FINANCIAL REPORT

2017

Half-year financial report as of 30 June 2017

Half-year financial report as of 30 June 2017

Contents

Interim management report

1. The Company's position and business during the first half of 2017

Revenue was €654.2 million, of which €644.5 million in toll revenue.

Investments came to €74 million in the first half, relating primarily to the third master contract and the start of the motorway stimulus plan, as well as to improvements in the network.

Net financial debt totalled €4,003.8 million at 30 June 2017.

2. Traffic

Traffic on the interurban network increased by 2.4% in the first half of 2017, given growth in light vehicle traffic of 2.2% and growth in heavy-goods vehicle traffic of 4.0%. The growth in traffic, particularly for heavy-goods vehicles, benefited from economic growth in France as well as that observed in Spain. Traffic also remained buoyant due to fuel prices.

Daily average traffic on the A86 Duplex was up by 6.7% and was particularly dynamic on weekends. In the first half of 2017, daily traffic broke records with 47,413 vehicles on 24 May 2017.

3. Operating revenue

Operating revenue totalled €654.2 million, a gain of 3.8% over the half-year. It breaks down into €644.5 million in toll revenue, up 3.6%, and €9.7 million in revenue from ancillary activities.

The A86 Duplex rates were raised on 1 January 2017. Rates on the interurban network increased by 0.57% on 1 February 2017 for class 1 and by +0.80%, +1.79%, +0.65% and +0.56% for classes 2, 3, 4 and 5 respectively.

4. Works and upgrades to the network in service

4.1. A86 Duplex (€0.5 million)

Investments for the half-year involved the latest finishing work and the first equipment renewals.

4.2. Interurban network improvement works (€62.9 million)

Works under the third master contract were continued during the half-year. These mainly cover the fit-out of a third lane along 6 km of the A10 section between Chambray and Veigné. The work to fit out the La Gravelle (A11) toll gate for the installation of free-flow toll systems is ending.

The stimulus plan programme continues with studies on widening sections of the A10 between the A10/A19 and A10/A71 junctions (16 km) and widening between the A10/A85 and Sainte-Maure-de-Touraine. The mineralisation of the central reservation has begun. The operations of the environmental phase of the stimulus plan continued with the commissioning of the car-sharing car-park in Le Mans and "eco-ducts" on the A11.

Finally, the investment programme involves so-called phase-two operations, specifically the doubling of the viaducts of the A85 and the fit-out of the A10/A85 junction (Angers<->Tours link) and the Angers bypass.

5. Network operation

The half-year was marked by a mild winter, although there were some localised episodes of snow and ice.

In view of the ramp-up of the works, particularly for the stimulus plan and the master contract, some roads such as the A10 motorway south of Tours required an increase in the operational teams to ensure the completion of the work under optimal circulation conditions for our customers.

In addition, beginning in 2016, Cofiroute initiated a significant renewal programme for commercial facilities in the service areas by reviewing the layout of the service areas and the buildings, as well as the number and the quality of the signs. Accordingly, 24 service areas in the Cofiroute network were undergoing construction work during the first half of 2017.

The programme for the modernisation of toll stations and electronic toll operations is continuing in 2017 with an improvement in the quality of the service provided to customers transiting through toll stations.

Finally, Cofiroute is continuing its work on the safety of personnel, construction sites and users circulating throughout its network. In view of the increase in collisions among operational vehicles recorded by users, Cofiroute has strengthened its awareness-raising efforts to fight against reduced alertness at the wheel and is developing technical solutions to limit collision risk.

6. Relationship with the concession-granting State

The increases in the rates for the A86 Duplex and the interurban network were the subjects of inter-ministerial decrees of 22 December 2016 and 26 January 2017 respectively.

In accordance with the announcement made by the French President on 28 July 2016, VINCI Autoroutes signed a Motorway investment plan for €432 million on 26 January 2017.

This plan stipulates the completion of five operations on the Cofiroute network for better territorial mobility, in particular enabling improvements to urban and peri-urban transport links through the development of three interchanges.

These upgrades will be co-financed by the competent regional authorities and by Cofiroute through additional toll increases in 2019, 2020 and 2021.

The draft amendments to the specifications and the master plans were agreed upon with government departments in early 2017, and were submitted to the French rail and road activities regulation authority (ARAFER) for an advisory opinion on 13 March 2017. This opinion was issued on 14 June 2017.

In addition to this particular event, the first half of 2017 confirmed the persistence of the economic trends present at the end of 2016.

France's GDP grew by 0.4% during the first quarter of 2017, while in Spain, growth reached 2.0%.

The household consumer confidence indicator remained good and the indicator for the business climate in the manufacturing industry in France was at its highest level since 2011.

Fuel prices have noticeably dropped since the beginning of the year. On average however, they remained higher than the average price over the same period in 2016 (+15%).

In this context, the growth in light vehicle traffic (+2.2%) was negatively impacted by the fact that 2016 was a leap year, however, the two long weekends in spring 2017 offset this impact.

Heavy-goods vehicle traffic showed a net increase (+4.0%) despite one less business day in the first half of 2017 than in the same period in 2016.

Cofiroute's revenue therefore increased by 6.7% for the first half of 2017 and the EBITDA rate translating its economic performance was 75.8%.

7. IFRS Half-Year Financial Statements

7.1. Revenue

Pursuant to IFRIC 12 on service concession arrangements, revenue under IFRS includes operating revenue, i.e. toll receipts and receipts from ancillary activities carried out by Cofiroute, and by construction revenue from investments in infrastructure built on behalf of the government.

At 30 June 2017, operating revenue under IFRS stood at €654.2 million, compared to €630.5 million in the first half of 2016, an increase of 3.8%.

Construction revenue stood at €63.3 million, compared to €41.8 million at 30 June 2016 (+51.4%). It bears repeating that Cofiroute does not allocate any margin to this activity that results in the entry of construction expenses of an equal amount to the income statement.

Revenue YTD was €717.5 million, compared to €672.3 million in the first half of 2016.

7.2. EBITDA

EBITDA came to €496.1 million, up from €483.0 million the previous year, representing an increase of €13.2 million or 2.7% on 2016. The A86 Duplex, for which interim revenue came to €32.2 million, contributed €2.5 million to this growth.

7.3. Operating income

Operating income rose in line with EBITDA to €374.2 million (up 3.6%) in the first half of 2016, versus €361.1 million the previous year.

7.4. Net financial income/ (expense)

The cost of net financial debt was down by €8.7 million to -€44.1 million due to the refinancing under improved terms of the repayment that took place in October 2016. Discounting the provision for infrastructure maintenance and the provision for retirement commitments, applied pursuant to IFRS, had a positive impact of €0.8 million. Consequently, net financial expense improved by €9.6 million to -€46.1 million, from -€55.7 million at 30 June 2016.

7.5. Net income

With a tax expense of €113.3 million, net income came to €214.8 million, compared to the €200.4 million recorded the previous year.

7.6. Net financial debt

Net financial debt totalled €4,003.8 million at end-June 2016, compared to €1,628.0 million at 30 June 2016. A dividend of €111.1 million was paid in April 2017, corresponding to the balance of the distributable reserves at 31 December 2016.

