COFIROUTE

FINANCIAL REPORT

2018

Half-year financial report at 30 June 2018

VINCI AUTOROUTES

Half-year financial report at 30 June 2018

Contents

Half-year management report at 30 June 2018

1. The Company's position and business during the first half of 2018

Revenue (excluding construction revenue) was €679.2 million, of which €669.9 million in toll revenue.

The ratio of EBITDA[1] to revenue went from 75.8% in June 2017 to 75.6% in June 2018.

Investments came to €75 million in the first half, relating primarily to the carrying out of the motorway stimulus plan, the second development phase of the interurban network, as well as to improvements in the network.

Net financial debt totalled €3,881.6 million at 30 June 2018.

2. Traffic

Despite the extraordinary events having hit traffic at the start of the year (widespread snowfalls and farmers' protests), traffic on the interurban network rose 1.9% in the first half of 2018, on the back of 1.6% growth in light vehicle traffic and 4.0% in heavy goods vehicle traffic.

Daily average traffic on the A86 Duplex was up 5.1%, and was slightly more dynamic at weekends. In the first half, daily traffic broke records with 50,023 vehicles per day on Friday, 29 June 2018.

3. Operating revenue

Operating revenue totalled €679.2 million, a gain of 3.8% over the half-year compared to the same period in 2017. It breaks down into €669.9 million in toll revenue, up 3.9% on 30 June 2017, and €9.4 million in revenue from ancillary activities.

Interministerial Decrees were issued on 18 December 2017 and 29 January 2018 relating to toll rate increases on the A86 Duplex and the interurban network, coming into effect respectively on 1 January and 1 February.

On the interurban network, toll rates increased by +1.33% for vehicules in classes 1, 2, 4 and 5 and by +2.46% for vehicules in class 3.

4. Works and upgrades to the network in service

4.1. A86 Duplex

Investments for the first half of 2018 involved the latest finishing work and the first equipment renewals.

4.2. Interurban network improvement works

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, which will be complete at end-2018.

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. Work continued on the mineralisation of the central reservation with 52 kilometres already completed out of the 70 kilometres to be done. The operations of the environmental phase of the stimulus plan continued with the commissioning of the car-sharing car-park in Châtellerault and "eco-ducts" on the A71.

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), the final contour of the A28 and the Angers bypass.

5. Network operation

The weather was very poor in the first half of 2018 (snowfall, ice and heavy rain) involving a heavy workload for the winter maintenance crews to ensure customers continued to enjoy the same level of service on the motorway.

Cofiroute continued its programme of upgrading its commercial facilities in the first half of 2018. All areas will be completed in 2018.

(1) Cash flows (used in)/from operations before tax and financing costs.

In light of the extent of work being done on the network and in particular certain roads such as the A10 motorway south of Tours, the operational teams were very busy ensuring customers enjoyed good traffic flow.

With respect to the safety of personnel, Cofiroute continued to focus at the start of the year on efforts to reduce the number of vans being hit and in particular asked the Road Traffic and Safety Directorate to carry out experiments with a view to improving how the operating teams worked.

Cofiroute also worked together with Fondation d'Entreprise VINCI Autoroutes on responsible driving to make motorists more mindful of road safety, with particular emphasis on the risks of inattention and falling asleep at the wheel.

6. Relationship with the concession grantor

Interministerial Decrees were issued on 18 December 2017 and 29 January 2018 relating to toll rate increases on the A86 Duplex and the interurban network, coming into effect respectively on 1 January and 1 February.

In December 2017, Cofiroute reached an agreement concerning the Motorways Investment Plan with the concession grantor which will entail a €116 million programme of 5 construction operations to improve mobility in the regions, particularly travel in urban and periurban areas. The amendments and master contracts for each of the companies involved were approved by the State at the start of 2018.

The majority of these operations will be jointly funded with partner local authorities.

This Investment Plan must be approved by the Council of State before it is implemented.

