FINANCIAL REPORT

2019

Half-year financial report at 30 June 2019

Half-year financial report at 30 june 2019

Table of contents

Half-year management report at 30 June 2019

1. Key events in the period

Traffic was stable.

Light vehicle traffic was down slightly (-0.3%). Although boosted by the 1.2% per annum increase in France's GDP (Gross Domestic Product), light vehicle traffic was affected by the social movements in January and February 2019, dismal weather, a cooler spring in the South of France and, to a lesser extent, the opening of the L2 bypass in Marseilles which had a particularly strong impact on the Escota network.

Note that the price of diesel was 2.4% higher in the first six months of 2019 than in the same period of 2018.

Heavy vehicle traffic was up 1.9%. Although adversely affected by the fact 2019 had one working day less than 2018 and also by the social movements in early 2019 and the impact of the L2 bypass on the Escota network, it benefited from the base effect of the farmers' demonstrations and snow in the first quarter of 2018.

Heavy vehicle traffic was supported by a generally favourable economic climate in France and Spain. In the first quarter of 2019 annual manufacturing output grew by 1.3% in France and 1.0% in Spain.

Article L.122-9 of the French Highway Code requires the Regulatory Authority for Rail and Road Operations [*Autorité de Régulation des Activités Ferroviaires et Routières* (ARAFER)] "*to prepare a public report on the overall structure of the delegation agreements, at least once every five years*". The ARAFER has started to prepare its first report of this kind, expected to be published during 2020.

There will be a hearing before the ARAFER Board on 6 June 2019.

On 18 April 2019 the Court of Auditors published a summary statement on the Motorway Stimulus Plan (MSP) which also looks at the Motorway Investment Plan (MIP), and the government's response.

On 23 April 2019, the ASF group wrote to the Senior President of the Court of Auditors expressing its surprise that this opinion was published without having consulted the Motorway Concession Companies (MCC) at the preparatory stage.

Regarding investments, the MSP's activities are running to schedule.

The majority of the MIP activities – i.e. 12 complete or partial distributors and a carpooling parking programme intended to improve mobility in the region – are jointly funded with partner local authorities. The partnership agreements are currently being formalised with each of the parties involved.

2. Group's Activity

2.1. Results

2.1.1. Revenue

The ASF group's consolidated revenue for the first half of 2019 and 2018 breaks down as follows:

(in € millions)	1st half 2019	1st half 2018	% change
Toll revenue	**1,845.2**	**1,798.5**	**2.6%**
of which ASF	1,476.8	1,431.8	3.1%
of which Escota	368.4	366.7	0.5%
Fees for use of commercial premises	**28.7**	**26.7**	**7.5%**
of which ASF	24.8	23.2	6.9%
of which Escota	3.9	3.5	11.4%
Fees for optical fibres, telecommunications and other	**7.8**	**6.9**	**13.0%**
of which ASF	5.5	4.7	17.0%
of which Escota	2.3	2.2	4.5%
Revenue excluding concession companies' revenue derived from works	**1,881.7**	**1,832.1**	**2.7%**
of which ASF	1,507.1	1,459.7	3.2%
of which Escota	374.6	372.4	0.6%
Concession companies' revenue derived from works	**178.2**	**199.9**	**-10.9%**
of which ASF	135.1	161.2	-16.2%
of which Escota	43.1	38.7	11.4%
Total revenue	**2,059.9**	**2,032.0**	**1.4%**
of which ASF	1,642.2	1,620.9	1.3%
of which Escota	417.7	411.1	1.6%

Consolidated revenue for the first half of 2019 (excluding revenue from construction work) was €1,881.7 million, i.e. up 2.7% compared to the first half of 2018 (€1,832.1 million).

Prices

The reference index for the price increase at 1 February 2019 showed an increase of 1.943%.

On this basis, and in accordance with the amendments to the concession arrangement signed by the State, ASF and Escota, the price increase excluding taxes at 1 February 2019 was:

- for ASF: [0.70 i + 0.536], i.e. 1.896% for all classes of vehicles;
- for Escota: [0.70 i + 0.465], i.e. 1.825% for all classes of vehicles.

Traffic

Traffic in the first half of 2019 should be reviewed by taking into account the following factors:

- one working day less in 2019 for heavy vehicles;
- a moderate rise in the price of diesel, by an average of 2.4% in the first half of 2019 compared to the first half of 2018, hardly slowing the increase in light vehicle traffic;
- mixed weather in 2019 with a generally milder winter and cooler spring than in 2018 followed by an intense heatwave at the end of June 2019;
- demonstrations ("yellow vests " movement) disrupting heavy and light vehicle traffic particularly at the start of the year;
- the 37 days of SNCF strikes in the first six months of 2018 creating a negative base effect for light vehicle traffic;
- first quarter economic growth in France (1.2% per annum) and in neighbouring countries, particularly Spain (2.4% per annum).

Against this backdrop, ASF and Escota traffic figures were stable in the first half of 2019 compared with the first half of 2018:

- -0.3% for light vehicles which reperesented 84.7% of total traffic;
- +1.9% for heavy vehicles, which represented 15.3% of total traffic.

ASF and Escota network users travelled 18,281.5 million kilometers in the first half of 2019 (18,279.9 million in the first half of 2018):

Distance travelled *(in millions)*	1st half 2019				1st half 2018				Change 2019/2018	
	ASF	**Escota**	**ASF + Escota**	**%**	**ASF**	**Escota**	**ASF + Escota**	**%**	**Amount**	**%**
Light vehicles	12,408.3	3,080.4	15,488.7	84.7%	12,397.8	3,141.6	15,539.4	85.0%	(50.7)	-0.3%
Heavy vehicles	2,444.9	347.9	2,792.8	15.3%	2,396.1	344.4	2,740.5	15.0%	52.3	1.9%
Light + Heavy vehicles	**14,853.2**	**3,428.3**	**18,281.5**	**100.0%**	**14,793.9**	**3,486.0**	**18,279.9**	**100.0%**	**1.6**	**0.0%**

The annual average traffic across the entire network was 32,259 vehicles/day for the first half of 2019, compared to 32,331 vehicles/day for the first half of 2018, i.e. a 0.2% decline.

The number of payment transactions remained stable at 357.8 million in the first half of 2019 (357.7 million in the first half of 2018).

The use of automatic payment lanes and ETC payments was up 0.1% to 357.8 million transactions in the first half of 2019 (357.6 million transactions in the first half of 2018).

The rate of transactions processed in automatic payment lanes and ETC payments reached 100% in the first half of 2019, as in the first half of 2018.

Breakdown of ASF and Escota transactions by collection method:

Type of transaction *(in millions)*	1st half 2019	1st half 2018	Change 2019/2018	2019 breakdown	2018 breakdown
Manual payments	**0,0**	**0.1**	**-100.0%**	**0.0%**	**0.0%**
Automatic payments	156.2	159.7	-2.2%	43.7%	44.6%
ETC payments	201.6	197.9	1.9%	56.3%	55.3%
Sub-total automatic and ETC	**357.8**	**357.6**	**0.1%**	**100.0%**	**100.0%**
Total	**357.8**	**357.7**	**0.0%**	**100.0%**	**100.0%**

There were 2,972,468 subscribers to the light vehicle tag payment system for the two companies at 30 June 2019, making 3,655,959 tags in circulation (2,704,284 subscribers and 3,314,509 tags at 30 June 2018).

	30/06/2019			30/06/2018			Change at 30 June 2019/2018	
	ASF	**Escota**	**ASF + Escota**	**ASF**	**Escota**	**ASF + Escota**	**Amount**	**%**
Number of customers	2,712,557	259,911	2,972,468	2,446,642	257,642	2,704,284	268,184	9.9%
Number of tags	3,283,745	372,214	3,655,959	2,946,485	368,024	3,314,509	341,450	10.3%

Revenue from tolls

Toll revenue breaks down by payment method as follows:

	1st half 2019			1st half 2018			Change 1st half 2019/2018	
Income *(in € millions)*	**ASF**	**Escota**	**ASF + Escota**	**ASF**	**Escota**	**ASF + Escota**	**Amount**	**%**
Immediate payment	61.8	31.2	93.0	70.4	34.3	104.7	(11.7)	-11.2%
Account subscribers	4.8	3.0	7.8	4.6	2.9	7.5	0.3	4.0%
ETC payments	911.7	233.1	1,144.8	862.3	227.0	1,089.3	55.5	5.1%
Bank cards	439.6	88.0	527.6	435.4	89.0	524.4	3.2	0.6%
Charge cards	58.3	13.0	71.3	58.5	13.4	71.9	(0.6)	-0.8%
Onward-invoiced expenses	0.6	0.1	0.7	0.6	0.1	0.7	0,0	0.0%
Toll revenue	**1,476.8**	**368.4**	**1,845.2**	**1,431.8**	**366.7**	**1,798.5**	**46.7**	**2.6%**

Toll revenue increased by 2.6% to €1,845.2 million in the first half of 2019 (from €1,798.5 million in the first half of 2018).

This change was due to the combined effect of the following two main factors:
- traffic effect: +0.0%;
- effect of prices and rebates: +2.6%.

Revenue from commercial premises

Revenue from commercial premises amounted to €28.7 million in the first half of 2019, up 7.5% on the first half of 2018 (€26.7 million).

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

Revenue from rental of optical fibre and pylons was €7.8 million in the first half of 2019, up 13.0% on the first half of 2018 (€6.9 million).

2.1.2. Operating income

Operating income was €1,043.7 million in the first half of 2019, up 3.5% (€35.2 million) on the first half of 2018 (€1,008.5 million).

Revenue (excluding works revenue) was up 2.7%. Effective management of operating expenses (excluding construction charges) limited their increase to 1.8%.

