € millions)* **(I) + (II)**	**1,141.0**	**1,108.7**
Per share *(in euros)*	4.94	4.80

ASF SA paid the balance of the dividends for financial year 2016 (€164.0 million) in cash on 7 April 2017.

I. Financing and financial risk management

I.16. Net financial debt

At 30 June 2017, net financial debt stood at €10.9 billion, down €323.2 million from 31 December 2016 (€11.2 billion). It can be broken down as follows:

		30/06/2017					31/12/2016				
Accounting categories	*(in € millions)*	**Non-current**	**Ref.**	**Current[1]**	**Ref.**	**Total**	**Non-current**	**Ref.**	**Current[1]**	**Ref.**	**Total**
Financial liabilities at amortised cost	Bonds	(8,696.4)	(1)	(193.4)	(3)	(8,889.8)	(7,330.0)	(1)	(187.3)	(3)	(7,517.3)
	Other bank loans and borrowings	(1,681.3)	(2)	(815.5)	(3)	(2,496.8)	(3,529.9)	(2)	(756.1)	(3)	(4,286.0)
	Long-term financial debt[2]	**(10,377.7)**		**(1,008.9)**		**(11,386.6)**	**(10,859.9)**		**(943.4)**		**(11,803.3)**
	I – Gross financial debt	**(10,377.7)**		**(1,008.9)**		**(11,386.6)**	**(10,859.9)**		**(943.4)**		**(11,803.3)**
	of which: Impact of fair value hedges	*(465.5)*				*(465.5)*	*(564.2)*				*(564.2)*
Financial assets measured at fair value through profit or loss	Cash equivalents			25.2	(7)	25.2			64.3	(7)	64.3
	Cash			8.9	(7)	8.9			33.7	(7)	33.7
	II –Financial assets	**0.0**		**34.1**		**34.1**	**0.0**		**98.0**		**98.0**
Derivatives	Derivative financial instruments - liabilities	(113.1)	(8)	(16.8)	(10)	(129.9)	(166.9)	(8)	(20.1)	(10)	(187.0)
	Derivative financial instruments - assets	501.4	(9)	109.1	(11)	610.5	576.1	(9)	121.1	(11)	697.2
	III – Derivative financial instruments	**388.3**		**92.3**		**480.6**	**409.2**		**101.0**		**510.2**
	Net financial debt (I + II + III)	**(9,989.4)**		**(882.5)**		**(10,871.9)**	**(10,450.7)**		**(744.4)**		**(11,195.1)**

(1) *Current part including accrued interest not matured.*
(2) *Including the part at less than one year.*

Reconciliation of net financial debt with balance sheet items:

(in € millions)	**Ref.**	30/06/2017	**31/12/2016**
Bonds	(1)	(8,696.4)	(7,330.0)
Other loans and borrowings	(2)	(1,681.3)	(3,529.9)
Current financial debts	(3)	(1,008.9)	(943.4)
Cash and cash equivalents	(7)	34.1	98.0
Non-current derivative financial instruments - liabilities	(8)	(113.1)	(166.9)
Non-current derivative financial instruments - assets	(9)	501.4	576.1
Current derivative financial instruments - liabilities	(10)	(16.8)	(20.1)
Current derivative financial instruments - assets	(11)	109.1	121.1
Net financial debt		**(10,871.9)**	**(11,195.1)**

Derivative financial instruments that are not designated as hedges for accounting purposes are reported at fair value as current asset or liability derivatives, whatever their maturity dates.

I.16.1. Detail of long-term financial debt

At 30 June 2017, long-term financial debt amounted to €11.4 billion, down €416.7 million from 31 December 2016 (€11.8 billion).

ASF contracted the following financing in the first half of 2017:

- on 18 January 2017, a bond issue under its EMTN (Euro Medium Term Note) programme for €1 billion, maturing in January 2027, with a 1.25% coupon;
- on 20 April 2017, a bond issue under its EMTN (Euro Medium Term Note) programme for €500 million, maturing in April 2026, with a 1.125% coupon.