The annual progress report for 2017 was submitted to the Transport Infrastructure Department in June 2018. Cofiroute is complying with all its undertakings under the concession contract.

7. IFRS Half-Year Financial Statements

7.1. Revenue

Pursuant to IFRS 15 and provisions of IFRIC 12 on service concession arrangements, revenue under IFRS includes operating revenue, i.e. toll receipts from the network and receipts from ancillary activities carried out by Cofiroute, and construction revenue from investments in infrastructure built on behalf of the government.

IFRS operating revenue stood at €679.2 million at 30 June 2018, compared to €654.2 million in the first half of 2017, an increase of 3.8%.

Construction revenue was flat at €63.5 million, compared to €63.3 million at 30 June 2017. 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 year-to-date was €742.7 million, compared to €717.5 million in the first half of 2017.

7.2. Operating income

Operating income rose 5% to €393.1 million in the first half of 2018, versus €374.2 million the previous year.

7.3. Net financial income/(expense)

The cost of net financial debt fell €1.8 million to -€42.3 million. Discounting the provision for infrastructure maintenance and the provision for retirement commitments, applied pursuant to IFRS, had a positive impact of €0.6 million. Consequently, net financial expense improved by €4.5 million to -€41.7 million, from -€46.1 million at 30 June 2017.

7.4. Net income

With a tax expense of €120.7 million, net income came to €230.7 million, compared to €214.8 million recorded as at 30 June 2017.

7.5. Net financial debt

Net financial debt totalled €3,881.6 million at end-June 2018, compared to €4,003.8 million at 30 June 2017.

8. Parent company financial statements

Income statement

Cofiroute's revenue (excluding construction revenue) was €679.2 million in the first half of 2018, representing an increase of 3.8% compared with the same period in 2017.

Toll revenue was €669.9 million, up 3.9% compared with the same period in 2017.

Cofiroute generated net income in the first half of 2018 of €242.3 million, up 18.5% compared with the first half of 2017.

9. Post balance sheet events

Between 30 June 2018 and the approval of the consolidated financial statements by the Board of Directors on 25 July 2018, Cofiroute did not experience any event that merits being included in "Significant events since 30 June 2018".

10. Risks factors

The main operational risks that Cofiroute may face in the second half of 2018 primarily relate to traffic and user acceptance of tolls and rates, virtually all revenue comprising toll revenue. Traffic may be affected by the economic environment and the level of oil prices.

The main financial risks are set out in Note 17 "Information on financial risk management" to the 2017 annual financial report.

11. Composition of the Board of Directors

At 30 June 2018, the Board of Directors had the following members:

- Pierre Coppey, Chairman;
- Cofiroute Holding;
- VINCI Autoroutes;
- VINCI Concessions;
- VINCI Autoroutes Services;
- VINCI Autoroutes Projets 3;
- VINCI Autoroutes Projets 4;
- Sylvain Lefol;
- Pierre Trotot;
- Marianne Laigneau.

12. Breakdown of share capital

Cofiroute's share capital was distributed as follows at 30 June 2018:

- VINCI Autoroutes 65.34%;
- Cofiroute Holding 34.66%;
- Other 0.00012%.

Employees hold no equity in the Company.