Thus the significant changes in operating expenses were the following:

- a 7.8% increase (€8.4 million) in "**external services**": €116.6 million in the first half of 2019 (€108.2 million in the first half of 2018);
- a 3.0% increase (€11.0 million) in "**depreciation and amortisation expense**": €376.2 million in the first half of 2019 (€365.2 million in the first half of 2018), largely due to the commissioning effect in the current period;
- a 1.3% increase (€2.5 million) in "**taxes and levies**": €197.6 million in the first half of 2019 (€195.1 million in the first half of 2018);
- an €11.9 million decrease in "**net provisions**": €3.0 million of income in the first half of 2019 (€8.9 million of expense in the first half of 2018); This was essentially due to reversals for unused contingency provisions;
- a 0.3% increase (€0.4 million) in "**employee benefits expense**": €148.8 million in the first half of 2019 (€148.4 million in the first half of 2018);
- a 29.6% increase (€3.2 million) in "**purchases consumed**": €14.0 million in the first half of 2019 (€10.8 million in the first half of 2018).

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

The cost of net financial debt fell by 26.5% (€36.8 million) to €102.1 million in the first half of 2019 (€138.9 million in the first half of 2018) (see Note D.4. "Cost of net financial debt" to the 2019 condensed half-year consolidated financial statements).

Other financial income and expense fell by €9.6 million, resulting in a net expense of €2.7 million in the first half of 2019 (net income of €6.9 million in the first half of 2018) (see Note D.5. "Other financial income and expense" to the 2019 condensed half-year consolidated financial statements).

2.1.4. Income tax

The income tax expense, equal to current corporate and deferred tax, was €307.3 million in the first half of 2019 compared with €305.1 million in the first half of 2018, an increase of 0.7%. The increase in this expense, linked to the improvement in the Group's results, was mitigated by the fall in corporate income tax from 33.33% to 31.00% between 2018 and 2019.

2.1.5. Net income

Net income attributable to owners of the parent was €630.7 million in the first half of 2019, up 10.6% on the first half of 2018 (€570.5 million).

Earnings per share amounted to €2.730 in the first half of 2019, compared with €2.470 in the first half of 2018.

Net income attributable to non-controlling interests was €0.9 million in the first half of 2019, the same as in the first half of 2018.

2.2. Investments

ASF and Escota invested €212.8 million in the first half of 2019, compared with €231.5 million in the first half of 2018, an €18.7 million decrease:

Type of investment	1st half 2019			1st half 2018			Change 1st half 2019/2018
(in € millions)	ASF	Escota	ASF + Escota	ASF	Escota	ASF + Escota	%
Construction of new sections(*)	0.5		0.5	2.4		2.4	-79.2%
Supplementary investments on motorways in service(*)	143.2	44.3	187.5	167.0	40.2	207.2	-9.5%
Operating tangible fixed assets(*)	17.1	7.7	24.8	14.7	7.2	21.9	13.2%
Total	**160.8**	**52.0**	**212.8**	**184.1**	**47.4**	**231.5**	**-8.1%**

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

These investments related mainly to widening and capacity improvements on the Group's networks:

ASF network

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

Large-scale roadworks begun in the autumn of 2016 are continuing with completion at the end of June 2019 of the third phase started in September 2018. The enlargement work from outside has been completed in both directions and is underway in the central reservation.

The final season of work will be carried out in the second half of 2019 and primarily involve the completion of the current section's reconfiguration and central reservation structures followed by the application of a surface course over the whole section.

A9 – Relief motorway for the A9 at Montpellier (24 km)
The relief motorway itself was opened to traffic on 30 and 31 May 2017, after five years of work and seven months ahead of the contractual completion date of 31 December 2017.

Additional completion work began in the autumn of 2018 and involves in particular:
- reconfiguration of the Gallargues distributor and dismantling of the toll barrier in the centre of the Montpellier 1 lane, to be completed before June 2020;
- completion of new vehicle checkpoints for customs services in the four service areas.

A61 – Widening to three-lane dual carriageway: 1st phase (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.

Public inquiries concerning this project were held from 16 April to 24 May 2018. The declaration of public utility and the authorisation order relating to the protection of water sources were issued on 5 October 2018.

The amicable purchases are well underway and almost 90% of the necessary land control procedures have been completed.

The preliminary work (upgrading of traffic barriers, closures, reclassification of heavy vehicle parking places in the service areas) has been completed.

The three principal works contracts were published as soon as the declaration of public utility had been obtained.

The large-scale roadworks (primarily clearing of the rights of way and the gradual commencement of the first bank widening work) began in January 2019.

Work also began on the Fontfroide wildlife crossing bridge on the Lézignan/A9 section.

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 at the latest 48 months after the declaration of public utility.

The final phase of the work is scheduled for the autumn of 2019. It will involve completion of the central reservation work and application of a porous asphalt over the full section.

Work on the new satellite station for the Capbreton interchange continued in the first six months of 2019.

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 before 25 February 2020.

A9/A61 - Reconfiguration of the junction
The work and reconfiguration have now been completed. The Ministerial Decision approving the opening of the junction was given on 15 February 2019.

A8/A51 - A51 North ➡ A8 West access road
The project involves adding to the A8/A51 motorway junction in the Aix-en-Provence commune by building an access road in the A51 North to A8 West direction.

The initial agreement signed by the Métropole Aix-Marseille-Provence and ASF provides for this to be opened 36 months after the declaration of public utility, i.e. 29 January 2021.

The final land purchases were completed at the end of April 2019.

The large-scale roadworks began in September 2018 and are running according to the schedule committed to the local authorities.

Escota Network

A50 – Restructuring of the Ollioules distributor
The Ollioules distributor total redevelopment project located on the A50 between the Bandol distributor and the Six-Fours distributor will improve the service of the towns of Ollioules and Sanary-sur-Mer from Bandol and Toulon.

Work on the roundabouts was completed at the start of the year. The main work is underway with the earthwork for the North and South toll station platforms and the four access roads.

A52 – Widening to three-lane dual carriageway (7.8 km) between Pas de Trets and Pont de l'Étoile
The widening of the Pas de Trets/Pont de l'Étoile section continues.

A57 – Widening to three-lane dual carriageway (6.75 km) between Benoît Malon and Pierre Ronde
The section of the A57 motorway between Benoît Malon and Pierre Ronde was incorporated into the concession contract by the decree of 21 August 2015.

This same decree also provides for this section to be widened to a three-lane dual carriageway. The declaration of public utility was obtained on 27 November 2018.

Land purchases continued in the first half of 2019.

Motorway Investment Plan (ASF and Escota networks)
The Motorways Investment Plan was validated by the Decree of 6 November 2018. In particular it provides for the construction of twelve complete or partial distributors and a carpooling parking programme. These projects are covered by special agreements between ASF or Escota and the regional authorities involved.

The partnership agreements are currently being formalised with each of the parties involved.

2.3. Financing

ASF put in place the following financing in the first half of 2019:
- on 21 February 2019, a bond issue under its EMTN (Euro Medium Term Note) programme for €1 billion, maturing in February 2031, with a 1.375% coupon.

Additionally, new Castor bond issues were also made in February, May and June 2019 for €2.3 million.

Alongside this, the main debt repayments made in the first half of 2019 were:
- two bond issues, one for €200.0 million in February and the other for €969.6 million in March;
- EIB loans for €55.1 million;
- the Castor bond issue for €0.8 million.

2.4. Balance Sheet

Total non-current assets shown on the balance sheet increased by €86.0 million net to €12,215.0 million at 30 June 2019 (€12,129.0 million at 30 June 2018).

This increase is due primarily to the positive net change in non-current derivative instrument assets of €240.2 million and other non-current financial assets of €0.1 million, mitigated by the €154.4 million drop in investments in property, plant and equipment and intangible assets. In the first half of 2019, the increase in depreciation and amortisation (€376.2 million) was higher than the gross amount of construction and operating assets acquired (€212.8 million).

Total current assets amounted to €782.3 million at 30 June 2018, down €231.1 million (€1,013.4 million at 31 December 2018), due mainly to a €254.3 million drop in cash and cash equivalents, €41.6 million in derivative financial instruments (current assets), €29.0 million in tax assets and €0.6 million in inventories and work in progress.

This decrease was partially offset by the increase in other current operating and non-operating assets of €29.3 million and trade and other receivables of €65.1 million.

Equity decreased by €111.4 million to €873.4 million at 30 June 2019 (€984.8 million at 31 December 2018). This change resulted mainly from positive net income in the first half of 2019 (including the share from non-controlling interests) of €631.6 million less final dividend payments for the 2018 financial year of €736.0 million (including the share from non-controlling interests), share-based payments of €6.8 million and changes in transactions recognised directly in equity of -€0.2 million.

Total non-current liabilities were €10,063.7 million at 30 June 2019 (€9,505.0 million at 31 December 2018), an increase of €558.7 million. This was mainly due to the net increase of €488.9 million of outstanding bonds and other loans and borrowings, non-current liability derivatives of €44.6 million, €16.5 million in deferred tax liabilities, employee-benefit provisions of €5.4 million and €4.9 million in non-current lease liabilities.

This increase was partially offset by the €1.6 million fall in other non-current liabilities.

Total current liabilities amounted to €2,060.2 million at 30 June 2019, down €592.4 million from 31 December 2018 (€2,652.6 million). This decrease was mainly due to €602.8 million current financial liabilities, trade payables of €4.4 million and current derivative financial instruments – liabilities of €2.0 million, offset in part by the €4.4. million increase in current provisions, negative cash flow of €3.4 million, current tax liabilities of €3.3 million, current lease liabilities of €3.5 million and other current operating and non-operating liabilities of €2.2 million.

After taking these various items into account, the **Group's net financial debt** at 30 June 2019 amounted to €9,918.6 million, compared with €9,930.8 million at 31 December 2018, a decrease of €12.2 million.

2.5. Cash flows

The Group's statement of cash flows shows **a closing net balance of cash and cash equivalents of** €96.7 million, down €257.7 million from the opening balance of €354.4 million.