Alongside this, the main debt repayments made in the first half of 2017 were:

- different loans taken out with CNA-EIB for a total amount of €669.5 million in January and April;
- EIB loans for €20.8 million;
- reduction in the credit facility with VINCI of €1,040.0 million.

Debt maturity schedule

At 30 June 2017, the average maturity of the Group's medium and long-term financial debt was 5.4 years, compared with 4.8 years at 31 December 2016.

I.16.2. Credit ratings and financial covenants

Credit ratings

At 30 June 2017, the Group's credit ratings were as follows (unchanged from 31 December 2016):

	Rating		
Agency	**Long term**	**Outlook**	**Short term**
Standard & Poor's	A-	Stable	A2
Moody's	A3	Stable	P1

Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios. The terms of the covenants linked to current financing agreements at 30 June 2017 remain unchanged from 31 December 2016. These are described in the 2016 consolidated annual financial report under Note I.17.3. "Credit ratings and financial covenants".

The relevant ratios were all met at 30 June 2017.

I.17. Net cash managed and available resources

At 30 June 2017, the Group's available resources amounted to €3.3 billion, including €34.1 million net cash managed and €3.3 billion of unused confirmed medium-term credit facilities.

I.17.1. Net cash managed

Net cash managed, which includes in particular cash management financial assets, breaks down as follows:

(in € millions)	30/06/2017	31/12/2016
Cash equivalents	**25.2**	**64.3**
Marketable securities and mutual funds (UCITS)	25.2	64.3
Cash	**8.9**	**33.7**
Net cash and cash equivalents	**34.1**	**98.0**
Current cash management financial assets		
Balance of cash current accounts		
Net cash managed	**34.1**	**98.0**

The investment vehicles used by the Group are money market funds (UCITS), interest-bearing accounts, term deposits or monetary instruments (bank certificates of deposit, generally having a maturity of less than three months). They are measured and recognised at their fair value.

Net cash is managed with low risk to capital. The performance and the risks associated with these investments of net cash are monitored regularly, through a report detailing the yield of the various assets on the basis of their fair value and analysing the associated level of risk.

I.17.2. Revolving credit facilities

ASF has a €1.7 billion revolving credit facility (maturity May 2021) with financial covenants (see Note I.16.2. "Credit ratings and financial covenants") and an internal revolving credit facility with VINCI of €2.5 billion, maturing in 2020.

The amounts authorised and used and maturity profile of ASF's revolving credit facilities at 30 June 2017 were as follows:

			Maturity		
(in € millions)	**Used at 30/06/2017**	**Authorised at 30/06/2017**	**<1 year**	**1 to 5 years**	**more than 5 years**
Revolving credit facilities		1,670.0		1,670.0	
VINCI credit facility	910.0	2,500.0		2,500.0	
Total	**910.0**	**4,170.0**		**4,170.0**	

I.18. Financial risk management

The Group's financial risk management policies and procedures are identical to those described in Note I.19. "Financial risk management" in the 2016 consolidated annual financial report. Transactions to set up or unwind hedging instruments during the first-half period did not materially alter the Group's exposure to potential financial risks.

The main risks (interest rate, exchange rate and credit or counterparty risks) are described respectively in paragraphs I.19.1., I.19.2. and I.19.3. of the 2016 consolidated annual financial report.

I.19. Book and fair value of financial instruments by accounting category

The method of measuring the fair value of financial assets and liabilities did not change in the first half of 2017.