8. Parent company financial statements

Income statement

Revenue for the half-year was up €23.7 million to stand at €654.2 million, with toll receipts of €644.5 million.

Operating income raised €12.2 million to €348.7 million. Net financial income improved by €6.9 million to -€43.6 million.

Given the positive extraordinary income of €5 million and a tax expense of €105.7 million, net income for the period stood at €204.5 million. It rose by €14.4 million over that of the first half of 2016.

9. Significant events since 30 June 2017

During its meeting on 25 July 2017, the Company's Board of Directors approved the distribution of an interim dividend of €81.3 million relating to the current year.

10. Major risks and uncertainties for the second half of 2017

Traffic growth is being impacted by the economic environment. In particular, light vehicle traffic is vulnerable to changes in fuel prices, while heavy vehicle traffic still hinges on second-half economic growth in France, and, to a lesser extent, in Spain.

11. Composition of the Board of Directors

At 30 June 2017, the Board of Directors had the following members:

- Pierre Coppey, Chairman;
- Cofiroute Holding;
- VINCI Autoroutes;
- VINCI Concessions;
- VINCI Autoroutes Services;
- Sylvain Lefol;
- Pierre Trotot;
- Natacha Valla;
- Marianne Laigneau.

12. Breakdown of share capital

Cofiroute's share capital was distributed as follows at 30 June 2017:

- VINCI Autoroutes 65.33%
- Cofiroute Holding 34.65%
- Other 0.00015%

Employees hold no equity in the Company.

Half-year financial report
as of 30 June 2017

IFRS CONDENSED HALF-YEAR INDIVIDUAL FINANCIAL STATEMENT AS OF 30 JUNE 2017

IFRS income statement for the period

(in € millions)	Notes	1st half 2017	1st half 2016	2016
Revenue	**3**	**717.5**	**672.3**	**1,457.7**
o/w:				
Operating revenue		*654.2*	*630.5*	*1,363.6*
Revenue – construction of new infrastructure assets under concession		*63.3*	*41.8*	*94.1*
Income from ancillary activities		0.8	1.0	2.4
Operating expenses	3	(343.1)	(311.4)	(692.5)
Operating income from ordinary activities		**375.1**	**361.9**	**767.6**
Share-based payments (IFRS 2)	15	(0.9)	(0.8)	(1.8)
Other current operating items		0.0	0.0	19.8
Current operating income		**374.2**	**361.1**	**785.6**
Other non-current operating items		0.0	0.0	0.0
Operating income	**3**	**374.2**	**361.1**	**785.6**
Cost of gross financial debt		(44.1)	(53.9)	(102.2)
Financial income from cash management investments		0.0	1.1	1.2
Cost of net financial debt	**4**	**(44.1)**	**(52.8)**	**(101.0)**
Other financial income and expenses	4	(2.0)	(2.9)	(7.8)
Income tax expense	5	(113.3)	(105.0)	(200.0)
o/w impact of non-current changes in deferred tax(*)		*0.0*	*0.0*	*31.1*
Net income		**214.8**	**200.4**	**476.8**
EPS *(in €)*		**52.92**	**49.38**	**117.48**
Net income per share *(in €)* **– excluding non-current changes in deferred tax(*)**		**52.92**	**49.38**	**109.80**

(*) *Cofiroute's deferred tax at 31 December 2016 was recalculated primarily due to the adoption of the 2017 Finance Act in France, which provides for a reduction in the corporate income tax rate from 33.33% to 28% for all companies with effect from 2020. At 31 December 2016, the impact on net income was €31.1 million (€7.68 per share). At 30 June 2017, deferred tax was calculated according to the same assumptions and there were no further impacts on net income.*

IFRS comprehensive income statement for the period

(in € millions)	1st half 2017	1st half 2016	2016
Net income	**214.8**	**200.4**	**476.8**
Changes in the fair value of financial instruments used to hedge cash flows[1]	(0.2)	(0.2)	(0.3)
o/w:			
Cash flow hedges	*(0.2)*	*(0.2)*	*(0.3)*
Tax expense[2]	0.1	0.1	0.1
Other comprehensive income items that can be subsequently recycled in net income	**(0.1)**	**(0.1)**	**(0.2)**
Actuarial gains and losses on retirement benefit obligations	1.7	(1.5)	(1.6)
Tax expense	(0.6)	0.5	0.6
Other comprehensive income items that cannot be subsequently recycled in net income	**1.1**	**(1.0)**	**(1.1)**
Total other comprehensive income items recognised directly in equity	**1.0**	**(1.1)**	**(1.3)**
Comprehensive income	**215.8**	**199.3**	**475.5**

(1) *Changes in the fair value of cash flow hedges (interest rate hedges) are recognised in equity for the effective portion of the hedge. Cumulative gains or losses in equity are recorded in the income statement if the hedged cash flow affects earnings.*
(2) *Tax effects related to changes in the fair value of financial instruments used to hedge cash flows (effective portion).*

Balance sheet – IFRS assets

(in € millions)	Notes	30/06/2017	30/06/2016	31/12/2016
Non-current assets				
Concession intangible assets	7	4,722.1	4,803.8	4,757.3
Other intangible assets		3.6	0.0	4.2
Property, plant and equipment for service concession contracts	8	329.6	354.8	342.3
Property, plant and equipment	8	8.1	13.6	8.4
Non-current derivative instruments, assets		60.8	90.4	76.6
Total non-current assets		**5,124.1**	**5,262.6**	**5,188.8**
Current assets				
Inventories and work in progress	9	1.8	1.9	2.1
Trade and other receivables	9	104.4	97.3	107.5
Other current operating assets	9	44.9	37.6	41.0
Current tax assets		12.8	0.0	0.0
Current derivative instruments, assets	12	37.3	70.0	77.8
Cash management financial assets	12	4.0	4.1	4.0
Cash and cash equivalents	12	2.5	1 512.0	5.6
Total current assets		**207.7**	**1,723.0**	**238.0**
Total assets		**5,331.8**	**6,985.6**	**5,426.8**

Balance sheet – IFRS equity and liabilities

(in € millions)	Notes	30/06/2017	30/06/2016	31/12/2016
Share capital				
Share capital		158.3	158.3	158.3
Reserves		248.4	2,689.8	(116.4)
Net income for the period		214.8	200.4	476.8
Transactions recognised directly in equity	11	(1.7)	(2.5)	(2.7)
Total equity		**619.8**	**3,046.0**	**516.0**
Non-current liabilities				
Non-current provisions		0.2	0.2	0.2
Provisions for employee benefits	16	21.0	21.3	21.7
Bonds	12	2,392.3	1,785.9	3,030.3
Other loans and borrowings	12	739.4	873.0	839.9
Non-current derivative instruments, liabilities		53.7	0.0	39.2
Other non-current liabilities		1.8	1.2	1.8
Net deferred tax liabilities		171.3	205.1	166.6
Total non-current liabilities		**3,379.7**	**2,886.8**	**4,099.8**
Current liabilities				
Current provisions	9	243.5	251.4	238.2
Trade payables	9	28.3	24.2	28.5
Payables related to non-current assets		37.8	30.7	34.8
Other current operating liabilities		99.6	97.5	108.4
Current tax liabilities		0.0	3.4	31.3
Current derivative instruments, liabilities	12	24.4	51.6	50.9
Current financial liabilities	12	898.6	594.0	318.9
Total current liabilities		**1,332.3**	**1,052.8**	**811.1**
Total equity & liabilities		**5,331.8**	**6,985.6**	**5,426.8**