This change breaks down as follows:

- **operating cash flow before tax and financing** costs was €1,406.4 million in the first half of 2019, up 2.9% on the same period in 2018 (€1,366.6 million). As a proportion of revenue, cash flow from operations before tax and financing costs rose from 74.6% in the first half of 2018 to 74.7% in the first half of 2019;
- **cash flow from operating activities**, after changes in working capital requirement and current provisions, taxes and financial interest paid, was up 12.0% at €912.1 million in the first half of 2019 (€814.3 million for the same period in 2018);
- **negative cash flow from investing activities** amounted to €192.2 million in the first half of 2019, a 25.9% improvement compared to the first half of 2018 (€259.4 million);
- **net cash flow from financing activities** registered an outflow of €977.6 million in the first half of 2019 compared with an outflow of €256.9 million in the first half of 2018. These flows comprise dividends paid to ASF shareholders (€734.5 million), long-term net borrowings in the amount of €985.8 million, the repayment of long-term borrowings and lines of credit for a total of €1,225.5 million and a €1.9 million negative change in lease liabilities (IFRS 16).

3. Main transactions with related parties

The main transactions with related parties are detailed in Note K.23. "Transactions with related parties" to the 2019 condensed half-year consolidated financial statements.

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.20. "Financial risk management" to the 2018 consolidated annual financial statements.

5. Parent company financial statements

5.1. Revenue

ASF's consolidated revenue (excluding revenue from construction work) for the first half-year 2019 was €1,507.1 million, up 3.2% on the same period in 2018 (€1,459.7 million for the first half-year 2018).

5.2. Net income

ASF's net income for the first half of 2019 was €688.5 million, up 8.1% on the same period in 2018 (€636.8 million for the first half-year 2018).

This includes dividends of €214.7 million received from its Escota subsidiary in the first half of 2019 (€220.6 million for the first half-year 2018).

Condensed half-year consolidated financial statements at 30 June 2019

Half-year consolidated financial statements

Consolidated income statement for the period

(in € millions)	Notes	1st half 2019	1st half 2018	2018
Revenue(*)	**C.2.**	**1,881.7**	**1,832.1**	**3,844.7**
Concession companies' revenue derived from works		178.2	199.9	389.7
Total revenue		2,059.9	2,032.0	4,234.4
Revenue from ancillary activities		23.6	22.3	47.0
Operating expenses	D.3.	(1,037.4)	(1,043.9)	(2,257.7)
Operating income from ordinary activities	**D.3.**	**1,046.1**	**1,010.4**	**2,023.7**
Share-based payments (IFRS 2)	D.3.	(2.7)	(2.3)	(9.0)
Income/(loss) of companies accounted for under the equity method		0.1	0.1	0.6
Other ordinary operating items		0.2	0.3	(24.5)
Ordinary net operating income	**D.3.**	**1,043.7**	**1,008.5**	**1,990.8**
Operating income	**D.3.**	**1,043.7**	**1,008.5**	**1,990.8**
Cost of gross financial debt		(102.2)	(138.9)	(266.2)
Financial income from cash investments		0.1		0.1
Cost of net financial debt	**D.4.**	**(102.1)**	**(138.9)**	**(266.1)**
Other financial income and expense	D.5.	(2.7)	6.9	11.6
Income tax expenses	D.6.	(307.3)	(305.1)	(600.6)
Net income		**631.6**	**571.4**	**1,135.7**
Net income attributable to non-controlling interests		0.9	0.9	1.6
Net income attributable to owners of the parent		**630.7**	**570.5**	**1,134.1**
Earnings per share attributable to owners of the parent	**D.7.**			
Earnings per share *(in euros)*		2.730	2.470	4.910
Diluted earnings per share *(in euros)*		2.730	2.470	4.910

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

As of 1 January 2019 the Group applied IFRS 16 "Leases" using what is known as the "simplified retrospective method". As a result, 2018 data, which are presented for comparative purposes, have not been adjusted. The impacts of this first-time application are presented in Note A.4 "Change in accounting policy".

Consolidated comprehensive income statement for the period

		1st half 2019			1st half 2018			2018		
(in € millions)	Notes	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		**630.7**	**0.9**	**631.6**	**570.5**	**0.9**	**571.4**	**1,134.1**	**1.6**	**1,135.7**
Changes in the fair value of the instruments used to hedge cash flows and net investment[1]		9.5		9.5	21.2		21.2	46.7		46.7
Cash flow hedges[1]		*9.5*		*9.5*	*21.2*		*21.2*	*46.7*		*46.7*
Hedging costs		(1.2)		(1.2)	1.8		1.8	3.7		3.7
Tax[2]		(3.7)		(3.7)	(9.2)		(9.2)	(17.6)		(17.6)
Other items of comprehensive income that may recycled through profit or loss at a later date	**H.15.2.**	**4.6**		**4.6**	**13.8**		**13.8**	**32.8**		**32.8**
Equity instruments		0.2		0.2				(0.8)		(0.8)
Actuarial gains and losses on retirement benefit obligations		(6.8)		(6.8)	(1.4)		(1.4)	(1.4)		(1.4)
Tax		1.8		1.8	0.3		0.3	0.6		0.6
Other items of comprehensive income that may not be recycled through profit of loss at a later date	**H.15.2.**	**(4.8)**		**(4.8)**	**(1.1)**		**(1.1)**	**(1.6)**		**(1.6)**
All other items of comprehensive income recognised directly in equity	**H.15.2.**	**(0.2)**	**0.0**	**(0.2)**	**12.7**	**0.0**	**12.7**	**31.2**	**0.0**	**31.2**
Total comprehensive income		**630.5**	**0.9**	**631.4**	**583.2**	**0.9**	**584.1**	**1,165.3**	**1.6**	**1,166.9**

(1) *Changes in the fair value of cash flow 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 impacts profit or loss.*

(2) *Tax effects relating to changes in the fair value of financial instruments used to hedge cash flows (effective portion) and the hedging costs.*

Consolidated balance sheet – assets

(in € millions)	Notes	30/06/2019	30/06/2018	31/12/2018
Non-current assets				
Concession intangible assets	E.8.	11,065.3	11,339.3	11,208.8
Other intangible fixed assets		36.9	35.5	35.2
Property, plant and equipment	F.9.	474.9	510.6	487.5
Investments in companies accounted for under the equity method	G.13.	14.3	13.6	14.2
Other non-current financial assets	G.14.	16.1	16.7	16.0
Non-current derivative financial instruments - assets	I.17.	607.5	384.0	367.3
Total non-current assets		**12,215.0**	**12,299.7**	**12,129.0**
Current assets				
Inventories and work in progress	F.10.1.	4.1	4.0	4.7
Trade and other receivables	F.10.1.	366.2	320.7	301.1
Other current operating assets	F.10.1.	196.2	186.4	163.9
Other current non-operating assets		28.1	40.0	31.1
Current tax assets			22.9	29.0
Current derivative financial instruments - assets	I.17.	87.6	125.5	129.2
Cash and cash equivalents	I.17.	100.1	358.4	354.4
Total current assets		**782.3**	**1,057.9**	**1,013.4**
Total assets		**12,997.3**	**13,357.6**	**13,142.4**

Consolidated balance sheet – liabilities

(in € millions)	Notes	30/06/2019	30/06/2018	31/12/2018
Equity				
Share capital		29.3	29.3	29.3
Consolidated reserves		273.0	261.8	(119.8)
Net income attributable to owners of the parent		630.7	570.5	1,134.1
Amounts recognised directly in equity	H.15.2.	(61.9)	(80.2)	(61.7)
Equity attributable to owners of the parent		**871.1**	**781.5**	**981.9**
Non-controlling interests	H.15.3.	2.3	2.2	2.9
Total equity		**873.4**	**783.7**	**984.8**
Non-current liabilities				
Non-current provisions	F.11.	0.5	0.4	0.5
Provisions for employee benefits	J.21.	109.6	101.8	104.2
Bonds	I.17.	9,149.9	8,635.2	8,613.0
Other loans and borrowings	I.17.	564.1	609.7	612.1
Non-current derivative financial instruments – liabilities	I.17.	115.5	97.6	70.9
Non-current lease liabilities	F.12.	4.9		
Other non-current liabilities		29.1	29.0	30.7
Deferred tax liabilities		90.1	84.2	73.6
Total non-current liabilities		**10,063.7**	**9,557.9**	**9,505.0**
Current liabilities				
Current provisions	F.10.2.	455.4	415.5	451.0
Trade payables	F.10.1.	102.9	92.2	107.3
Other current operating liabilities	F.10.1.	402.5	388.7	412.8
Other current non-operating liabilities		201.6	179.0	189.1
Current tax liabilities		10.0		6.7
Current lease liabilities	F.12.	3.5		
Current derivative financial instruments – liabilities	I.17.	6.2	9.8	8.2
Current financial debts	I.17.	874.7	1,930.8	1,477.5
Cash liabilities	I.18.	3.4		
Total current liabilities		**2,060.2**	**3,016.0**	**2,652.6**
Total equity and liabilities		**12,997.3**	**13,357.6**	**13,142.4**