The following table shows the carrying amount and the fair value of financial assets and liabilities, in the balance sheet, by accounting category as defined in IAS 39:

30/06/2017
(in € millions)

	Accounting categories[1]							Fair value			
Balance sheet headings and classes of instrument	**Financial instruments at fair value through profit or loss**	**Derivatives designated as hedges**	**Financial assets measured at fair value**	**Available-for-sale financial assets**	**Loans and receivables**	**Financial liabilities at amortised cost**	**Net carrying amount for the class**	**Level 1: Quoted prices and cash**	**Level 2: Internal model using observable factors**	**Level 3: Internal model using non-observable factors**	**Fair value of the class**
Listed shares in subsidiaries and affiliates				3.7			3.7	3.7			3.7
Loans and financial receivables				12.4			12.4		12.4		12.4
I – Non-current financial assets[2]	**0.0**	**0.0**	**0.0**	**16.1**	**0.0**	**0.0**	**16.1**	**3.7**	**12.4**	**0.0**	**16.1**
II – Derivative financial instruments - assets	**28.2**	**582.3**					**610.5**		**610.5**		**610.5**
Cash equivalents			25.2				25.2	25.2[3]			25.2
Cash			8.9				8.9	8.9			8.9
III – Current financial assets	**0.0**	**0.0**	**34.1**	**0.0**	**0.0**	**0.0**	**34.1**	**34.1**	**0.0**	**0.0**	**34.1**
Total assets	**28.2**	**582.3**	**34.1**	**16.1**	**0.0**	**0.0**	**660.7**	**37.8**	**622.9**	**0.0**	**660.7**
Bonds						(8,889.8)	(8,889.8)	(8,819.9)	(574.4)		(9,394.3)
Other bank loans and borrowings						(2,496.8)	(2,496.8)	(785.9)[4]	(1,760.6)		(2,546.5)
IV – Long-term financial debt	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(11,386.6)**	**(11,386.6)**	**(9,605.8)**	**(2,335.0)**	**0.0**	**(11,940.8)**
V – Derivative financial instruments - liabilities	**(12.1)**	**(117.8)**					**(129.9)**		**(129.9)**		**(129.9)**
VI – Current financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total liabilities	**(12.1)**	**(117.8)**	**0.0**	**0.0**	**0.0**	**(11,386.6)**	**(11,516.5)**	**(9,605.8)**	**(2,464.9)**	**0.0**	**(12,070.7)**
Total	**16.1**	**464.5**	**34.1**	**16.1**	**0.0**	**(11,386.6)**	**(10,855.8)**	**(9,568.0)**	**(1,842.0)**	**0.0**	**(11,410.0)**

(1) *The Group has no held-to-maturity financial assets.*
(2) *See Note G.13. "Other non-current financial assets (including available-for-sale financial assets)".*
(3) *Mainly marketable securities and mutual funds (UCITS).*
(4) *Listed price of loans issued by CNA.*

The method of measuring the fair value of financial assets and liabilities did not change in the first half of 2017.

31/12/2016
(in € millions)

	Accounting categories[1]							Fair value			
Balance sheet headings and classes of instrument	**Financial instruments at fair value through profit or loss**	**Derivatives designated as hedges**	**Financial assets measured at fair value**	**Available-for-sale financial assets**	**Loans and receivables**	**Financial liabilities at amortised cost**	**Net carrying amount for the class**	**Level 1: Quoted prices and cash**	**Level 2: Internal model using observable factors**	**Level 3: Internal model using non-observable factors**	**Fair value of the class**
Listed shares in subsidiaries and affiliates				5.2			5.2	5.2			5.2
Loans and financial receivables				12.5			12.5		12.5		12.5
I – Non-current financial assets[2]	**0.0**	**0.0**	**0.0**	**17.7**	**0.0**	**0.0**	**17.7**	**5.2**	**12.5**	**0.0**	**17.7**
II – Derivative financial instruments - assets	**35.8**	**661.4**					**697.2**		**697.2**		**697.2**
Cash equivalents			64.3				64.3	64.3[3]			64.3
Cash			33.7				33.7	33.7			33.7
III – Current financial assets	**0.0**	**0.0**	**98.0**	**0.0**	**0.0**	**0.0**	**98.0**	**98.0**	**0.0**	**0.0**	**98.0**
Total assets	**35.8**	**661.4**	**98.0**	**17.7**	**0.0**	**0.0**	**812.9**	**103.2**	**709.7**	**0.0**	**812.9**
Bonds						(7,517.3)	(7,517.3)	(7,493.1)	(591.4)		(8,084.5)
Other bank loans and borrowings						(4,286.0)	(4,286.0)	(1,383.5)[4]	(3,025.1)		(4,408.6)
IV – Long-term financial debt	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(11,803.3)**	**(11,803.3)**	**(8,876.6)**	**(3,616.5)**	**0.0**	**(12,493.1)**
V – Derivative financial instruments - liabilities	**(15.2)**	**(171.8)**					**(187.0)**		**(187.0)**		**(187.0)**
VI – Current financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total liabilities	**(15.2)**	**(171.8)**	**0.0**	**0.0**	**0.0**	**(11,803.3)**	**(11,990.3)**	**(8,876.6)**	**(3,803.5)**	**0.0**	**(12,680.1)**
Total	**20.6**	**489.6**	**98.0**	**17.7**	**0.0**	**(11,803.3)**	**(11,177.4)**	**(8,773.4)**	**(3,093.8)**	**0.0**	**(11,867.2)**