Half-year financial report at 30 June 2018

IFRS CONDENSED HALF-YEAR INDIVIDUAL FINANCIAL STATEMENTS AT 30 JUNE 2018

IFRS income statement for the period

(in € millions)	Notes	1st half 2018	1st half 2017	2017
Revenue	**4.1**	**742.7**	**717.5**	**1,521.4**
o/w:				
Operating revenue		*679.2*	*654.2*	*1,400.4*
Revenue – construction of new infrastructure assets under concession		*63.5*	*63.3*	*121.0*
Income from ancillary activities		1.0	0.8	1.9
Operating expenses	4.2	(349.6)	(343.1)	(718.7)
Operating income from ordinary activities		**394.1**	**375.1**	**804.5**
Share-based payments (IFRS 2)	16	(1.0)	(0.9)	(2.0)
Other current operating items		0.0	0.0	0.0
Current operating income		**393.1**	**374.2**	**802.5**
Operating income	**4.2**	**393.1**	**374.2**	**802.5**
Cost of gross financial debt		(42.3)	(44.1)	(90.0)
Financial income from cash management investments		0.0	0.0	0.0
Cost of net financial debt	**5**	**(42.3)**	**(44.1)**	**(90.0)**
Other financial income and expenses	5	0.6	(2.0)	(2.6)
Income tax expense	6	(120.7)	(113.3)	(252.9)
o/w impact of non-current changes in deferred tax(*)		*0.0*	*0.0*	*(9.2)*
Net income		**230.7**	**214.8**	**457.1**
Earnings per share *(in €)*		**56.85**	**52.92**	**112.62**
Net income per share *(in €)* **– excluding non-current changes in deferred tax(*)**		**56.85**	**52.92**	**114.89**

(*) At 31 December 2017, the net non-recurring tax impact on net income was -€9.2 million and stemmed from the following tax measures adopted in France in the 2018 Finance Act and the 2017 amending Act: the 15% extraordinary income tax contribution, the overturning of the 3% dividend contribution and the progressive reduction in the income tax rate in France from 33.33% to 25% from 2022 having resulted in a reassessment of the deferred tax assets of Cofiroute. At 30 June 2018, deferred tax was calculated according to the same assumptions and there were no further impacts on net income.

At 1 January 2018, Cofiroute applied IFRS 9 "Financial Instruments" using the so-called "simplified retrospective" approach. As a result, the 2017 data, presented for comparison purposes, was not adjusted. The impact of this first-time application is presented in Note A.3. The impact is mainly limited to presentation differences resulting from the new provisions of IFRS 9.

Since 1 January 2018, the Company has applied IFRS 15, "Revenue from Contracts with Customers". The first-time application, using the simplified retrospective approach, has no impact on the Company (See Note A.3).

IFRS comprehensive income statement for the period

(in € millions)	1st half 2018	1st half 2017	2017
Net income	**230.7**	**214.8**	**457.1**
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)**
Equity instruments[3]	0.0	0.0	0.0
Actuarial gains and losses on retirement benefit obligations	(0.4)	1.7	1.4
Tax expense	0.2	(0.6)	(0.5)
Other comprehensive income items that cannot be subsequently recycled in net income	**(0.2)**	**1.1**	**0.9**
Total other comprehensive income items recognised directly in equity	**(0.3)**	**1.0**	**0.7**
Comprehensive income	**230.4**	**215.8**	**457.8**

(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) and hedging costs.*
(3) *Changes in fair value of non-consolidated investments in subsidiaries and affiliates.*

Balance sheet – IFRS assets

(in € millions)	Notes	30/06/2018	30/06/2017	31/12/2017
Non-current assets				
Concession intangible assets	8	4,732.4	4,722.1	4,768.2
Other intangible assets		2.0	3.6	2.7
Property, plant and equipment for service concession contracts	9	218.7	329.6	228.5
Property, plant and equipment	9	6.7	8.1	7.1
Non-current derivative instruments, assets		49.5	60.8	54.2
Total non-current assets		**5,009.3**	**5,124.1**	**5,060.7**
Current assets				
Inventories and work in progress	10	1.4	1.8	2.0
Trade and other receivables	10	134.6	104.4	110.2
Other current operating assets	10	24.8	44.9	38.6
Other current non-operating assets		0.0	0.0	1.5
Current tax assets		8.8	12.8	0.0
Current derivative instruments, assets	13	9.0	37.3	51.4
Cash management financial assets	13	0.0	4.0	4.0
Cash and cash equivalents	13	9.4	2.5	840.6
Total current assets		**188.0**	**207.7**	**1,048.4**
Total assets		**5,197.4**	**5,331.8**	**6,109.1**