Consolidated cash flow statement

(in € millions)	Notes	1st half 2019	1st half 2018	2018
Consolidated net income for the period (including non-controlling interests)		**631.6**	**571.4**	**1,135.7**
Net depreciation and amortisation		376.2	365.2	741.0
Net increase/(decrease) in provisions and impairments		(1.1)	4.1	31.3
Share-based payments (IFRS 2) and other restatements		(6.0)	(10.8)	(5.5)
Gain or loss on disposals		0.9	0.2	1.2
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated entities		(0.4)	(0.4)	(1.0)
Capitalised borrowing costs	D.5.	(4.2)	(7.1)	(11.8)
Cost of net financial debt recognised	D.4.	102.1	138.9	266.1
Current and deferred tax expense recognised		307.3	305.1	600.6
Cash flows (used in)/from operations before tax and financing costs		**1,406.4**	**1,366.6**	**2,757.6**
of which IFRS 16 impact		***1.7***	***0.0***	***0.0***
Changes in operating working capital requirement and current provisions	F.10.1	(112.9)	(65.6)	24.5
Income taxes paid		(257.3)	(328.8)	(641.8)
Net interest paid		(124.1)	(157.9)	(236.7)
Cash flows (used in)/from operating activities	**I**	**912.1**	**814.3**	**1,903.6**
Purchases of property, plant and equipment and intangible assets		*(7.5)*	*(9.0)*	*(16.9)*
Disposals of property, plant and equipment and intangible assets				*0.7*
Operating investments net of disposals		**(7.5)**	**(9.0)**	**(16.1)**
***Operating cash* flow**		**904.6**	**805.3**	**1,887.5**
of which IFRS 16 impact		***1.7***	***0.0***	***0.0***
Investments in concession fixed assets (net of subsidies received)		*(188.8)*	*(262.6)*	*(464.8)*
Disposals of concession fixed assets		*3.3*	*11.1*	*21.5*
Growth investments in concessions		**(185.5)**	**(251.5)**	**(443.3)**
Free cash flow (after investments)		**719.1**	**553.8**	**1,444.2**
Other		0.8	1.1	1.9
Net cash flows (used in)/from investing activities	**II**	**(192.2)**	**(259.4)**	**(457.6)**
of which IFRS 16 impact		***0.0***	***0.0***	***0.0***
Dividends paid				
- to shareholders of ASF	*H.16.*	*(734.5)*	*(646.7)*	*(1,032.5)*
- to the non-controlling interests of consolidated companies		*(1.5)*	*(1.6)*	*(1.6)*
Proceeds from new long-term borrowings	I.17.1.	985.8	1,719.9	1,720.6
Repayments of long-term loans	I.17.1.	(1,225.5)	(1,312.5)	(1,819.7)
Change in derivative and other financial instruments			(16.0)	(18.8)
Net cash flows (used in)/from financing activities (excluding IFRS 16 impact)		**(975.7)**	**(256.9)**	**(1,152.0)**
Net cash flows (used in)/from financing activities (including IFRS 16 impact)	**III**	**(977.6)**	**(256.9)**	**(1,152.0)**
Other changes	**IV**			
Change in net cash	**I + II + III + IV**	**(257.7)**	**298.0**	**294.0**
Net cash and cash equivalents at beginning of period		**354.4**	**60.4**	**60.4**
Net cash and cash equivalents at end of period		**96.7**	**358.4**	**354.4**
Change in cash management and other assets			16.0	18.8
(Proceeds from)/repayment of loans		239.7	(407.4)	99.1
Other changes		30.2	41.9	21.0
Change in net financial debt		**12.2**	**(51.5)**	**432.9**
Net financial debt at beginning of period	**I.17.**	**(9,930.8)**	**(10,363.7)**	**(10,363.7)**
Net financial debt at end of period	**I.17.**	**(9,918.6)**	**(10,415.2)**	**(9,930.8)**

Consolidated statement of changes in equity

	Equity attributable to owners of the parent						
(in € millions)	Share capital	Consolidated reserves	Net income	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Equity at 01/01/2018	**29.3**	**(145.7)**	**1,061.5**	**(92.9)**	**852.2**	**2.9**	**855.1**
Net income for the period			570.5		570.5	0.9	571.4
Other comprehensive income recognised directly in the equity of companies controlled				12.7	12.7		12.7
Total comprehensive income for the period			**570.5**	**12.7**	**583.2**	**0.9**	**584.1**
Allocation of net income and dividend payments		414.8	(1,061.5)		(646.7)	(1.6)	(648.3)
Share-based payments (IFRS 2)		(7.3)			(7.3)		(7.3)
Equity at 30/06/2018	**29.3**	**261.8**	**570.5**	**(80.2)**	**781.5**	**2.2**	**783.7**
Net income for the period			563.6		563.6	0.7	564.3
Other comprehensive income recognised directly in the equity of companies controlled				18.5	18.5		18.5
Total comprehensive income for the period			**563.6**	**18.5**	**582.1**	**0.7**	**582.8**
Allocation of net income and dividend payments		(385.8)			(385.8)		(385.8)
Share-based payments (IFRS 2)		4.2			4.2		4.2
Equity at 31/12/2018	**29.3**	**(119.8)**	**1,134.1**	**(61.7)**	**981.9**	**2.9**	**984.8**
Net income for the period			630.7		630.7	0.9	631.6
Other comprehensive income recognised directly in the equity of companies controlled				(0.2)	(0.2)		(0.2)
Total comprehensive income for the period			**630.7**	**(0.2)**	**630.5**	**0.9**	**631.4**
Allocation of net income and dividend payments		399.6	(1,134.1)		(734.5)	(1.5)	(736.0)
Share-based payments (IFRS 2)		(6.8)			(6.8)		(6.8)
Equity at 30/06/2019	**29.3**	**273.0**	**630.7**	**(61.9)**	**871.1**	**2.3**	**873.4**

Notes to the consolidated half-year financial statements

A. Accounting policies, consolidation methods, measurement rules and methods, change in the accounting policy

A.1. Accounting principles

The accounting policies retained at 30 June 2019 are the same as those used in preparing the consolidated financial statements at 31 December 2018, except for the standards and/or amendments adopted by the European Union and mandatory as from 1 January 2019.

The Group's condensed half-year consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 25 July 2019. As these are condensed consolidated financial statements, they do not include all the information required by the IFRS standard for annual financial statements and should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2018.

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.

New standards and interpretations applicable from 1 January 2019

The impacts of the application of IFRS 16 "Leases" from 1 January 2019 are described in Note A.4.

None of the other standards and interpretations which are mandatory from 1 January 2019 have a significant impact on the ASF Group consolidated financial statements at 30 June 2019. These are mainly:
- IFRIC 23 "Uncertainty over Income Tax Treatments";
- amendments to IFRS 9 "Prepayment features with negative compensation";
- amendments to IAS 28 "Long-term interests in associated companies and joint ventures";
- amendments to IAS 19 "Amendment, reduction or liquidation of an employee scheme";
- annual improvements, 2015-2017 cycle.

IFRIC 23 " Uncertainties related to income tax ": the IFRIC 23 interpretation supplements IAS 12, " Income Taxes " by specifying the ways to measure and recognise uncertainties related to income taxes. This interpretation is mandatory for reporting periods beginning 1 January 2019. The Group has not identified any material effect on opening shareholders equity at 1 January 2019 following implementation of this interpretation. The portion of provisions for social and fiscal risk which applies exclusively to income taxes is immaterial compared to the other risks covered or the income charge recognised each year.

Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2019

The Group has not applied in advance any of the following standards or interpretations that might affect it, application of which was not mandatory at 1 January 2019:
- amendments to IAS 1 and IAS 8 "Definition of the term material";
- amendments to IFRS 3 "Definition of a business".

An analysis of the impacts and practical consequences of application of these standards is currently underway. However, they do not contain any provisions which are contrary to the Group's current accounting practices.

A.2. Consolidation methods

In accordance with IFRS 10, companies in which the Group directly or indirectly holds 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.).

Associates are entities over which the Group exercises significant influence. They are consolidated according to 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 for 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);
- determination of the discount rates and the lease terms used to determine the value of the rights of use and the related liabilities for lease contracts (IFRS 16);
- 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, equity holdings in non-consolidated companies, cash management financial assets and identifiable financial assets and liabilities acquired when business combinations are formed. The fair values of the other financial instruments (specifically debt instruments and assets at amortised cost, as defined by IFRS 9 "Financial Instruments") are listed in Note I.20. "Book value 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, some equity holdings in non-consolidated companies and bond issues are measured in this way;
- level 2: internal model using internal measurement techniques with observable factors: 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 financial years, first-half revenue has accounted for 46% to 47% of the full-year total.

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

The seasonality of the Group's business is also 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 consolidated 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 income tax expense

The income tax expense for the first half year is determined by applying the estimated average tax rate for the whole of 2019 (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 2019 on the basis of the actuarial assumptions at 31 December 2018. Impacts arising from changes in assumptions relating to post-employment benefits (discount rate and long-term inflation rate) during the first half of 2019 are recognised under "other comprehensive income".

A.4. Change in accounting policy

IFRS 16 "Leases"

As of 1 January 2019, the Group applied IFRS 16 "Leases" using what is known as the "simplified retrospective method". In accordance with the transitional provisions of IFRS 16, the 2018 data, which are presented for comparative purposes, have not been adjusted.

IFRS 16 "Leases" changes the way in which leases are recognised by lessees. It replaces IAS 17 and the related interpretations IFRIC 4, SIC 15 and SIC 27. IFRS 16 imposes a single lessee accounting model that affects the balance sheet in a similar way to the finance leases which were until 31 December 2018 recognised according to IAS 17.

The Group is not a lessor in any major lease agreements. Lessor recognition of lease agreements is the same under IFRS 16 as it was in the previous accounting regulations applicable until 31 December 2018.

The Group applies IFRS 16, described below, to all its lease agreements for underlying assets with a new value of over €5,000 and/or for which the lease term is over 12 months, taking into account any renewal options in the agreement.

Impact on the financial statements of the adoption of IFRS 16 at 1 January 2019

The Group's lease agreements relate mainly to transport equipment, property and some fixtures. Before IFRS 16 came into force, the Group classed each of its lease agreements as either a finance lease or an operating lease. A lease agreement was classed as a finance lease when it transferred virtually all the risks and benefits linked to ownership of the asset, otherwise it was classed as an operating lease. For finance leases, a fixed asset was offset in the accounts against a liability and the lease payments were assigned to repayment of the liability and interest payments. The asset was amortised over the duration of the agreement or its useful life if it was likely that any purchase option in the agreement would be exercised. For operating leases no fixed asset was recognised in the balance sheet and a lease expense was recognised in the income statement using the straight line method over the term of the lease. Lease payments made in advance or still outstanding were recognised in the balance sheet as part of the working capital requirement.

Finance leases as at 31 December 2018
On the transition date the Group did not have any finance leases.

Operating leases as at 31 December 2018
Since IFRS 16 came into force, the Group has recognised a lease liability reflecting the total outstanding lease payments, measured at the present value using the incremental borrowing rate, offset by an underlying right-to-use asset. According to the simplified approach, the value of the right-of-use asset is equal to the lease liability recognised and, in some cases, adjusted to take account of lease payments made in advance or still outstanding.