(1) *The Group has no held-to-maturity financial assets.*
(2) *See Note G.13. "Other non-current financial assets (including available-for-sale financial assets)".*
(3) *Mainly marketable securities and mutual funds (UCITS).*
(4) *Listed price of loans issued by CNA.*

J. Employee benefits and share-based payments

J.20. Provisions for employee benefits

J.20.1. Provisions for retirement benefit obligations

At 30 June 2017, provisions for retirement benefit obligations amounted to €102.8 million (including €99.0 million at more than one year) compared with €100.5 million at 31 December 2016 (including €97.4 million at more than one year). They comprised provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The change over the period comes essentially from recognition of the actuarial gains and losses resulting from a change in the discounting rate (€2.8 million) and income (net of expense recognised) of €0.5 million.

The part at less than one year of these provisions (€3.8 million at 30 June 2017 and €3.1 million at 31 December 2016) is reported under "other current non-operating liabilities". The breakdown of employee benefits granted to Group employees is presented in Note J.21.1. "Provisions for retirement benefit obligations" to the 2016 consolidated annual financial report.

The expense recognised for the first half of 2017 in respect of retirement benefit obligations is half the forecast expense for 2017 determined on the basis of actuarial assumptions at 31 December 2016 and in accordance with the provisions of IAS 19.

J.20.2. Other employee benefits

Provisions for other employee benefits mainly comprise long-service awards and agreements on early retirement for employees ("CATS"). At 30 June 2017, these provisions amounted to €2.1 million (including €1.6 million at more than one year) compared with €2.6 million (including €1.8 million at more than one year) at 31 December 2016.

J.21. Share-based payments

The expense relating to employee benefits was valued at €1.5 million for the first half of 2017 (€1.0 million for the same period in 2016), including €1.4 million for performance shares (€0.9 million in the first half of 2016) and €0.1 million for employee savings plans (€0.1 million in the first half of 2016).

Equity compensation benefits paid by VINCI to ASF group employees

Since the acquisition of the ASF group by VINCI in March 2006, the employees of ASF and Escota benefit from the Group savings scheme of the parent company, VINCI. In addition, certain employees benefit from stock options, and/or performance share plans and/or long-term incentive plans.

J.21.1. Stock options

As for the first half of 2016, no expense was recognised for stock options in the first half of 2017.

J.21.2. Performance shares

Performance shares subject to vesting conditions have been granted to certain group employees and senior executives. As these are plans under which the final vesting of the shares may be dependent on the realisation of financial criteria, the number of performance shares measured at fair value in the calculation of the IFRS 2 expense is adjusted for the impact of the change in the likelihood of the financial criteria being met.

The expense for performance shares was valued at €1.4 million at 30 June 2017 (€0.9 million at 30 June 2016).