IFRS cash flow statement

(in € millions)		Notes	1st half 2017	1st half 2016	2016
Net income for the period			**214.8**	**200.4**	**476.8**
Depreciation and amortisation		3	122.7	122.4	246.7
Net increase/(decrease) in provisions and impairment			2.4	3.1	(11.7)
Share-based payments and other restatements		15	(1.3)	(1.0)	(0.4)
Gain on disposals			0.2	0.2	0.3
Cost of net financial debt recognised		4	44.1	52.8	101.0
Current and deferred tax expense recognised		5	113.3	105.0	200.0
Cash flows from/(used in) operations before tax and financing costs			**496.1**	**483.0**	**1,012.7**
Changes in operating working capital requirement and current provisions		9	(5.7)	(19.7)	(16.4)
Income taxes paid			(152.8)	(119.5)	(224.9)
Net interest paid			(70.3)	(70.6)	(103.8)
Cash flows from/(used in) operating activities	**I**		**267.3**	**273.2**	**667.5**
Purchases of property, plant and equipment and intangible assets			*(1.2)*	*(0.3)*	*(1.7)*
Proceeds from sales of property, plant and equipment and intangible assets			*0.0*	*0.0*	*0.0*
Operating investments (net of disposals)			(1.1)	(0.3)	(1.7)
Operating cash flow			**266.1**	**272.9**	**665.8**
Investments in concession fixed assets (net of grants received)		7-8	(69.8)	(62.3)	(121.1)
Free cash flow (after investments)			**196.3**	**210.6**	**544.7**
Disposals of holdings			0.0	0.0	0.0
Other			0.0	0.0	0.0
Cash flows from/(used in) investing activities	**II**		**(71.0)**	**(62.5)**	**(122.7)**
Dividends paid to Cofiroute SA shareholders		11.2	(111.1)	0.0	(2,806.2)
Proceeds from new long-term borrowings		12	0.0	0.6	1,296.3
Repayment of long-term borrowings		12	(22.9)	(22.6)	(553.2)
Change in cash management assets and other current liabilities			0.0	(0.0)	0.1
Net cash flows from/(used in) financing activities	**III**		**(134.0)**	**(22.0)**	**(2,063.0)**
Change in net cash	**I + II + III**	**12**	**62.4**	**188.7**	**(1,518.2)**
Net cash at beginning of period			**(194.9)**	**1,323.3**	**1,323.3**
Net cash and cash equivalents at end of period			**(132.5)**	**1,512.0**	**(194.9)**
Change in cash management assets and other current liabilities			0.0	0.0	(0.1)
(Issue) repayment of borrowings			22.9	22.0	(743.1)
Other changes			26.1	17.6	2.5
Change in net financial debt		**12**	**111.3**	**228.3**	**(2,258.9)**
Net financial debt at beginning of period			(4,115.2)	(1,856.3)	(1,856.3)
Net financial debt at end of period			**(4,003.8)**	**(1,628.0)**	**(4,115.2)**

IFRS statement of changes in equity

	Equity				
(in € millions)	**Share capital**	**Reserves**	**Transactions recognised directly in equity**	**Net income**	**Total**
Equity at 01/01/2016	**158.3**	**2,314.9**	**(1.4)**	**375.9**	**2 847.6**
Net income for the period				200.4	200.4
Other comprehensive income items			(1.1)		(1.1)
Comprehensive income for the period	**0.0**	**0.0**	**(1.1)**	**200.4**	**199.3**
Appropriation of net income and dividend payments		375.9		(375.9)	0.0
Share-based payments		(1.0)			(1.0)
Equity at 30/06/2016	**158.3**	**2,689.8**	**(2.5)**	**200.4**	**3 046.0**
Net income for the period				276.4	276.4
Other comprehensive income items			(0.2)		(0.2)
Comprehensive income for the period	**0.0**	**0.0**	**(0.2)**	**276.4**	**276.1**
Appropriation of net income and dividend payments		(2,806.2)		0.0	(2,806.2)
Share-based payments		(0.0)			(0.0)
Equity at 31/12/2016	**158.3**	**(116.4)**	**(2.7)**	**476.8**	**516.0**
Net income for the period				214.8	214.8
Other comprehensive income items			1.0		1.0
Comprehensive income for the period	**0.0**	**0.0**	**1.0**	**214.8**	**215.8**
Appropriation of net income and dividend payments		365.7		(476.8)	(111.1)
Share-based payments		(0.9)			(0.9)
Equity at 30/06/2017	**158.3**	**248.4**	**(1.7)**	**214.8**	**619.8**

NOTES TO THE IFRS CONDENSED HALF-YEAR INDIVIDUAL FINANCIAL STATEMENTS

A. General principles and use of estimates

1. Basis of preparation of the financial statements

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

Cofiroute's IFRS condensed half-year individual financial statements as of 30 June 2017 were prepared in accordance with the IAS 34 "Interim financial reporting". They were approved by the Board of Directors on 25 July 2017. As these are IFRS condensed individual financial statements, they do not include all the information required by IFRS for annual individual financial statements and should therefore be read together with Cofiroute's IFRS financial statements for the year ended 31 December 2016. They refer to the annual IFRS financial statements as of 31 December 2016 presented in the 2016 financial report filed with the AMF on 10 March 2017.

Cofiroute's financial statements are presented in millions of euros, without decimals. Rounding to the nearest million euros may, under certain hypothetical circumstances, lead to immaterial differences in the totals and sub-totals shown in the tables.

1.1. New standards and interpretations applicable from 1 January 2017

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

1.2. Standards and interpretations adopted by the IASB but not applicable at 30 June 2017

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

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

The Group is currently studying the impact and practical consequences of the application of these standards and interpretations.

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

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

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

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

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

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

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

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

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

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

2. Measurement rules and methods

2.1. 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 half-year IFRS individual financial statements for the period were prepared in reference to the immediate environment, notably for estimates concerning the following elements:

- values used in impairment tests;
- measurement of share-based payment expenses under IFRS 2;
- measurement of retirement benefit obligations;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefits (IAS 19);
- measurement of certain financial instruments at fair value;

2.2. Measurement at fair value

Cofiroute mainly uses fair value in measuring, on a consistent basis on the balance sheet, the derivative instruments, cash and cash equivalents, available-for-sale financial assets and cash management financial assets. Fair values of other financial instruments (debt instruments and loans and receivables at amortised cost in particular) are disclosed in Note G.14. "Carrying value and fair value of financial assets and liabilities 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.