Short lease agreements or those for low-value assets are still recognised in the income statement and do not impact the Group's balance sheet.

The lease terms are calculated as the fixed agreement term plus the length of any renewals provided. The Group is following the IFRIC's discussions on the assessment of lease terms and, depending on the final conclusions, may reassess the lease terms and review the impacts of implementation of IFRS 16 in the light of any provisions which may have been decided by the international accounting standards setter.

Variable lease payments or lease-related services are not included when calculating the value of the right-of-use asset and lease liabilities but are recognised as an expense when they are incurred.

The incremental borrowing rate used to calculate the lease liabilities is based on the weighted average duration of payments, the country risk and the risk specific to the Group.

Deferred tax on the difference between the right-of-use asset and the debt liabilities has been recognised in accordance with IFRS 16.

The impacts on the Group's opening balance sheet of the first-time application of IFRS 16 as of 1 January 2019 are detailed below:

Consolidated balance sheet at 1 January 2019

Assets

(in € millions)	01/01/2019	IFRS 16 impact	01/01/2019 restated
Non-current assets			
Concession intangible assets	11,208.8		11,208.8
Other intangible fixed assets	35.2		35.2
Property, plant and equipment	487.5	8.8	496.3
Investments in companies accounted for under the equity method	14.2		14.2
Other non-current financial assets	16.0		16.0
Non-current derivative financial instruments - assets	367.3		367.3
Total non-current assets	**12,129.0**	**8.8**	**12,137.8**
Current assets			
Inventories and work in progress	4.7		4.7
Trade and other receivables	301.1		301.1
Other current operating assets	163.9	(0.1)	163.8
Other current non-operating assets	31.1		31.1
Current tax assets	29.0		29.0
Current derivative financial instruments - assets	129.2		129.2
Cash and cash equivalents	354.4		354.4
Total current assets	**1,013.4**	**(0.1)**	**1,013.3**
Total assets	**13,142.4**	**8.7**	**13,151.1**

Liabilities

(in € millions)	01/01/2019	IFRS 16 impact	01/01/2019 restated
Equity			
Share capital	29.3		29.3
Consolidated reserves	(119.8)		(119.8)
Net income attributable to owners of the parent	1,134.1		1,134.1
Amounts recognised directly in equity	(61.7)		(61.7)
Equity attributable to owners of the parent	**981.9**	**0.0**	**981.9**
Non-controlling interests	2.9		2.9
Total equity	**984.8**	**0.0**	**984.8**
Non-current liabilities			
Non-current provisions	0.5		0.5
Provisions for employee benefits	104.2		104.2
Bonds	8,613.0		8,613.0
Other loans and borrowings	612.1		612.1
Non-current derivative financial instruments – liabilities	70.9		70.9
Non-current lease liabilities		5.5	5.5
Other non-current liabilities	30.7		30.7
Deferred tax liabilities	73.6		73.6
Total non-current liabilities	**9,505.0**	**5.5**	**9,510.5**
Current liabilities			
Current provisions	451.0		451.0
Trade payables	107.3	(0.1)	107.2
Other current operating liabilities	412.8		412.8
Other current non-operating liabilities	189.1		189.1
Current tax liabilities	6.7		6.7
Current lease liabilities		3.3	3.3
Current derivative financial instruments – liabilities	8.2		8.2
Current financial debts	1,477.5		1,477.5
Total current liabilities	**2,652.6**	**3.2**	**2,655.8**
Total equity and liabilities	**13,142.4**	**8.7**	**13,151.1**

The first-time application of IFRS 16 had no impact on the Group's opening equity.

Reconciliation between the off-balance sheet lease commitments and the IFRS 16 lease liability

(in € millions)		At 1 January 2019
Off-balance sheet lease commitments at 31 December 2018		**10.4**
Average marginal borrowing rate		**3.0%**
Discounted off-balance sheet commitments at 1 January 2019	**I**	**10.1**
Commitments relating to short-term agreements		(1.1)
Commitments relating to low-value asset agreements		(0.3)
Total	**II**	**(1.4)**
Renewal options and other adjustments not shown as off-balance sheet commitments		0.1
Total	**III**	**0.1**
Lease liabilities at 1 January 2019	**I-II+III**	**8.8**

B. Change in the consolidation scope

There were no changes in the consolidation scope in the first half of 2019.

At 30 June 2019, Escota was the only fully-consolidated company and Axxès (associate company) was the only company consolidated using the equity method.

C. Financial indicators

C.1. Segment information

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, fibre optic facilities, telecommunication equipment, and heavy goods vehicle parking facilities.

C.2. Revenue

(in € millions)	1st half 2019	1st half 2018	Change 1st half 2019 vs. 1st half 2018	2018
Toll revenue	1,845.2	1,798.5	2.6%	3,770.0
Fees for use of commercial premises	28.7	26.7	7.5%	59.9
Fees for optical fibres, telecommunications and other	7.8	6.9	13.0%	14.8
Revenue excluding concession companies' revenue derived from works	**1,881.7**	**1,832.1**	**2.7%**	**3,844.7**
Concession companies' revenue derived from works	178.2	199.9	-10.8%	389.7
Total revenue	**2,059.9**	**2,032.0**	**1.4%**	**4,234.4**

1st half 2019

	Revenue		
(in € millions)	ASF	Escota	Revenue 1st half 2019
Toll revenue	1,476.8	368.4	1,845.2
Fees for use of commercial premises	24.8	3.9	28.7
Fees for optical fibres, telecommunications and other	5.5	2.3	7.8
Revenue excluding concession companies' revenue derived from works	**1,507.1**	**374.6**	**1,881.7**
Breakdown of revenue	80.1%	19.9%	100.0%
Concession companies' revenue derived from works	**135.1**	**43.1**	**178.2**
Total revenue	**1,642.2**	**417.7**	**2,059.9**

1st half 2018

	Revenue		
(in € millions)	ASF	Escota	Revenue 1st half 2018
Toll revenue	1,431.8	366.7	1,798.5
Fees for use of commercial premises	23.2	3.5	26.7
Fees for optical fibres, telecommunications and other	4.7	2.2	6.9
Revenue excluding concession companies' revenue derived from works	**1,459.7**	**372.4**	**1,832.1**
Breakdown of revenue	79.7%	20.3%	100.0%
Concession companies' revenue derived from works	**161.2**	**38.7**	**199.9**
Total revenue	**1,620.9**	**411.1**	**2,032.0**

2018

	Revenue		
(in € millions)	ASF	Escota	Revenue for 2018
Toll revenue	3,032.6	737.4	3,770.0
Fees for use of commercial premises	52.3	7.6	59.9
Fees for optical fibres, telecommunications and other	10.2	4.6	14.8
Revenue excluding concession companies' revenue derived from works	**3,095.1**	**749.6**	**3,844.7**
Breakdown of revenue	80.5%	19.5%	100.0%
Concession companies' revenue derived from works	**315.1**	**74.6**	**389.7**
Total revenue	**3,410.2**	**824.2**	**4,234.4**

D. Main items in the income statement

D.3. Operating income

(in € millions)	1st half 2019	1st half 2018	2018
Revenue[1]	**1,881.7**	**1,832.1**	**3,844.7**
Concession companies' revenue derived from works	178.2	199.9	389.7
Total revenue	2,059.9	2,032.0	4,234.4
Revenue from ancillary activities[2]	**23.6**	**22.3**	**47.0**
Purchases consumed	(14.0)	(10.8)	(22.3)
External services	(116.6)	(108.2)	(241.0)
Temporary employees	(0.6)	(0.1)	0.4
Subcontracting (including concession construction costs)	(186.4)	(207.7)	(409.1)
Taxes and levies	(197.6)	(195.1)	(520.9)
Employment costs	(148.8)	(148.4)	(304.2)
Other operating income and expenses	(0.2)	0.5	0.4
Depreciation and amortisation[3]	(376.2)	(365.2)	(741.0)
Net provision expense	3.0	(8.9)	(20.0)
Operating expenses	**(1,037.4)**	**(1,043.9)**	**(2,257.7)**
Operating income from ordinary activities	**1,046.1**	**1,010.4**	**2,023.7**
% of revenue[1]	*55.6%*	*55.1%*	*52.6%*
Share-based payments (IFRS 2)	(2.7)	(2.3)	(9.0)
Income/(loss) of companies accounted for under the equity method	0.1	0.1	0.7
Other ordinary operating items	0.2	0.3	(24.5)
Ordinary net operating income	**1,043.7**	**1,008.5**	**1,990.8**
Operating income	**1,043.7**	**1,008.5**	**1,990.8**

(1) *Excluding concession companies' revenue derived from works.*
(2) *The revenue from ancillary activities is mainly revenue from leases and sales of materials, equipment and goods.*
(3) *Including for the first half-year 2019, €1.8 million of amortisation of right-of-use lease assets following application of IFRS 16 "Leases" (see Note A.4. "Change in accounting policy").*

Operating income from ordinary activities measures the operating performance of the Group's fully consolidated subsidiary 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 and other operational items, both ordinary and extraordinary.

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, which include current income and expenses relating to the companies accounted for under the equity method and non-consolidated companies (financial income from shareholder loans and advances the Group has granted to some of its subsidiaries, in particular dividends received from non-consolidated companies).

D.4. Cost of net financial debt

During the first half of 2019, debt financing costs were €102.1 million, down €36.8 million compared to the first half of 2018 (€138.9 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 2019	1st half 2018
Financial liabilities at amortised cost	(141.4)	(173.1)
Financial assets and liabilities at fair value through profit and loss	0.1	
Derivatives designated as hedges: assets and liabilities	41.7	36.6
Derivatives at fair value through profit and loss: assets and liabilities	(2.5)	(2.4)
Total cost of net financial debt	**(102.1)**	**(138.9)**

D.5. Other financial income and expense

Other financial income and expenses break down as follows:

(in € millions)	1st half 2019	1st half 2018
Discounting costs	(6.9)	(0.2)
Capitalised borrowing costs	4.2	7.1
Total other financial income and expenses	**(2.7)**	**6.9**

Other financial expenses included the cost of discounting assets and liabilities at more than one year for €6.9 million in the first half of 2019, compared to €0.2 million in the first half of 2018.