VINCI's Board of Directors' meeting held on 20 April 2017 decided once again to implement a performance share plan that consists of granting some employees a conditional performance share award. These shares will only be allocated definitively after a vesting period of three years. To qualify, the beneficiary must be employed by the Group until the end of the vesting period and meet the performance conditions.

J.21.3. Group savings plan

The VINCI Board of Directors defines the conditions for subscribing to the Group savings plan in accordance with the authorisations granted to it by the Shareholders' General Meeting.

VINCI issues new shares in France three times a year reserved for VINCI group employees, with a subscription price that includes a 5% discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. Subscribers benefit from an employer's contribution, which is capped at an annual maximum of €2,500 per person. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2, on the basis of the following assumptions:

- subscription period: four months;
- vesting period: five years.

The number of shares estimated as subscribed at the end of the subscription period is calculated using linear regression based on historical observations of the 2006-2016 plans, taking into account a cost for frozen mutual fund shares.

This cost is estimated from the viewpoint of a hypothetical third party owning a diversified portfolio and ready to acquire the blocked shares at a discount. The discount should correspond to the return on capital an investor would expect as cover against market risk in the five years the funds are frozen. Market risk is measured on an annual basis at value at risk.

The expense for the Group savings plan was valued at €0.1 million at 30 June 2017 (no change from 30 June 2016).

K. Other notes

K.22. Transactions with related parties

The Group's related party transactions principally concern:

- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies in the VINCI group scope.

Transactions between related parties are conducted on the basis of market prices.

At the close of the first half of 2017 there had been no major changes in the type of transactions conducted by the Group with related parties as compared to 31 December 2016. These are referred to in Note G.13.3. "Transactions between subsidiaries and associates" and Note K.23. "Transactions with related parties" in the 2016 consolidated annual financial report.

K.23. Note on litigation

Litigation is managed by the Legal Affairs Department, except for cases falling within the remit of the Human Resources Department.

The ASF group is a party in a certain number of disputes in connection with its activities. To ASF's knowledge, there is no litigation likely to affect substantially the business, financial performance, net assets or financial position of the ASF group. Furthermore, provisions that the Company considers sufficient given the current state of affairs have been taken in respect of cases in progress, where necessary and taking account of insurance cover.

K.24. Post-balance sheet events

Between 30 June 2017 and approval of the consolidated financial statements by the Board of Directors on 25 July 2017, the Group did not experience any events which merit being mentioned under "Post-balance sheet events".

L. Other consolidation rules and methods

Intragroup transactions

All reciprocal operations and transactions relating to assets and liabilities, income and expenses between companies that are consolidated or accounted for under the equity method are eliminated in the consolidated financial statements.

When a fully consolidated Group company conducts a transaction with an associate consolidated by the equity method, the gains and losses resulting from this transaction are not recognised in the Group's consolidated financial statements except to the extent that third parties may hold an interest in the associate.

Translation of the financial statements of foreign subsidiaries and establishments

In the ASF group, the functional currency of companies is their local currency.

The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under items of other comprehensive income.

Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing rate. Foreign exchange gains or losses are recognised in profit and loss.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivative instruments qualifying as hedges of net investments in foreign subsidiaries are recorded under currency translation differences in equity.

Business combinations

Pursuant to IFRS 3 revised, the cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. Any price adjustments are included in the cost of business combinations and are measured at fair value at each balance sheet date. As of the acquisition date, any subsequent change in this value due to events after the acquisition of control is recognised in profit or loss.

Costs directly attributable to the acquisition such as due diligence and other related fees are recognised as an expense as incurred. They are shown on the line "Scope of consolidation effects and net gain on disposal of shares" in the income statement.

Non-controlling interests in the acquired company, if they confer on their owners current rights of ownership in the entity such as voting rights, a share in earnings, etc., together with a right to a share in the net assets in the event of liquidation, are recognised either at their percentage interest in the net identifiable assets of the acquired company or at their fair value. This option is applied to each acquisition on a case-by-case basis.