Balance sheet – IFRS equity and liabilities

(in € millions)	Notes	30/06/2018	30/06/2017	31/12/2017
Share capital				
Capital		158.3	158.3	158.3
Reserves		257.1	248.4	166.9
Net income for the period		230.7	214.8	457.1
Transactions recognised directly in equity	12	(2.3)	(1.7)	(2.0)
Total equity		**643.8**	**619.8**	**780.2**
Non-current liabilities				
Non-current provisions		0.0	0.2	0.0
Provisions for employee benefits	17	19.6	21.0	18.8
Bonds	13	3,134.8	2,392.3	3,131.8
Other loans and borrowings	13	687.5	739.4	708.4
Non-current derivative instruments, liabilities		43.6	53.7	49.5
Other non-current liabilities		2.8	1.8	2.5
Net deferred tax liabilities		149.7	171.3	146.0
Total non-current liabilities		**4,038.1**	**3,379.7**	**4,057.0**
Current liabilities				
Current provisions	10	246.7	243.5	241.0
Trade payables	10	29.3	28.3	32.9
Payables related to non-current assets		48.9	37.8	47.1
Other current operating liabilities		107.1	99.6	111.5
Current tax liabilities		0.0	0.0	6.0
Current derivative instruments, liabilities	13	2.9	24.4	26.8
Current financial debt	13	80.7	898.6	806.5
Total current liabilities		**515.5**	**1,332.3**	**1,271.9**
Total equity and liabilities		**5,197.4**	**5,331.8**	**6,109.1**

Cash flow statement

(in € millions)		Notes	1st half 2018	1st half 2017	2017
Net income for the period			**230.7**	**214.8**	**457.1**
Depreciation and amortisation		4.2	122.6	122.7	248.9
Net increase/(decrease) in provisions and impairment			(0.3)	2.4	1.1
Share-based payments and other restatements		16	(2.5)	(1.3)	(1.0)
Gain on disposals			0.1	0.2	(0.6)
Cost of net financial debt recognised		5	42.3	44.1	90.0
Current and deferred tax expense recognised		6	120.7	113.3	252.9
Cash flows from/(used in) operations before tax and financing costs			**513.6**	**496.1**	**1,048.3**
Changes in operating working capital requirement and current provisions		10	(11.6)	(5.7)	7.1
Income taxes paid			(130.6)	(152.8)	(298.6)
Net interest paid			(70.4)	(70.3)	(83.3)
Cash flows from/(used in) operating activities	**I**		**301.0**	**267.3**	**673.4**
Purchases of property, plant and equipment and intangible assets			*(0.7)*	*(1.2)*	*(2.2)*
Disposals of property, plant and equipment and intangible assets			*1.5*	*0.0*	*(0.2)*
Operating investments (net of disposals)			0.8	(1.1)	(2.4)
Operating cash flow			**301.9**	**266.1**	**671.1**
Investments in concession fixed assets (net of grants received)		8-9	(73.5)	(69.8)	(129.3)
Free cash flow (after investments)			**228.4**	**196.3**	**541.7**
Disposals of holdings			0.0	0.0	0.0
Cash flows (used in)/from investing activities	**II**		**(72.7)**	**(71.0)**	**(131.7)**
Dividends paid to Cofiroute SA shareholders		12.2	(365.1)	(111.1)	(192.4)
Proceeds from new long-term borrowings		13	7.0	0.0	740.3
Repayment of long-term borrowings		13	(705.5)	(22.9)	(54.2)
Change in cash management assets and other current liabilities			4.0	0.0	0.0
Net cash flows from/(used in) financing activities	**III**		**(1,059.5)**	**(134.0)**	**493.7**
Change in net cash	**I + II + III**	**13**	**(831.1)**	**62.4**	**1,035.5**
Net cash at start of period			**840.6**	**(194.9)**	**(194.9)**
Net cash and cash equivalents at end of period			**9.4**	**(132.5)**	**840.6**
Change in cash management assets and other current liabilities			(4.0)	0.0	0.0
(Issue) repayment of borrowings			698.5	22.9	(686.1)
Other changes			27.9	26.1	(7.0)
Change in net financial debt		**13**	**(108.8)**	**111.3**	**342.3**
Net financial debt at beginning of period			(3,772.8)	(4,115.2)	(4,115.2)
Net financial debt at end of period			**(3,881.6)**	**(4,003.8)**	**(3,772.8)**