These discounting expenses arose from provisions for the obligation to maintain the condition of concession assets representing an expense of €6.0 million in the first half of 2019 (income of €0.7 million in the first half of 2018) and provisions for employee benefit obligations of €0.9 million in the first half of 2019, unchanged from the first half of 2018.

Other financial income comprised capitalised borrowing costs of €4.2 million in the first half of 2019 (€7.1 million in the first half of 2018).

Following the application of IFRS 16, the Group calculated a financial expense related to the leased assets. This expense is immaterial during the period.

D.6. Income tax expenses

Net income tax expense was €307.3 million (€305.1 million in the first half of 2018).

The effective tax rate (excluding the profit or loss of companies accounted for under the equity method) was 32.4%, excluding non-current changes in deferred tax (34.9% in the first half of 2018). This reduction was due mainly to the change in the corporate income tax which fell from 33.33% in 2018 to 31.00% in 2019.

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 2019 and the first half of 2018 is 230,978,001. Basic and diluted earnings per share are the same.

Earnings per share in the first half of 2019 was €2.730 (€2.470 in the first half of 2018).

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 01/01/2018	**21,478.6**	**774.2**	**(421.6)**	**21,831.2**
Acquisitions in the period(*)	87.5	314.0	(1.7)	399.8
Disposals and retirements during the period	(1.7)			(1.7)
Other movements	469.8	(458.4)	0.2	11.6
At 31/12/2018	**22,034.2**	**629.8**	**(423.1)**	**22,240.9**
Acquisitions in the period(*)	12.6	169.9	(0.2)	182.3
Disposals and retirements during the period	(0.2)			(0.2)
Other movements	57.8	(58.0)	0.1	(0.1)
At 30/06/2019	**22,104.4**	**741.7**	**(423.2)**	**22,422.9**
Depreciation and amortisation				
At 01/01/2018	**(10,565.2)**	**0.0**	**168.1**	**(10,397.1)**
Amortisation during the period	(646.4)		11.4	(635.0)
At 31/12/2018	**(11,211.6)**	**0.0**	**179.5**	**(11,032.1)**
Amortisation during the period	(330.9)		5.4	(325.5)
At 30/06/2019	**(11,542.5)**	**0.0**	**184.9**	**(11,357.6)**
Net value				
At 01/01/2018	**10,913.4**	**774.2**	**(253.5)**	**11,434.1**
At 31/12/2018	**10,822.6**	**629.8**	**(243.6)**	**11,208.8**
At 30/06/2019	**10,561.9**	**741.7**	**(238.3)**	**11,065.3**

(*) *Including capitalised borrowing costs.*

Investments in the first half of 2019, excluding capitalised borrowing costs, amounted to €178.1 million (€388.0 million in 2018).

The first-half 2019 borrowing costs included in the cost of concession assets before their commissioning amounted to €4.2 million (€11.8 million for the full year 2018).

Concession intangible assets comprised assets under construction for €741.7 million at 30 June 2019 (including €592.0 million for ASF and €149.7 million for Escota) compared with €629.8 million at 31 December 2018 (of which €504.4 million for ASF and €125.4 million for Escota). The investments for the period related primarily to the widening of the A63 motorway in France's Pays Basque region, the A52 motorway East of Marseilles and the A9/A61 junction South of Narbonne.

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, the Motorway Stimulus Plan implemented in the second half of 2015 and the new Motorway Investment Plan approved in 2018.

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 €92.4 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)	30/06/2019	31/12/2018
ASF	634.2	715.6
Escota	518.1	529.1
Total	**1,152.3**	**1,244.7**

Annual concession performance report

The annual reports for 2018 on compliance with ASF's and Escota's contractual obligations and performance of their master contracts were submitted in June 2019 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	Right-of-use for real estate	Right-of-use for other movable assets	Total
Gross amount						
At 31/12/2018	2,286.4	43.4	(10.4)	0.0	0.0	2,319.4
At 30/06/2019	**2,299.6**	**44.0**	**(10.4)**	**1.9**	**8.3**	**2,343.4**
Depreciation and amortisation						
At 31/12/2018	(1,840.6)	0.0	8.7	0.0	0.0	(1,831.9)
At 30/06/2019	**(1,875.5)**	**0.0**	**8.8**	**(0.3)**	**(1.5)**	**(1,868.5)**
Net value						
At 31/12/2018	445.8	43.4	(1.7)	0.0	0.0	487.5
At 30/06/2019	**424.1**	**44.0**	**(1.6)**	**1.6**	**6.8**	**474.9**

The impacts from the first application of IFRS 16 on 1 January 2019 on the Group's property, plant and equipment are the following:
- Rights of use for operating leases on real property for €1.9 million;
- Rights of use for operating leases on business property for €6.9 million.

F.10. Working capital requirement and current provisions

F.10.1. Change in the working capital requirement

				Changes 30/06/2019 – 31/12/2018	
(in € millions)	30/06/2019	30/06/2018	31/12/2018	Changes in operating WCR	Other changes
Inventories and work in progress (net)	4.1	4.0	4.7	(0.6)	
Trade and other receivables	366.2	320.7	301.1	65.1	
Other current operating assets	196.2	186.4	163.9	32.3	
Inventories and operating receivables (I)	**566.5**	**511.1**	**469.7**	**96.8**	**0.0**
Trade payables	(102.9)	(92.2)	(107.3)	4.3	0.1
Other current operating liabilities	(402.5)	(388.7)	(412.8)	10.3	
Trade and other operating payables (II)	**(505.4)**	**(480.9)**	**(520.1)**	**14.6**	**0.1**
Working capital requirement (excluding current provisions) (I+II)	**61.1**	**30.2**	**(50.4)**	**111.4**	**0.1**
Current provisions	**(455.4)**	**(415.5)**	**(451.0)**	**1.5**	**(5.9)**
of which part at less than one year of non-current provisions	*(0.8)*	*(0.7)*	*(0.8)*	*0.4*	*(0.4)*
working capital requirement (including current provisions)	**(394.3)**	**(385.3)**	**(501.4)**	**112.9**	**(5.8)**

F.10.2. Breakdown of current provisions

Changes in current provisions reported in the balance sheet were as follows in 2018 and the first half of 2019:

(in € millions)	Opening	Allocations	Usage	Other reversals not used	Change in consolidation scope and miscellaneous	Change in the portion at less than one year	Closing
01/01/2018	**397.5**	**82.3**	**(56.2)**	**(13.6)**	**(0.1)**	**0.0**	**409.9**
Obligation to maintain the condition of concession assets	378.5	70.3	(48.8)	(6.8)	24.9		418.1
Other current liabilities	30.8	5.7	(2.7)	(1.6)			32.2
Reclassification of the porton at less than one year	0.6					0.1	0.7
31/12/2018	**409.9**	**76.0**	**(51.5)**	**(8.4)**	**24.9**	**0.1**	**451.0**
Obligation to maintain the condition of concession assets	418.1	45.4	(21.9)	0.0			441.6
Other current liabilities	32.2	0.8	(8.2)	(11.7)			13.1
Reclassification of the portion at less than one year	0.7						0.7
30/06/2019	**451.0**	**46.2**	**(30.1)**	**(11.7)**	**0.0**	**0.0**	**455.4**

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 €361.9 million for ASF at 30 June 2019 (€343.2 million at 31 December 2018) and €79.7 million for Escota at 30 June 2019 (€74.9 million at 31 December 2018). 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 2018 the first half of 2019:

(in € millions)	Opening	Allocations	Usage	Other reversals not used	Change in consolidation scope and miscellaneous	Change in the part at less than one year	Closing
01/01/2018	**0.4**	**0.5**	**(0.1)**	**(0.4)**	**0.1**	**0.0**	**0.5**
Other risks	1.1	25.2		(0.2)	(24.9)		1.2
Reclassification of the portion at less than one year	(0.6)					(0.1)	(0.7)
31/12/2018	**0.5**	**25.2**	**0.0**	**(0.2)**	**(24.9)**	**(0.1)**	**0.5**
Other risks	1.2						1.2
Reclassification of the portion at less than one year	(0.7)						(0.7)
30/06/2019	**0.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.5**

Provisions for other liabilities not directly related to the operating cycle include the provisions for disputes and arbitration (see Note K.24. "Note on litigation".).

F.12. Lease liabilities

The impact of lease liabilities on the opening balance sheet is detailed in Note A.4., and stood at €8.4 million at 30 June 2019, including €1.6 million related to leases on real property and €6.8 million related to leases on business property.

The net change recorded during the period, i.e. €0.4 million, breaks down as follows:

- €1.5 million with respect to new contracts recognised since 1 January 2019;
- €(1,9) million with respect to loan repayments of lease liabilities.

At 30 June 2019, lease liabilities related to lease contracts stood at €8.4 million, of which €4.9 million were non-current lease liabilities and €3.5 million were current lease liabilities.

G. Data on the Group's shareholdings

G.13. Investments in companies accounted for under the equity method: associates

G.13.1. Changes during the period

(in € millions)	30/06/2019	31/12/2018
Value of shares at start of the period	**14.2**	**13.6**
Group share of income (loss) for the period	0.1	0.6
Value of shares at end of the period	**14.3**	**14.2**

G.13.2. Aggregated financial information

At 30 June 2019, investments in companies accounted for under the equity method relate to Axxès.

(in € millions)	30/06/2019	30/06/2018
% held	**42.9%**	**42.9%**
Income statement		
Revenue	204.8	215.8
Net income	0.1	

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 2019 and 31 December 2018 there were no unrecognised losses against associates.