Cofiroute uses the following measurement methods to determine these fair values:

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

Fair values are prioritised according to three levels:

- level 1: price quoted on an active market. Marketable securities and some available-for-sale financial assets and listed bond issues are measured in this way;
- level 2: internal model using observable factors based on internal valuation techniques: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments such as swaps, caps and floors traded over the counter is made on the basis of models commonly used by market participants to price such financial instruments; every quarter, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by the counterparties;
- level 3: internal model using non-observable inputs: this model applies in particular to holdings of unlisted shares, which are assessed at their acquisition cost plus transaction costs, in the absence of an active market.

2.3. Specific measurement rules and methods applied by Cofiroute in preparing interim financial statements

Seasonal nature of the business

Activity volumes were lower in the first half than the second half, due to the high level of traffic during the summer period. Because of this, the revenue for the first half cannot be extrapolated to the whole year. As an example, during recent years, the revenue for the first half represented about 46% to 47% of the revenue for the year.

The impact of seasonal factors has not resulted in any adjustments to Cofiroute's half-year financial statements.

Cofiroute's 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 financial statements.

The risks arising in the half-year are provisioned during the period.

Valuation of the tax expense

The tax expense for the first half-year is determined by applying Cofiroute's effective tax rate estimated for the 2017 financial year (including deferred tax) to income before tax. This rate is, where applicable, adjusted for the tax impact related to non-recurring items for the period.

Retirement benefit obligations

No new comprehensive actuarial calculation is carried out at the close of the IFRS half-year condensed financial statements. The expense for the half-year for retirement benefit obligations is equal to half of the expense calculated for 2017 based on the actuarial assumptions at 31 December 2016. The impacts arising from changes in assumptions relating to post-employment benefits during the first half of 2017 (discount rate) are recognised under other comprehensive income items.

B. Key events of the period

Traffic

Traffic on the interurban network increased by 2.4% in the first half of 2017, given growth in light vehicle traffic of 2.2% and growth in heavy-goods vehicle traffic of 4.0%. The growth in traffic, particularly for heavy-goods vehicles, benefited from economic growth in France as well as that observed in Spain. Traffic also remained buoyant due to fuel prices.

Daily average traffic on the A86 Duplex was up by 6.7% and was particularly dynamic on weekends. In the first half of 2017, daily traffic broke records with 47,413 vehicles on 24 May 2017.

Interurban network improvement works (€62.9 million)

Works under the third master contract were continued during the half-year. These mainly cover the fit-out of a third lane along 6 km of the A10 section between Chambray and Veigné. The work to fit out the La Gravelle (A11) toll gate for the installation of free-flow toll systems is ending.

The stimulus plan programme continues with studies on widening sections of the A10 between the A10/A19 and A10/A71 junctions (16 km) and widening between the A10/A85 and Sainte-Maure-de-Touraine. The mineralisation of the central reservation has begun and the operations of the environmental phase of the stimulus plan continued with the commissioning of the car-sharing car-park in Le Mans and "eco-ducts" on the A11.

Finally, the investment programme involves so-called phase-two operations, specifically the doubling of the viaducts of the A85 and the fit-out of the A10/A85 junction (Angers<->Tours link) and the Angers bypass.

Network operation

The half-year was marked by a mild winter, although there were some localised episodes of snow and ice.

In view of the ramp-up of the works, particularly for the stimulus plan and the master contract, some roads such as the A10 motorway south of Tours required an increase in the operational teams to ensure the completion of the work under optimal circulation conditions for our customers.

In addition, beginning in 2016, Cofiroute initiated a significant renewal programme for commercial facilities in the service areas by reviewing the layout of the service areas and the buildings, as well as the number and the quality of the signs. Accordingly, 24 service areas in the Cofiroute network were undergoing construction work during the first half of 2017.

The programme for the modernisation of toll stations and electronic toll operations is continuing in 2017 with an improvement in the quality of the service provided to customers transiting through toll stations.

Finally, Cofiroute is continuing its work on the safety of personnel, construction sites and users circulating throughout its network. In view of the increase in collisions among operational vehicles recorded by users, Cofiroute has strengthened its awareness-raising efforts to fight against reduced alertness at the wheel and is developing technical solutions to limit collision risk.

Relationship with the concession-granting State

The increases in the rates for the A86 Duplex and the interurban network were the subjects of inter-ministerial decrees of 22 December 2016 and 26 January 2017 respectively.

In accordance with the announcement made by the French President on 28 July 2016, VINCI Autoroutes signed a Motorway investment plan for €432 million on 26 January 2017.

This plan stipulates the completion of five operations on the Cofiroute network for better territorial mobility, in particular enabling improvements to urban and peri-urban transport links through the development of three interchanges.

These upgrades will be co-financed by the competent regional authorities and by Cofiroute through additional toll increases in 2019, 2020 and 2021.

The draft amendments to the specifications and the master plans were agreed upon with government departments in early 2017, and were submitted to the French rail and road activities regulation authority (ARAFER) for an advisory opinion on 13 March 2017. This opinion was issued on 14 June 2017.

In addition to this particular event, the first half of 2017 confirmed the persistence of the economic trends present at the end of 2016.

France's GDP grew by 0.4% during the first quarter of 2017, while in Spain, growth reached 2.0%.

The household consumer confidence indicator remained good and the indicator for the business climate in the manufacturing industry in France was at its highest level since 2011.

Fuel prices have noticeably dropped since the beginning of the year. On average however, they remained higher than the average price over the same period in 2016 (+15%).

In this context, the growth in light vehicle traffic (+2.2%) was negatively impacted by the fact that 2016 was a leap year, however, the two long weekends in spring 2017 offset this impact.

Heavy-goods vehicle traffic showed a net increase (+4.0%) despite one less business day in the first half of 2017 than in the same period in 2016.

Cofiroute's revenue therefore increased by 6.7% for the first half of 2017 and the EBITDA rate translating its economic performance was 75.8%.

C. Major components of the income statement

3. Revenue and operating profit

3.1. Revenue

(in € millions)	1st half 2017	1st half 2016	2016
Toll revenue	644.5	622.2	1,345.2
Revenue – Other	9.7	8.3	18.3
Operating revenue	**654.2**	**630.5**	**1,363.5**
Revenue – construction of new infrastructure assets under concession	63.3	41.8	94.1
Total revenue	**717.5**	**672.3**	**1,457.7**

The 3.6% growth in toll revenue is the result of a 2.4% growth in interurban network traffic (light vehicles +2.2%, heavy-goods vehicles +4.0%), a positive impact of the A86 duplex of +0.3% and pricing effects of +0.9%.