Statement of changes in equity

			Equity		
(in € millions)	Share capital	Reserves	Transactions recognised directly in equity	Net income	Total
Equity at 01/01/2017	**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**
Net income for the period				242.3	242.3
Other comprehensive income items			(0.3)		(0.3)
Comprehensive income for the period	**0.0**	**0.0**	**(0.3)**	**242.3**	**242.0**
Appropriation of net income and dividend payments		(81.3)		0.0	(81.3)
Share-based payments		(0.2)			(0.2)
Equity at 31/12/2017	**158.3**	**166.9**	**(2.0)**	**457.1**	**780.2**
Net income for the period				230.7	230.7
Other comprehensive income items			(0.3)		(0.3)
Comprehensive income for the period	**0.0**	**0.0**	**(0.3)**	**230.7**	**230.4**
Appropriation of net income and dividend payments		92.0		(457.1)	(365.1)
Share-based payments		(1.8)			(1.8)
Equity at 30/06/2018	**158.3**	**257.1**	**(2.3)**	**230.7**	**643.8**

NOTES TO THE IFRS CONDENSED HALF-YEAR INDIVIDUAL FINANCIAL STATEMENTS

A. Accounting principles, measurement methods and changes in policies

1. Basis of preparation of the financial statements

The accounting principles used at 30 June 2018 are the same as those used for Cofiroute's financial statements at 31 December 2017, except for the standards and/or amendments adopted by the European Union and mandatory as from 1 January 2018 (see below).

The IFRS condensed half-year individual financial statements of Cofiroute at 30 June 2018 were prepared in accordance with IAS 34 "Interim financial reporting". They were approved by the Board of Directors on 25 July 2018. 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 2017. They refer to the annual IFRS financial statements as of 31 December 2017 presented in the 2017 financial report filed with the AMF on 5 March 2018.

Cofiroute's financial statements are presented in millions of euros, with a decimal. 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 2018

The impact of the application from 1 January 2018 of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial instruments" is described in Note A.3.

The other applicable standards and interpretations that were mandatory from 1 January 2018 do not have a significant impact on the consolidated financial statements of Cofiroute at 30 June 2018. They mainly include:

- Amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- Annual improvements, 2014-2016 cycle.

1.2. Standards and interpretations adopted by the IASB but not applicable at 30 June 2018

Cofiroute has not applied early any of the following standards or interpretations that might affect it, application of which was not mandatory at 1 January 2018:

- IFRS 16 "Leases";
- Amendments to IFRS 9 "Prepayment features with negative compensation";
- Amendments to IAS 19 "Plan amendment, curtailment or settlement";
- Annual improvements, 2015-2017 cycle;
- IFRIC 23 "Uncertainty over Income Tax Treatments". A study of the impact and practical consequences of the application of these standards and interpretations is underway.

IFRS 16 "Leases" changes the recognition of leases by lessees. It will replace IAS 17, IFRIC 4, SIC 15 and SIC 27. IFRS 16, which will come into effect on 1 January 2019, requires that leases be accounted for in a single manner by lessees, impacting the balance sheet in a similar way to finance leases.

Given the relatively short term of asset leases (transport equipment primarily), the estimate as of the effective date of the Cofiroute financial statements would not be representative of the impact recognised upon first-time application of IFRS 16.