G.14. Other non-current financial assets

(in € millions)	30/06/2019	31/12/2018
Listed shares in subsidiaries and affiliates	3.1	2.9
Equity instruments	**3.1**	**2.9**
Financial assets at amortised cost	13.0	13.1
Other non-current financial assets	**16.1**	**16.0**

Equity instruments

Equity instruments are mainly equity holdings in non-consolidated companies. During the period, the change in equity instruments was as follows:

(in € millions)	30/06/2019	31/12/2018
Start of the period	**2.9**	**3.7**
Changes in fair value recognised in equity	0.2	(0.8)
End of period	**3.1**	**2.9**

Financial assets at amortised cost

Financial assets at amortised cost mainly include the participation of the companies in the construction effort (€13.0 million).

They are presented on the consolidated balance sheet as assets under the heading "Other non-current financial assets" (for the portion beyond one year). The portion at less than one year is included under "Other current financial assets" in the amount of €0.6 million at 30 June 2019 (€1.2 million at 31 December 2018).

Changes over the period can be broken down as follows:

(in € millions)	30/06/2019	31/12/2018
Start of the period	**13.1**	**13.1**
Acquisitions in the period		0.9
Disposals and retirements during the period	(0.1)	(0.9)
End of period	**13.0**	**13.1**

H. Equity

H.15. Shareholders' equity

H.15.1. 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.15.2. Transactions recognised directly in equity

(in € millions)		30/06/2019 Attributable to owners of the parent	30/06/2019 Attributable to non-controlling interests	30/06/2019 Total	31/12/2018 Attributable to owners of the parent	31/12/2018 Attributable to non-controlling interests	31/12/2018 Total
Hedging costs							
Reserve at beginning of period(*)		**0.7**		**0.7**	**(3.0)**		**(3.0)**
Gross reserve before tax effect at balance sheet date	**I**	**(0.5)**		**(0.5)**	**0.7**		**0.7**
Cash flow and net investment hedges							
Reserve at beginning of period(*)		**(56.9)**		**(56.9)**	**(103.6)**		**(103.6)**
Other changes in fair value in the period		(8.0)		(8.0)	2.4		2.4
Fair value items recognised in profit or loss		17.5		17.5	44.3		44.3
Gross reserve before tax effect at balance sheet date	**II**	**(47.4)**		**(47.4)**	**(56.9)**		**(56.9)**
Total gross reserve before tax effect at balance sheet date (items that may be recycled through profit or loss)	**I+II**	**(47.9)**		**(47.9)**	**(56.2)**		**(56.2)**
Associated tax effect		13.4		13.4	17.1		17.1
Reserve net of tax (items that may be recycled through profit and loss)	**III**	**(34.5)**		**(34.5)**	**(39.1)**		**(39.1)**
Equity instruments(*)							
Reserve at beginning of period		**(0.1)**		**(0.1)**	**0.4**		**0.4**
Reserve net of tax at balance sheet date	**IV**	**0.0**		**0.0**	**(0.1)**		**(0.1)**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(22.5)**		**(22.5)**	**(21.4)**		**(21.4)**
Actuarial gains and losses recognised in the period		(6.8)		(6.8)	(1.4)		(1.4)
Associated tax effect		1.9		1.9	0.3		0.3
Reserve net of tax at balance sheet date	**V**	**(27.4)**	**0.0**	**(27.4)**	**(22.5)**	**0.0**	**(22.5)**
Reserve net of tax at balance sheet date (items that may not be recycled through profit or loss)	**IV+V**	**(27.4)**	**0.0**	**(27.4)**	**(22.6)**	**0.0**	**(22.6)**
Total of transactions recognised directly in equity	**III+IV+V**	**(61.9)**	**0.0**	**(61.9)**	**(61.7)**	**0.0**	**(61.7)**

(*) *At 31 December 2018, the amounts were restated in accordance with the first application on 1 January 2018 of IFRS 9 "Financial instruments" (see Note A.4. of the 2018 annual financial report).*

The amount recorded in equity with respect to cash flow hedges mainly concerns transactions relating to interest rate risk hedging. These transactions are described in Note I.20.1.2. "Description of hedging transactions" in the 2018 consolidated annual financial statements.

H.15.3. Non-controlling interests

Non-controlling interests totalled €2.3 million at 30 June 2019 and were exclusively those of Escota (as at 30 June and 31 December 2018).

H.16. Dividends

The dividends paid by ASF SA in respect of 2018 and 2017 break down as follows:

		2018	2017
Interim dividend			
Amount *(in € millions)*	(I)	385.8	205.6
Per share *(in euros)*		1.67	0.89
Final dividend			
Amount *(in € millions)*	(II)	734.5	646.7
Per share *(in euros)*		3.18	2.80
Total net dividend per share			
Amount *(in € millions)*	(I) + (II)	1,120.3	852.3
Per share *(in euros)*		4.85	3.69

I. Financing and financial risk management

I.17. Net financial debt

At 30 June 2019, net financial debt stood at €9.9 billion, down €12.2 million from 31 December 2018 (€9.9 billion). It can be broken down as follows:

		30/06/2019			31/12/2018		
Accounting categories	*(in € millions)*	**Non-current**	**Current[1]**	**Total**	**Non-current**	**Current[1]**	**Total**
Financial liabilities at amortised cost	Bonds	(9,149.9)	(812.0)	(9,961.9)	(8,613.0)	(1,414.6)	(10,027.6)
	Other bank loans and borrowings	(564.1)	(62.7)	(626.8)	(612.0)	(62.9)	(674.9)
	Long-term financial debt[2]	**(9,714.0)**	**(874.7)**	**(10,588.7)**	**(9,225.0)**	**(1,477.5)**	**(10,702.5)**
	Bank overdrafts		(3.4)	(3.4)			0.0
	I – Gross financial debt	**(9,714.0)**	**(878.1)**	**(10,592.1)**	**(9,225.0)**	**(1,477.5)**	**(10,702.5)**
	of which: Impact of fair value hedges	*(548.7)*	*(17.4)*	*(566.1)*	*(354.9)*	*(26.6)*	*(381.5)*
Financial assets measured at fair value through profit or loss	Cash equivalents		88.3	88.3		343.8	343.8
	Cash		11.8	11.8		10.6	10.6
	II – Financial assets	**0.0**	**100.1**	**100.1**	**0.0**	**354.4**	**354.4**
Derivatives	Derivative financial instruments – liabilities	(115.5)	(6.2)	(121.7)	(71.0)	(8.2)	(79.2)
	Derivative financial instruments – assets	607.5	87.6	695.1	367.3	129.2	496.5
	III – Derivative financial instruments	**492.0**	**81.4**	**573.4**	**296.3**	**121.0**	**417.3**
	Net financial debt (I+II+III)	**(9,222.0)**	**(696.6)**	**(9,918.6)**	**(8,928.7)**	**(1,002.1)**	**(9,930.8)**

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

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.

Change in net financial debt:

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes				Ref.	Closing
				Translation effect	Changes in fair value	Other changes	Total "non cash"		
Bonds	(8,613.0)	(985.0)	(3)	(3.2)	(193.7)	645.0	448.1	(4)	(9,149.9)
Other loans and borrowings	(612.0)	0.0	(3)	(6.2)		54.1	47.9(*)	(4)	(564.1)
Current financial debts	(1,477.5)	1,221.3			9.4	(631.3)	(621.9)		(878.1)
of which portion at less than one year of long-term debt	*(1,477.5)*	*1,224.7*	*(3)*		*9.4*	*(631.3)*	*(621.9)*	*(4)*	*(874.7)*
of which bank overdrafts		*(3.4)*	*(1)*					*(1)*	*(3.4)*
Cash and cash equivalents	354.4	(254.3)	(1)					(1)	100.1
Net derivative and other financial instruments	417.3			9.4	170.5	(23.8)	156.1		573.4
of which fair value of derivative financial instruments	*322.5*		*(2)*	*9.4*	*170.5*	*0.1*	*180.0*	*(4)*	*502.5*
of which accrued interest not matured on derivative financial instruments	*94.8*		*(4)*			*(23.9)*	*(23.9)*	*(4)*	*70.9*
Net financial debt	**(9,930.8)**	**(18.0)**	**(5)**	**0.0**	**(13.8)**	**44.0**	**30.2**	**(5)**	**(9,918.6)**

(*) *Portion at less than one year classified as "current financial debts".*

The table below reconciles the changes in net financial debt and the statement of cash flows.

Reconciliation of net financial debt with the financing flows in the statement of cash flows

(in € millions)	Ref.	30/06/2019
Change in net cash	(1)	(257.7)
Change in net derivative and other financial instruments and others	(2)	
(Proceeds from)/repayment of loans	(3)	239.7
Other changes	(4)	30.2
Change in net financial debt	(5)	12.2

I.17.1. Detail of long-term financial debt

At 30 June 2019 long-term financial debt amounted to €10.6 billion, down €113.8 million from 31 December 2018 (€10.7 billion).

ASF put in place the following financing in the first half of 2019:
- on 21 February 2019, a bond issue under its EMTN (Euro Medium Term Note) programme for €1 billion, maturing in February 2031, with a 1.375% coupon.

Additionally, new Castor bond issues were also made in February, May and June 2019 for €2.3 billion.

Alongside this, the main debt repayments made in the first half of 2019 were:
- two bond issues, one for €200.0 million in February and the other for €969.6 million in March;
- EIB loans for €55.1 million;
- the Castor bond issue for €0.8 million.

Debt maturity schedule

At 30 June 2019, the average maturity of the Group's medium and long-term financial debt was 6.6 years, compared with 5.8 years at 31 December 2018.

I.17.2. Credit ratings and financial covenants

Credit ratings

At 30 June 2019, the Group's credit ratings were as follows:

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

Financial covenants

Certain financial agreements contain early repayment clauses applicable in the event of non-compliance with financial ratios. The Group complied with these at 30 June 2019.

I.18. Net cash managed and available resources

At 30 June 2019, the Group's available resources amounted to €2.6 billion, including €96.7 million net cash managed and €2.5 billion consisting of an unused confirmed medium-term credit facility.