At the time control is acquired, the acquisition cost is allocated by recognising the fair value at that date of the identifiable assets acquired and liabilities assumed in the acquired company, excepting tax assets and liabilities or employee benefits, either measured according to the relevant standard (IAS 12 and IAS 19, respectively) as well as groups of assets classified as held for sale, which are recognised in accordance with IFRS 5 at their fair value minus selling costs. A positive difference between the acquisition cost and the fair value of the identifiable assets and liabilities acquired constitutes goodwill. Goodwill may at times include a portion of the fair value of non-controlling interests, i.e., if the full goodwill method has been used.

The Group may recognise within 12 months of the acquisition date any adjustments to provisional values as a result of completing the initial accounting of the transactions involving the acquirees.

If a business combination is made in stages, the investment interest previously held in the company acquired is measured at the fair value at the date control was taken. Whatever profit or loss resulting from this is recognised on the income statement.

Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

In accordance with IFRS 10, acquisitions or disposals of non-controlling interests, with no impact on control, are considered as transactions with the Group's shareholders. The difference between the consideration paid to increase the percentage shareholding in already-controlled entities and the supplementary share of equity thus acquired is recorded under equity attributable to owners of the parent. Similarly, a decrease in the Group's percentage interest in an entity that continues to be controlled is booked in the accounts as a transaction between shareholders, with no impact on profit or loss. Expenses for fees and other costs related to acquisitions and disposals of non-controlling interests without an effect on control, as well as any associated tax effects, are recognised in equity. Cash flows from transactions between shareholders are shown as cash flows from financing operations in the consolidated cash flow statement.

Report of the statutory auditors

DELOITTE & ASSOCIÉS

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France

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Autoroutes du Sud de la France (ASF)
A French limited liability company (Société Anonyme)

Registered office: 12, rue Louis Blériot
92506 Rueil -Malmaison Cedex
France
Share capital: €29,343,640.56

Report of the statutory auditors on the 2017 half-year financial information

Period from 1 January 2017 to 30 June 2017

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' General Meeting and with article L.451-1-2 III of the French Monetary and Financial Code, we have:

- carried out a limited review of the accompanying condensed half-year consolidated financial statements of Autoroutes du sud de la France (ASF), for the six-month period from 1 January 2017 to 30 June 2017;
- examined information provided in the half-year management report.

The Board of Directors was responsible for the preparation of these condensed half-year consolidated financial statements. Our responsibility is to express our conclusion on these financial statements, based on our limited review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with the prevailing standards of the profession in France. A limited review consists mainly of conducting discussions with the members of management responsible for accounting and financial matters, and carrying out analytical procedures.

This work is less extensive than that required by an audit according to the prevailing standards of the profession in France. In consequence, the assurance obtained through a limited review that the financial statements taken as a whole do not contain material misstatements is a moderate assurance, less than that obtained when performing an audit.

On the basis of our limited review, we have not noted any material misstatements that would make the condensed half-year consolidated financial statements non-compliant with IAS 34 "Interim Financial Reporting" as adopted in the European Union.

II. Specific verification

We have also verified the information in the half-year management report on the condensed half-year consolidated financial statements on which our limited examination was based. We have no comments to make as to its fair presentation and its conformity with the condensed half-year consolidated financial statements.

The statutory auditors

Neuilly-sur-Seine and Paris La Défense, 25 July 2017

DELOITTE & ASSOCIÉS	KPMG Audit A department of KPMG SA
Mansour Belhiba	**Philippe Bourhis**

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

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

Person responsible for the half-year financial report

Patrick Priam, Chief Financial Officer, ASF SA

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

"I certify that, to the best of my knowledge, the condensed half-year consolidated financial statements presented in the half-year financial report have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and of the Group formed by the companies included in the consolidated financial statement, and that the half-year management report (on pages 3 to 10) faithfully presents the important events that have occurred during the first half of the year and their impact on the half-year financial statements, the main transactions with related parties and a description of the main risks and uncertainties in respect of the remaining six months of the year."

Rueil-Malmaison, 25 July 2017

Patrick Priam

Chief Financial Officer

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