3.2. Operating income

(in € millions)	1st half 2017	1st half 2016	2016
Revenue	**717.5**	**672.3**	**1,457.7**
o/w:			
Operating revenue	*654.2*	*630.5*	*1,363.5*
Revenue – construction of new infrastructure assets under concession	*63.3*	*41.8*	*94.1*
Income from ancillary activities	**0.8**	**1.0**	**2.4**
Construction expenses	(63.3)	(41.8)	(94.1)
Purchases consumed	(4.7)	(3.6)	(8.4)
External services	(37.5)	(32.3)	(77.8)
Taxes	(60.7)	(58.6)	(168.8)
Employment costs	(49.1)	(50.3)	(92.8)
Other operating income and expenses	(0.2)	(0.2)	(0.3)
Depreciation and amortisation	(122.7)	(122.4)	(246.7)
Net provision expense and other	(4.9)	(2.2)	(3.6)
Operating expenses	**(343.1)**	**(311.4)**	**(692.5)**
Operating income from ordinary activities	**375.1**	**361.9**	**767.6**
% of revenue(*)	*57%*	*57%*	*56%*
Share-based payments (IFRS 2)	(0.9)	(0.8)	(1.8)
Other current operating items	0.0	0.0	19.8
Current operating income	**374.2**	**361.1**	**785.6**
Operating income	**374.2**	**361.1**	**785.6**
% of revenue(*)	*57.2%*	*57.3%*	*57.6%*

(*) *% calculated on the basis of revenue excluding the construction of new concession infrastructure assets.*

Operating income from ordinary activities corresponds to the measurement of Cofiroute's operating performance before taking into account the expenses associated with share-based payments (IFRS 2) and other ordinary and extraordinary operational items.

Current operating income is intended to show the level of Cofiroute's recurring operating performance excluding the impact of non-recurring transactions and events of the period. It is calculated by adding impacts associated with share-based payments (IFRS 2) and other current operating income and expenses to the operating income from ordinary activities.

Operating income is obtained by adding income and expenses considered as non-current to current operating income.

4. Financial income and expenses

(in € millions)	1st half 2017	1st half 2016	2016
Cost of gross financial debt	**(44.1)**	**(53.9)**	**(102.2)**
Financial income from cash management investments	0.0	1.1	1.2
Cost of net financial debt	**(44.1)**	**(52.8)**	**(101.0)**
Capitalised borrowing costs	0.0	0.0	0.0
Discounting costs	(2.0)	(2.9)	(7.8)
Foreign exchange gains and losses	0.0	0.0	0.0
Other financial expenses and revenue	**(2.0)**	**(2.9)**	**(7.8)**

In the first half of 2017, the cost of net financial debt stood at €44.1 million, down by €8.7 million compared to the first half of 2016 (€52.8 million). This improvement from one half-year to another is primarily due to refinancing at lower interest rates than those of the loans having reached maturity.

Other financial expenses include discounting costs for an amount of €2.0 million in the first half of 2017. These mainly relate to provisions for the upkeep of concession assets at €1.8 million (€2.7 million in the first half of 2016) and provisions for retirement benefit obligations at €0.2 million (€0.2 million also in the first half of 2016).

5. Income tax expense

Income tax was €113.3 million in the first half of 2017 (€105.0 million in the first half of 2016).

The effective tax rate remained stable at 34.5% during the first half of 2017 (34.4% during the first half of 2016).

6. Earnings per share

The number of shares in the Company, at 4,058,516, was unchanged from the preceding financial years. The Company has not issued any instrument granting rights to shares. Accordingly, the number of shares used to calculate both basic and diluted earnings per share in 2017 and in 2016 is 4,058,516. The earnings per share is presented within the IFRS income statement for the period.

D. Service Concession Contracts

Cofiroute, according to the provisions of IFRIC 12 "Service Concession Arrangements", has two business activities:

- a construction business consisting of its obligations to design, build, and finance new infrastructures that it delivers to the concession grantor: revenue is recognised according to the percentage of completion method under IAS 11;
- an operating and maintenance activity covering the infrastructure facilities under concession: revenue is recognised in accordance with IAS 18.

The operator has the right to receive toll or other revenue from users for financing and building the infrastructure. If the grantor pays the concession operator on the basis of the extent to which the public uses the service, without providing any guarantees for payment amounts (simple "pass through" or "shadow toll" agreement), the "Intangible Asset Model" also applies.

In this model, the right to receive toll or other revenue is recognised on the balance sheet of the concession operator under "Concession intangible assets".

This right corresponds to the fair value of the infrastructure asset under concession plus the capitalised borrowing costs recognised during the construction period. It is amortised over the period covered by the contract in order to reflect the pace at which the contract's economic benefits are consumed, from the date on which the infrastructure asset is commissioned.

This model has been applied to two Cofiroute concession contracts.

Grants related to assets are presented on the balance sheet and charged against the carrying amount of the asset for which they were received.

7. Concession intangible assets

7.1. Details of intangible assets under concession

(in € millions)	Cost of infrastructure in service(*)	Advances and outstanding amounts	Total
Gross			
At 01/01/2016	**8,004.6**	**97.1**	**8,101.7**
Acquisitions during the period	16.4	77.8	94.1
Other movements	(14.3)	(52.8)	(67.0)
At 31/12/2016	**8,006.7**	**122.1**	**8,128.8**
Acquisitions during the period	5.3	58.0	63.3
Other movements	24.5	(24.7)	(0.2)
At 30/06/2017	**8,036.5**	**155.4**	**8,191.9**
Depreciation, amortisation and impairment			
At 01/01/2016	**(3,237.8)**		**(3,237.8)**
Depreciation during the period	(197.1)		(197.1)
Other movements	63.4		63.4
At 31/12/2016	**(3,371.5)**		**(3,371.5)**
Depreciation during the period	(98.0)		(98.0)
Other movements	(0.3)		(0.3)
At 30/06/2017	**(3,469.8)**		**(3,469.8)**
Net			
At 01/01/2016	**4,766.7**	**97.1**	**4,863.9**
At 31/12/2016	**4,635.2**	**122.1**	**4,757.3**
At 30/06/2017	**4,566.7**	**155.4**	**4,722.1**

(*) *Asset-related grants deducted.*

Acquisitions in the first half stood at €63.3 million (€41.8 million in the first half of 2016). They correspond mainly to investments made by Cofiroute under its concession contracts.

Acquisitions of intangible assets under concession included assets under construction for an amount of €58.0 million on 30 June 2017.

7.2. Contractual investment and renewal obligations

Contractual obligations related to concession contracts

Under the concession contracts it has signed, Cofiroute has committed to making certain infrastructure investments in facilities that it will subsequently operate as a concession company.

At 30 June 2017, the amount of investment commitments provided for under the service concession contracts was €977.4 million (€1,090.5 million at 30 June 2016).