Due to the features of certain leases (in particular in terms of renewal conditions), the periods used to measure contracts under IFRS 16 could, in some cases, be different from those used to measure those off-balance-sheet commitments where only the firm commitment period is taken into account. The commitments mentioned in Note 11 "Contractual obligations related to leases" may accordingly not be fully representative of the liabilities that will need to be recognised in applying IFRS 16.

Cofiroute should opt for the retrospective approach, recognising the cumulative effect of the initial application of the standard on the date of first-time application.

Cofiroute is following market discussions on the implementation of this standard and will adapt its work based on the conclusions.

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 drawn up on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based change 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 in the balance sheet, derivative instruments, cash and cash equivalents, non-consolidated investments in subsidiaries and affiliates and cash management financial assets. The fair values of other financial instruments (in particular debt instruments and assets at amortised cost, as defined in Note 3.2 IFRS 9 "Financial Instruments") are included in Note F.15 "Carrying amount and fair value of financial assets and liabilities by accounting category".

Fair value is the price that would be received from selling an asset or paid to transfer a liability in a normal 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 future cash flows into a single present value;
- cost-based approaches, which take the physical, technological and economic obsolescence of the measured asset into account.

The following three-level ranking of fair values is used:

- level 1: quoted prices in an active market. Marketable securities and listed bonds are valued 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.). Most derivatives (swaps, caps, floors, etc.) traded on markets are measured on the basis of models commonly used by market practitioners in pricing these financial instruments.
  Internal valuations of derivatives are checked quarterly for consistency with the valuations sent by 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 half-year 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.

Estimation of the tax expense

The tax expense for the first half-year is determined by applying Cofiroute's effective tax rate estimated for the 2018 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 2018 based on the actuarial assumptions at 31 December 2017. The impacts arising from changes in assumptions relating to post-employment benefits during the first half of 2018 (discount rate) are recognised under "other comprehensive income items."

3. Change in accounting policy

3.1. IFRS 15 "Revenue from Contracts with Customers"

Cofiroute adopted IFRS 15 as at 1 January 2018, the date on which it became effective in the European Union, using the so-called simplified retrospective approach. As a result, the 2017 data, presented for comparison purposes, was not adjusted. The first-time application of IFRS 15 has not resulted in Cofiroute changing the amount of its opening equity.

IFRS 15, the provisions of which are described below, specifies how Cofiroute's revenue is measured and recognised.

Principles for measuring and recognising revenue effective since 1 January 2018

Cofiroute's revenue consists of revenue from motorway concessions.

Before revenue can be recognised, IFRS 15 requires that a contract be identified along with the various performance obligations contained in the contract. The number of performance obligations depends on the types of contracts and activities. Most Cofiroute contracts only have a single performance obligation.

The fundamental principles of IFRS 15 is that the recognition of revenue from contracts with customers must reflect,

- the rate at which performance obligations are realised corresponding to the transfer of control of an asset or service to a customer;
- and the amount of revenue the seller expects in consideration for the activities carried out.

Control of a good or service is the key factor, with transfer thereof being determinant for the recognition of revenue.

Control of a good or service may be passed over time (recognition of revenue on the basis of the percentage of completion) or at a point in time (recognition upon completion).

According to the provisions of IFRIC 12 "Service Concession Arrangements", the concession operator can have two business activities:

- a construction business consisting of its obligations to design, build, and finance new infrastructures that it delivers to the concession grantor;
- an operating and maintenance activity for the facilities under concession.

The addition of references to IFRS 15 in the provisions of IFRIC 12 has not resulted in Cofiroute identifying any differences with its revenue recognition practice either in terms of identifying new performance obligations or the timing of revenue recognition.

Income from ancillary activities mainly comprises revenue from leases, sales of equipment, materials and goods, studies and royalties.