I.18.1. Net cash managed

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

(in € millions)	30/06/2019	31/12/2018
Cash equivalents	**88.3**	**343.8**
Cash current account	88.3	343.8
Cash	**11.8**	**10.6**
Bank overdrafts	**(3.4)**	
Net cash managed	**96.7**	**354.4**

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.18.2. Revolving credit facilities

ASF has an internal revolving credit facility with VINCI for €2.5 billion which matures in November 2023.

The amount authorised and the maturity profile of ASF's revolving credit facility at 30 June 2019 are as follows:

			Maturity		
(in € millions)	Used at 30/06/2019	Authorised at 30/06/2019	less than 1 year	1 to 5 years	more than 5 years
VINCI credit facility		2,500.0		2,500.0	

I.19. Financial risk management

The Group's financial risk management policies and procedures are identical to those described in Note I.20. "Financial risk management" to the 2018 consolidated annual financial statements.

The main risks (interest rate, exchange rate and credit or counterparty risks) are described respectively in paragraphs I.20.1., I.20.2. and I.20.3. of the 2018 consolidated annual financial report.

I.20. 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 2019.

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 IFRS 9:

30/06/2019
(in € millions)

	Accounting categories[1]							Fair value			
Balance sheet headings and instrument classifications	**Derivatives at fair value through profit and loss**	**Derivatives designated as hedges**	**Financial assets measured at fair value through profit or loss**	**Financial assets measured at fair value through equity**	**Financial assets at amortised cost**	**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**
Equity instruments				3.1			3.1	3.1			3.1
Financial assets at amortised cost			13.0				13.0		13.0		13.0
I - Non-current financial assets[2]	0.0	0.0	13.0	3.1	0.0	0.0	16.1	3.1	13.0	0.0	16.1
II – Derivative financial instruments – assets	0.0	695.1					695.1		695.1		695.1
Cash equivalents			88.3				88.3	88.3[3]			88.3
Cash			11.8				11.8	11.8			11.8
III – Current financial assets	0.0	0.0	100.1	0.0	0.0	0.0	100.1	100.1	0.0	0.0	100.1
Total assets	**0.0**	**695.1**	**113.1**	**3.1**	**0.0**	**0.0**	**811.3**	**103.2**	**708.1**	**0.0**	**811.3**
Bonds						(9,961.9)	(9,961.9)	(10,125.8)	(332.1)		(10,457.9)
Other bank loans and borrowings						(626.8)	(626.8)		(646.8)		(646.8)
IV - Long-term financial debt	0.0	0.0	0.0	0.0	0.0	(10,588.7)	(10,588.7)	(10,125.8)	(978.9)	0.0	(11,104.7)
V – Derivative financial instruments – liabilities	0.0	(121.7)					(121.7)		(121.7)		(121.7)
Bank overdrafts			(3.4)				(3.4)	(3.4)			(3.4)
VI – Current financial liabilities	0.0	0.0	(3.4)	0.0	0.0	0.0	(3.4)	(3.4)	0.0	0.0	(3.4)
Total liabilities	**0.0**	**(121.7)**	**(3.4)**	**0.0**	**0.0**	**(10,588.7)**	**(10,713.8)**	**(10,129.2)**	**(1,100.6)**	**0.0**	**(11,229.8)**
Total	**0.0**	**573.4**	**109.7**	**3.1**	**0.0**	**(10,588.7)**	**(9,902.5)**	**(10,026.0)**	**(392.5)**	**0.0**	**(10,418.5)**

(1) *The Group has no held-to-maturity financial assets.*
(2) *See Note G.14. "Other non-current financial assets".*
(3) *Mainly comprising a cash current account.*

The following table shows the carrying amount and the fair value of financial assets and liabilities, in the balance sheet as of 31 December 2018, by accounting category as defined in IFRS 9:

31/12/2018
(in € millions)

	Accounting categories[(1)]									Fair value	
Balance sheet headings and instrument classifications	**Derivatives at fair value through profit and loss**	**Derivatives designated as hedges**	**Financial assets measured at fair value through profit or loss**	**Financial assets measured at fair value through equity**	**Financial assets at amortised cost**	**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**
Equity instruments				2.9			2.9	2.9			2.9
Financial assets at amortised cost			13.1				13.1		13.1		13.1
I - Non-current financial assets[(2)]	**0.0**	**0.0**	**13.1**	**2.9**	**0.0**	**0.0**	**16.0**	**2.9**	**13.1**	**0.0**	**16.0**
II – Derivative financial instruments – assets	**17.2**	**479.3**					**496.5**		**496.5**		**496.5**
Cash equivalents			343.8				343.8	343.8[(3)]			343.8
Cash			10.6				10.6	10.6			10.6
III – Current financial assets	**0.0**	**0.0**	**354.4**	**0.0**	**0.0**	**0.0**	**354.4**	**354.4**	**0.0**	**0.0**	**354.4**
Total assets	**17.2**	**479.3**	**367.5**	**2.9**	**0.0**	**0.0**	**866.9**	**357.3**	**509.6**	**0.0**	**866.9**
Bonds						(10,027.6)	(10,027.6)	(9,721.0)	(529.8)		(10,250.8)
Other bank loans and borrowings						(674.9)	(674.9)		(688.0)		(688.0)
IV - Long-term financial debt	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(10,702.5)**	**(10,702.5)**	**(9,721.0)**	**(1,217.8)**	**0.0**	**(10,938.8)**
V – Derivative financial instruments – liabilities	**(2.0)**	**(77.2)**					**(79.2)**		**(79.2)**		**(79.2)**
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	**(2.0)**	**(77.2)**	**0.0**	**0.0**	**0.0**	**(10,702.5)**	**(10,781.7)**	**(9,721.0)**	**(1,297.0)**	**0.0**	**(11,018.0)**
Total	**15.2**	**402.1**	**367.5**	**2.9**	**0.0**	**(10,702.5)**	**(9,914.8)**	**(9,363.7)**	**(787.4)**	**0.0**	**(10,151.1)**

(1) *The Group has no held-to-maturity financial assets.*
(2) *See Note G.14. "Other non-current financial assets".*
(3) *Mainly comprising a cash current account.*

J. Employee benefits and share-based payments

J.21. Provisions for employee benefits

J.21.1. Provisions for retirement benefit obligations

At 30 June 2019, provisions for retirement benefit obligations amounted to €110.7 million (including €105.9 million at more than one year) compared with €104.4 million at 31 December 2018 (including €99.6 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 is mainly explained by the recognition of the actuarial gains and losses resulting from a change in the discounting rate by +€6.9 million and income (net of expense recognised) of -€0.6 million.

The portion at less than one year of these provisions (€4.8 million at both 30 June 2019 and 31 December 2018) is reported under "other current non-operating liabilities".

The expense recognised for the first half of 2019 in respect of retirement benefit obligations is half the forecast expense for 2019 determined on the basis of actuarial assumptions at 31 December 2018 and in accordance with the provisions of IAS 19.

A breakdown of Group employee benefits is given in Note J.22.1. "Provisions for retirement benefit obligations" to the 2018 consolidated annual financial statements.

J.21.2. Other employee benefits

Provisions for other employee benefits mainly comprise long-service awards and Agreements on Early Retirement for Employees ("CATS"). At 30 June 2019, these provisions amounted to €5.9 million (including €3.7 million at more than one year) compared with €6.4 million (including €4.6 million at more than one year) at 31 December 2018.

J.22. Share-based payments

The expense for employee benefits was €2.7 million for the first half of 2019 (€2.3 million in the first half of 2018), including €2.6 million for performance share schemes (€2.1 million in the first half of 2018) and €0.1 million for employee savings plans (€0.2 million in the first half of 2018).

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.22.1. 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 €2.6 million at 30 June 2019 (€2.1 million at 30 June 2018).

The VINCI Board of Directors' at its meeting on 5 February 2019 decided to vest all the original performance share allocations to beneficiaries of the 2016 performance share plan, once the performance conditions had been met.

The VINCI Board of Directors on 17 April 2019 decided to introduce a new performance share plan granting 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.22.2. 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 twenty 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 €3,500 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:
- length of subscription period: four months;
- length of period during which funds are frozen: 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 2006-2018 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 2019 (€0.2 million at 30 June 2018).

K. Other notes

K.23. Transactions with related parties

The Group's transactions with related parties 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 2019 there had been no major changes in the type of transactions conducted by the Group with related parties as compared to 31 December 2018. These are listed in Note G.14.3. "Transactions between subsidiaries and associates" and Note K.24 "Transactions with related parties" to the 2018 consolidated annual financial statements.

K.24. 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.25. Post-balance sheet events

K.25.1. Payment of an interim dividend

The Board of Directors met on 25 July 2019 and approved the condensed half-year consolidated financial statements at 30 June 2019. It decided to pay an interim dividend in respect of 2019 of €1.90 per share in August 2019.

K.25.2. Other post-balance sheet events

Between 30 June 2019 and the approval of the consolidated financial statements by the Board of Directors on 25 July 2019, 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.

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.

Report of the Statutory Auditors on the 2019 half-year financial information

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

Head Office: 12, rue Louis Blériot
92506 Rueil-Malmaison Cedex

Share capital: €29,343,640.56

Report of the Statutory Auditors on the 2019 half-year financial information

Period from 1 January 2019 to 30 June 2019

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, for the six-month period from 1 January 2019 to 30 June 2019, as attached to this report;
- 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 professional standards applicable 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.

Without questioning the conclusion expressed above, we draw your attention to Note *A.4.* "*Change in accounting policy*" to the condensed half-year consolidated financial statements, which describes the change in accounting policy related to the application on 1 January 2019 of IFRS 16 "Leases".

II. Specific Verification

We also examined information provided in the half-year management report commenting on the condensed half-year consolidated financial statements on which we carried out a limited review. We have no comments to make as to its fair presentation and its conformity with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 25 July 2019

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés	KPMG Audit A department of KPMG SA
Bertrand Baloche	**Frédéric Souliard**	**Karine Dupré**

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 2019

Patrick Priam

Chief Financial Officer

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