E. Other balance sheet items and commitments related to the business

8. Property, plant and equipment

(in € millions)	Property, plant and equipment for service concession contracts	Land	Fixtures and fittings	Plant, equipment and fixtures	Total
Gross					
At 01/01/2016	**833.4**	**1.1**	**11.1**	**37.3**	**882.9**
Acquisitions during the period	27.4	0.0	1.0	0.8	29.1
Disposals during the period	(3.6)	(0.0)	(0.2)	(0.1)	(3.9)
Other movements	5.5	0.3	(21.1)	(8.6)	(24.0)
At 31/12/2016	**862.7**	**1.4**	**(9.2)**	**29.3**	**884.2**
Acquisitions during the period	10.0		0.4	0.8	11.2
Disposals during the period	(1.3)	(0.0)	(0.0)	(0.1)	(1.5)
Other movements	0.1	(0.0)	(0.1)	(0.0)	0.0
At 30/06/2017	**871.5**	**1.3**	**(8.9)**	**30.0**	**893.9**
Depreciation, amortisation and impairment					
At 01/01/2016	**(475.8)**		**(5.4)**	**(29.0)**	**(510.2)**
Depreciation during the period	(45.2)		(2.6)	(1.9)	(49.6)
Other movements	0.5		20.9	4.8	26.2
At 31/12/2016	**(520.5)**		**12.9**	**(26.0)**	**(533.6)**
Depreciation during the period	(22.8)		(1.2)	(0.2)	(24.2)
Other movements	1.4		0.0	0.1	1.5
At 30/06/2017	**(541.9)**		**11.8**	**(26.1)**	**(556.3)**
Net					
At 01/01/2016	**357.6**	**1.1**	**5.7**	**8.3**	**372.7**
At 31/12/2016	**342.3**	**1.4**	**3.7**	**3.3**	**350.6**
At 30/06/2017	**329.6**	**1.3**	**2.9**	**3.9**	**337.6**

9. Working capital requirement and current provisions

9.1. Change in working capital requirement

(in € millions)		30/06/2017	31/12/2016	2017-2016 changes: Related to operations	2017-2016 changes: Other changes
Inventories and work in progress (net)		1.8	2.1	(0.3)	0.0
Trade and other receivables		104.4	107.5	(3.1)	0.0
Other current operating assets		44.9	41.0	4.0	0.0
Inventories and operating receivables	**I**	**151.1**	**150.6**	**0.6**	**0.0**
Trade payables		(28.3)	(28.5)	0.1	0.0
Other current operating liabilities		(99.4)	(107.8)	8.4	0.0
Trade and other operating payables	**II**	**(127.7)**	**(136.3)**	**8.5**	**0.0**
Working capital requirement (before current provisions)	**I + II**	**23.4**	**14.3**	**9.1**	**0.0**
Current provisions		**(243.5)**	**(238.2)**	**(3.4)**	**(1.8)**
o/w part of less than one year of non-current provisions		*(0.2)*	*(0.6)*	*0.4*	*0.0*
Working capital requirement (after current provisions)		**(220.1)**	**(223.9)**	**5.7**	**(1.8)**

9.2. Breakdown of current provisions

During the first half of 2017 and FY2016, current provisions recognised as liabilities in the balance sheet changed as follows:

(in € millions)	Opening	Additions	Provisions used	Other reversals not used	Other	Change in the part at less than one year of non-current provisions	Closing
01/01/2016	**239.8**	**32.2**	**(25.5)**	**(0.6)**	**0.0**	**(0.2)**	**245.7**
Provisions for site restoration	0.1			(0.1)			0.0
Obligation to maintain the condition of concession intangible assets	241.0	17.9	(0.1)	(5.4)	(19.9)		233.6
Other liabilities	4.5	3.8	(1.3)	(2.3)			4.6
Reclassification of the part at less than one year of non-current provisions	0.0						0.0
31/12/2016	**245.7**	**21.7**	**(1.5)**	**(7.8)**	**(19.9)**	**0.0**	**238.2**
Obligation to maintain the condition of concession intangible assets	233.6	17.4	(9.0)				242.0
Other liabilities	4.6	0.5	(3.6)				1.5
Reclassification of the part at less than one year of non-current provisions	0.0						0.0
30/06/2017	**238.2**	**17.9**	**(12.6)**	**0.0**	**0.0**	**0.0**	**243.5**

Current provisions (including due within one year of non-current provisions) are directly related to the operating cycle. The above provisions amounted to €243.5 million at 30 June 2017 (compared with €283.2 million at 31 December 2016) and mainly relate to provisions for the obligation to maintain the condition of concession assets.

Provisions for the obligation to maintain infrastructure assets under concession in good condition mainly relate to spending on road-surface repairs (surfacing, restructuring of slow lanes, etc.), engineering structures, hydraulic structures and specific equipment for the A86 motorway Duplex. These provisions totalled €242 million at 30 June 2017, up from €233.6 million at 31 December 2016.

10. Other contractual obligations

Operating lease commitments totalled €2.1 million at 30 June 2017 and mostly related to vehicle rental contracts. These commitments break down by maturity in the following manner:

(in € millions)	30/06/2017	< 1 year	between 1 and 5 years	> 5 years
Operating leases	2.1	1.2	0.9	0.0

F. Equity

11. Information related to equity

11.1. Transactions recognised directly in equity

(in € millions)	30/06/2017	31/12/2016
Cash flow hedges		
Reserve at beginning of period	1.3	1.6
Changes in fair value for the period	0.0	0.0
Fair value items recognised in the income statement	(0.2)	(0.3)
Gross reserve before tax effect at balance sheet date	**1.1**	**1.3**
Gross reserve before tax at balance sheet date (recyclable items in the income statement)	**1.1**	**1.3**
Associated tax effect	(0.4)	(0.4)
Reserve net of tax (recyclable items in the income statement)	**0.7**	**0.8**
Actuarial gains and losses on retirement benefit obligations		
Reserve at beginning of period	(5.4)	(3.7)
Actuarial gains and losses recognised in the period	1.7	(1.6)
Gross reserve before tax effect at balance sheet date	**(3.6)**	**(5.4)**
Gross reserve before tax at balance sheet date (non-recyclable items in the income statement)	**(3.6)**	**(5.4)**
Associated tax effect	1.3	1.8
Reserve net of tax (non-recyclable items in the income statement)	**(2.4)**	**(3.5)**
Total items recognised directly in equity		
Gross reserve before tax effect at balance sheet date	(2.5)	(4.1)
Associated tax effect	0.9	1.4
Reserve net of tax	**(1.7)**	**(2.7)**

11.2. Dividends

In April 2017, Cofiroute paid a dividend of €111.1 million corresponding to the balance of its earnings available for distribution at 31/12/2016.

G. Financing and financial risk management

12. Information on net financial debt

12.1. Net financial debt

At 30 June 2017, net financial debt stood at -€4,003.8 million, down by €111.4 million compared to 31 December 2016.

Net financial debt, as defined by Cofiroute, breaks down as follows:

		30/06/2017					31/12/2016				
(in € millions)		Non-Current	Ref.	Current(*)	Ref.	Total	Non-Current	Ref.	Current(*)	Ref.	Total
Financial instruments recognised at amortised cost	Bonds	(2,392.3)	(1)	(627.8)	(3)	(3,020.2)	(3,030.3)	(1)	(58.4)	(3)	(3,088.7)
	Other bank loans and other financial liabilities	(739.4)	(2)	(135.7)	(3)	(875.2)	(839.9)	(2)	(60.0)	(3)	(899.9)
	Long-term financial liabilities	(3,131.7)		(763.6)		**(3,895.3)**	(3,870.2)		(118.4)		**(3,988.6)**
	Other current financial liabilities			(135.0)	(3)	(135.0)			(200.5)	(3)	(200.5)
	Bank overdrafts										
	I – Gross financial liabilities	(3,131.7)		**(898.6)**	**(3)**	**(4,030.3)**	(3,870.2)		**(318.9)**	**(3)**	**(4,189.1)**
	o/w impact of fair value hedges	(9.9)		0.0		*(9.9)*	(37.4)		0.0		*(37.4)*
Financial assets measured at fair value through net income	Cash management financial assets - not cash equivalents			4.0	(4)	4.0			4.0	(4)	4.0
	Cash equivalents										
	Cash			2.5	(5)	2.5			5.6	(5)	5.6
	II – Financial assets	**0.0**		**6.5**		**6.5**	**0.0**		**9.6**		**9.6**
Derivatives	Derivative Financial Instruments – Liabilities	(53.7)	(7)	(24.4)	(8)	(78.1)	(39.2)	(7)	(50.9)	(8)	(90.1)
	Derivative Financial Instruments – Assets	60.8	(6)	37.3	(9)	98.1	76.6	(6)	77.8	(9)	154.5
	III – Derivative instruments	7.1		12.9		**20.0**	37.4		26.9		**64.3**
	Net financial debt (I + II + III)	**(3,124.6)**		**(744.2)**		**(4,003.8)**	**(3,832.8)**		**(81.8)**		**(4,115.2)**