3.2. IFRS 9 "Financial Instruments"

As from 1 January 2018, Cofiroute has applied the provisions of IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" sets out the relevant rules for the recognition and measurement of financial assets and liabilities and of certain contracts to buy or sell non-financial items. This standard supersedes IAS 39 "Financial Instruments", which was applied up to 31 December 2017.

Phase I – Classification and measurement of financial assets

The provisions of IFRS 9 regarding the classification and measurement of financial assets are based on the business management model and the contractual characteristics of the financial assets.

When applying this standard, Cofiroute reviewed the characteristics, in particular remuneration, of its financial assets. In light of Cofiroute's practices in how it manages its financial assets, not holding complex financial instruments, it was concluded that all of the financial assets of Cofiroute respected the "Solely Payment of Principal and Interests (SPPI)" criterion as defined by IFRS 9. There was therefore no change in accounting policy for the financial assets recognised at amortised cost pursuant to IAS 39 upon first-time application of IFRS 9.

Cofiroute also reviewed its portfolio of equity instruments, primarily comprising non-consolidated investments in subsidiaries and affiliates, in order to determine the measurement method for each security (either at fair value through profit and loss or fair value through equity). The securities in the portfolio as at 1 January 2018 were measured at fair value through equity.

For the shares of listed companies, this fair value is determined on the basis of the stock market price on the reporting date. For unlisted securities, if the fair value cannot be reliably determined at each reporting date, they are kept in the balance sheet at their initial fair value, namely at their acquisition cost plus transaction costs, adjusted for any increase or decrease in value determined by an analysis of the change in the percentage of equity held.

Every time equity securities are acquired, a similar analysis will be done to determine Cofiroute's management intent, thereby characterising the manner in which changes in fair value are recognised.

Loans and receivables are henceforth classified as "Financial assets at amortised cost" and available-for-sale financial assets are classified under "Equity instruments" and remain on the balance sheet under "Other financial assets" (see details in Note F.15 "Carrying amount and fair value of financial assets and liabilities by accounting category").

Phase II – Impairment for financial assets model

The standard also changed the methods for recording impairment of Cofiroute financial assets, as IFRS 9 proposes a new model based on expected losses. An analysis of the portfolios of trade and financial receivables, as well as of loans granted, in particular to companies accounted for under the equity method, has been carried out.

Cofiroute opted for a simplified method for measuring the impairment of its trade receivables.

Credit risk from financial receivables and loans was measured on the basis of the IFRS 9 full mode. The impairment model applied by Cofiroute was compliant with the requirements of IFRS 9 so no additional provision was funded as at 1 January 2018.

In order to estimate the likelihood of non-recovery of Cofiroute's financial assets, an analysis of the losses recognised over the period will be done annually in order to adjust the impairment rates if necessary.

Phase III – Hedge accounting

The provisions relating to hedge accounting will allow Cofiroute to bring the accounting into line with its risk management policy.

The provisions of IFRS 9 allow changes in the value of all hedging costs to be recognised (swap points, basis swaps and option premiums) under other comprehensive income and to recycle them through profit and loss on a straight-line basis in the event of hedging over a period of time or, in the case of transaction hedging, at the same rate as the recognition of the hedged transaction.

The ineffective portion of hedging by Cofiroute was recognised under Cost of net financial debt, and recycling will therefore be presented in the income statement under Cost of financial debt.

New accounting model for regociated financing

Cofiroute analysed the substance of the debt refinancing that took place prior to 1 January 2018. No transaction was dealt with on a debt continuity basis, and so no impact from this new model was recognised at 1 January 2018.

Just like under IAS 39, the analysis of changes in debt will be based both on quantitative criteria (10% test) and qualitative criteria (change in covenant, currency or rate structure). If the analysis gives rise to debt continuity, the carrying amount thereof will be adjusted in accordance with the provisions of IFRS 9.

The transition approach used was the simplified approach. The 2017 financial statements were therefore not adjusted, with only the opening balance sheet at 1 January 2018 being adjusted to reflect all these impacts, mostly on presentation.