(*) *The current portion includes unpaid accrued interest and the part at less than one year.*

Reconciliation of net financial debt with balance sheet items:

(in € millions)	Ref.	30/06/2017	31/12/2016
Non-current bonds	(1)	(2,392.3)	(3,030.3)
Other non-current financial liabilities	(2)	(739.4)	(839.9)
Current financial liabilities	(3)	(898.6)	(318.9)
Cash management financial assets	(4)	4.0	4.0
Cash and cash equivalents	(5)	2.5	5.6
Non-current derivative instruments, assets	(6)	60.8	76.6
Non-current derivative instruments, liabilities	(7)	(53.7)	(39.2)
Current derivative instruments, liabilities	(8)	(24.4)	(50.9)
Current derivative instruments, assets	(9)	37.3	77.8
Net financial debt		**(4,003.8)**	**(4,115.2)**

Derivative financial instruments (assets/liabilities) qualified as hedges are reported in the balance sheet according to their maturity: non-current derivatives instruments (assets/liabilities) due in more than a year and current derivative instruments (assets/liabilities) due within a year.

Derivative financial instruments (assets/liabilities) not qualified as hedges are reported under "current derivative instruments (assets/liabilities)" irrespective of their maturity.

12.2. Resources and liquidity

As at 30 June 2017, Cofiroute had a total of €506.5 million of available resources, including €6.5 million in net cash managed and €500 million made up of confirmed and unused medium-term bank credit lines.

Payment schedule for financial debt

At 30 June 2017, the average maturity of Cofiroute's long-term financial debt was down to 5.1 years from 5.9 years at 31 December 2016.

Net cash under management

Net cash under management, including cash management financial assets, breaks down as follows:

(in € millions)	30/06/2017	31/12/2016
Cash equivalents	**0.0**	**0.0**
Cash	**2.5**	**5.6**
Net cash	**2.5**	**5.6**
Cash management financial assets	**4.0**	**4.0**
Term accounts	*4.0*	*4.0*
Net cash under management	**6.5**	**9.6**

Most cash is now invested in a current account in the form of time deposits with VINCI Autoroutes under a cash pooling agreement. Other cash management financial assets consist of marketable securities pledged to the employee savings plan. Where applicable, any cash borrowed from the VINCI Autoroutes current account is presented under current financial debt.

Bank credit facility

Cofiroute has a revolving line of credit facility of €500 million expiring in May 2021.

Financing agreements

Cofiroute's financing agreements (bonds, bank loans and credit facilities) do not include any case of default as defined by financial covenants. Financial terms of bank credit lines of €500 million are determined based on a leverage ratio.

Furthermore, some finance agreements stipulate that a change in control of the borrower may require mandatory early redemption or repayment.

Credit rating

At 30 June 2017, Cofiroute had the following credit rating from Standard & Poor's:

- long-term: A- outlook stable.

13. Information on financial risk management

Exposure to financial risks at 30 June 2017 remained unchanged compared to that of 31 December 2016 as described in Note G.17. of the 2016 financial report published on 10 March 2017.

14. Carrying value and fair value of financial assets and liabilities by accounting category

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

	30/06/2017										
	Accounting categories							FV			
(in € millions)	Financial instruments through income statement	Derivatives designated as hedges	Assets measured at fair value (FV option)	Financial assets available for sale	Loans and receivables	Liabilities at amortised cost	Total net carrying amount of class	Level 1 Quoted prices	Level 2 Internal model using observable inputs	Level 3 Internal model using non-observable inputs	Fair value of class
Investments in unlisted companies				0.0			0.0			0.0	0.0
I – Non-current financial assets				**0.0**			**0.0**			**0.0**	**0.0**
II – Derivative instruments, assets	**29.4**	**66.4**					**95.8**		**95.8**		**95.8**
III – Operating receivables					**104.4**		**104.4**		**104.4**		**104.4**
Cash management financial assets - not cash equivalents			4.0				4.0	4.0			4.0
Cash equivalents			0.0				0.0	0.0			0.0
Cash			2.5				2.5	2.5			2.5
IV – Current financial assets			**6.5**				**6.5**	**6.5**			**6.5**
Total assets	**29.4**	**66.4**	**6.5**	**0.0**	**104.4**	**0.0**	**206.7**	**6.5**	**200.2**	**0.0**	**206.7**
Bonds						(3,020.2)	(3,020.2)	(3,168.7)	(9.2)		(3,177.9)
Other bank loans and other financial liabilities						(875.2)	(875.2)		(880.4)		(880.4)
V – Non-current financial liabilities						**(3,895.3)**	**(3,895.3)**	**(3,168.7)**	**(889.6)**		**(4,058.3)**
VI – Derivative financial instruments, liabilities	**(24.4)**	**(51.3)**					**(75.8)**		**(75.8)**		**(75.8)**
VII – Trade payables						**(66.2)**	**(66.2)**		**(66.2)**		**(66.2)**
Other current financial liabilities			(135.0)				(135.0)	(135.0)			(135.0)
VI – Current financial liabilities			**(135.0)**				**(135.0)**	**(135.0)**			**(135.0)**
Total liabilities	**(24.4)**	**(51.3)**	**(135.0)**	**0.0**	**0.0**	**(3,961.5)**	**(4,172.3)**	**(3,303.7)**	**(1,031.5)**	**0.0**	**(4,335.2)**
Carrying amount of categories	**4.9**	**15.1**	**(128.5)**	**0.0**	**104.4**	**(3,961.5)**	**(3,965.6)**	**(3,297.2)**	**(831.3)**	**0.0**	**(4,128.6)**

	31/12/2016										
	Accounting categories							FV			
(in € millions)	Financial instruments through income statement	Derivatives designated as hedges	Assets measured at fair value (FV option)	Financial assets available for sale	Loans and receivables	Liabilities at amortised cost	Total net carrying amount of class	Level 1 Quoted prices	Level 2 Internal model using observable inputs	Level 3 Internal model using non-observable inputs	Fair value of class
Investments in unlisted companies				0.0			0.0			0.0	0.0
I – Non-current financial assets				**0.0**			**0.0**			**0.0**	**0.0**
II – Derivative instruments, assets	**59.6**	**93.8**					**153.5**		**153.5**		**153.5**
III – Operating receivables					**107.5**		**107.5**		**107.5**		**107.5**
Cash management financial assets - not cash equivalents			4.0				4.0	4.0			4.0
Cash equivalents			0.0				0.0	0.0			0.0
Cash			5.6				5.6	5.6			5.6
IV – Current financial assets			**9.6**				**9.6**	**9.6**			**9.6**
Total assets	**59.6**	**93.8**	**9.6**	**0.0**	**107.5**	**0.0**	**270.6**	**9.6**	**261.0**	**0.0**	**270.6**
Bonds						(3,088.7)	(3,088.7)	(3,267.8)	(10.8)		(3,278.7)
Other bank loans and other financial liabilities						(899.9)	(899.9)		(903.9)		(903.9)
V – Non-current financial liabilities						**(3,988.6)**	**(3 988.6)**	**(3,267.8)**	**(914.8)**		**(4 182.6)**
VI – Derivative financial instruments, liabilities	**(50.9)**	**(38.2)**					**(89.2)**		**(89.2)**		**(89.2)**
VII – Trade payables						**(63.3)**	**(63.3)**		**(63.3)**		**(63.3)**
Other current financial liabilities			(200.5)				(200.5)	(200.5)			(200.5)
VI – Current financial liabilities			**(200.5)**				**(200.5)**	**(200.5)**			**(200.5)**
Total liabilities	**(50.9)**	**(38.2)**	**(200.5)**	**0.0**	**0.0**	**(4,051.9)**	**(4,341.6)**	**(3,468.4)**	**(1,067.2)**	**0.0**	**(4,535.6)**
Carrying amount of categories	**8.7**	**55.6**	**(190.9)**	**0.0**	**107.5**	**(4,051.9)**	**(4,071.0)**	**(3,458.7)**	**(806.3)**	**0.0**	**(4,265.0)**

H. Employee benefits and share-based payments

15. Share-based payments

Cofiroute employees are eligible for a VINCI group savings plan and some of them have been awarded free share plans by the parent company VINCI. The overall expense recognised at 30 June 2017 for share-based payments was €0.9 million, including €0.2 million pursuant to the VINCI group savings plan.

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Plan in accordance with the authorisations granted to it by the General Shareholders' Meeting. In France, VINCI performs capital increases reserved for employees three times a year, with a subscription price including a 5% discount on the average stock market price over the 20 trading days preceding the day on which the Board of Directors sets the subscription price. The subscribers receive an employer's matching contribution limited to €2,500 per person and per year. These benefits granted to the Group's employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

- subscription period: 4 months;
- lock-up period: 5 years.

16. Provisions for employee benefits

(in € millions)	Notes	30/06/2017	31/12/2016
Provisions for retirement benefit obligations	16.1	18.7	19.7
Provisions for other employee benefits	16.2	2.3	2.0
Provisions for employee benefits		**21.0**	**21.7**

16.1. Provisions for retirement benefit obligations

Provisions for retirement benefits stood at €18.7 million at 30 June 2017.

They include both provisions for lump sum payments on retirement and provisions for supplementary retirement benefit obligations.

The expense recognised in the first half of 2017 for retirement benefit obligations is half the forecast expense for 2017, determined on the basis of actuarial assumptions as of 31 December 2016.

The impacts arising from the changes in assumptions relating to post-employment benefits (discount rate) during the first half of 2017 are recognised in other comprehensive income.

16.2. Provisions for other employee benefits

During the first half of 2017 and 2016, non-current provisions recognised as liabilities in the balance sheet changed as follows:

(in € millions)	Opening	Additions	Provisions used	Other reversals not used	Other	Change in the part at less than one year of non-current provisions	Closing
01/01/2016	**3.0**	**0.0**	**(1.0)**	**(0.3)**	**0.0**	**0.8**	**2.5**
Other employee benefits	3.2		(0.3)	(0.4)			2.5
Reclassification of the part at less than one year of non-current provisions	(0.7)					0.3	(0.4)
31/12/2016	**2.5**	**0.0**	**(0.3)**	**(0.4)**	**0.0**	**0.3**	**2.0**
Other employee benefits	2.5		(0.1)				2.4
Reclassification of the part at less than one year of non-current provisions	(0.4)					0.4	(0.0)
30/06/2017	**2.0**	**0.0**	**(0.1)**	**0.0**	**0.0**	**0.4**	**2.3**

Other employee benefits

As of 30 June 2017, provisions for other employee benefits consist mainly of provisions relating to early retirement compensation under the "CATS" agreements (CATS is the French acronym for "Early Retirement Scheme for Certain Employees").

Provisions for other risks

Provisions for other risks, not directly connected to the operating cycle, include provisions for litigation and arbitration.

I. Other notes

17. Transactions with related parties

Transactions with related parties include:

- remuneration and similar benefits granted to members of the governing and management bodies;
- operations with entities of the VINCI group. These transactions are performed based on market prices.

As of the first half of 2017, there was no significant change in the nature of transactions with the parties related to the VINCI group compared to 31 December 2016.

J. Post-balance sheet events

During its meeting on 25 July 2017, the Company's Board of Directors approved the distribution of an interim dividend of €81.3 million relating to the current year.

Statutory Auditors' review report on the 2017 half-yearly financial information

Period from 1 January 2017 to 30 June 2017

COFIROUTE

Limited Liability Company

Registered office: 12-14, rue Louis Blériot – 92506 Rueil-Malmaison Cedex

Share capital: €158,282,124

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 ("*Code monétaire et financier*"), we hereby report to you on:

- the limited review of the accompanying condensed half-yearly IFRS individual financial statements of Cofiroute for the period from 1 January 2017 to 30 June 2017;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly IFRS individual financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance obtained in the course of a limited review that the financial statements, taken as a whole, are free from material misstatements, is a moderate assurance, at a lower level than that obtained from an audit.

Based on our review, no significant anomalies have come to our attention that would cause us to believe that the accompanying condensed half-yearly IFRS individual financial statements do not give a true and fair view of the assets and financial position at the end of the half-year and of the results for the half-year ended, in accordance with the IFRS standards adopted by the European Union.

Specific verifications and information

We have also verified the information given in the half-yearly management report on the condensed half-yearly IFRS individual financial statements subject to our limited review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly IFRS individual financial statements.

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

The Statutory Auditors

KPMG Audit	Deloitte & Associés
Department of KPMG SA	
Xavier Fournet	**Frédéric Souliard**
Partner	*Partner*

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

"I certify that, to the best of my knowledge, the IFRS condensed half-year financial statements presented in the half-year financial report have been prepared in compliance with applicable accounting standards; that they give a true and fair view of the assets, liabilities, financial position and earnings of Cofiroute; and that the interim management report (shown on pp. 4–7) presents a true and fair view of the key events over the first six months of the year and their impact on the interim financial statements, the principal transactions between the related parties, and a description of the principal risks and uncertainties for the remaining six months of the year."

Marc Bouron

Chief Executive Officer

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