The effects of the first-time application of IFRS 15 and IFRS 9 at 1 January 2018 had no impact on the subtotals presented on the asset and liability sides of the balance sheet.

B. Main items in the income statement

4. Revenue and operating profit

4.1. Revenue

(in € millions)	1st half 2018	1st half 2017	2017
Revenue – Tolls	669.9	644.5	1,381.4
Revenue – Other	9.4	9.7	19.0
Operating revenue	**679.2**	**654.2**	**1,400.4**
Revenue – construction of new infrastructure assets under concession	63.5	63.3	121.0
Total revenue	**742.7**	**717.5**	**1,521.4**

The 3.9% growth in toll revenue is the result of a 1.9% growth in interurban network traffic (light vehicles +1.6%, heavy-goods vehicles +4.0%), a positive impact of the A86 duplex of +0.3% and pricing effects of +1.7%.

4.2. Operating income

(in € millions)	1st half 2018	1st half 2017	2017
Revenue	**742.7**	**717.5**	**1,521.4**
o/w:			
Operating revenue	*679.2*	*654.2*	*1,400.4*
Revenue – construction of new infrastructure assets under concession	*63.5*	*63.3*	*121.0*
Income from ancillary activities	**1.0**	**0.8**	**1.9**
Construction expenses	(63.5)	(63.3)	(121.0)
Purchases consumed	(5.1)	(4.7)	(10.1)
External services	(39.6)	(37.5)	(77.4)
Taxes	(62.7)	(60.7)	(169.7)
Employment costs	(49.3)	(49.1)	(92.2)
Other operating income and expenses	(0.1)	(0.2)	0.6
Depreciation and amortisation	(122.6)	(122.7)	(248.8)
Net provision expense and other	(6.7)	(4.9)	(0.3)
Operating expenses	**(349.6)**	**(343.1)**	**(718.7)**
Operating income from ordinary activities	**394.1**	**375.1**	**804.5**
% of revenue(*)	*58%*	*57%*	*57%*
Share-based payments (IFRS 2)	(1.0)	(0.9)	(2.0)
Other current operating items	0.0	0.0	0.0
Current operating income	**393.1**	**374.2**	**802.5**
Operating income	**393.1**	**374.2**	**802.5**

(*) Percentage calculated on the basis of revenue excluding the construction of new concession infrastructure assets by third parties.

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.

5. Financial income and expenses

The recycling of hedging costs is now systematically incorporated into the Cost of net financial debt for all transactions qualifying as hedge accounting, whether operational or financial.

The cost of net financial debt broke down as follows over the period:

(in € millions)	1st half 2018	1st half 2017	2017
Cost of gross financial debt	**(42.3)**	**(44.1)**	**(90.0)**
Financial income from cash investments	0.0	0.0	0.0
Cost of net financial debt	**(42.3)**	**(44.1)**	**(90.0)**
Capitalised borrowing costs	0.0	0.0	0.0
Discounting costs	0.6	(2.0)	(2.6)
Foreign exchange gains and losses	0.0	0.0	0.0
Other financial expenses and revenue	**0.6**	**(2.1)**	**(2.6)**

In the first half of 2018, the cost of net financial debt stood at -€42.3 million, down by €1.8 million compared to the first half of 2017 (-€44.1 million). This improvement is primarily due to refinancing at end 2017 at lower interest rates than those of the loans having expired.

Other financial income and expenses include the impact of discounting for an amount of €0.6 million in the first half of 2018. These mainly relate to provisions for the upkeep of concession assets at €0.7 million (-€1.8 million in the first half of 2017) and provisions for retirement benefit obligations at -€0.1 million (-€0.2 million in the first half of 2017).

6. Income tax expense

Income tax was €120.7 million in the first half of 2018 (€113.3 million in the first half of 2017).

The effective tax rate remained stable at 34.3% during the first half of 2018 (34.5% during the first half of 2017). At 30 June 2018, Cofiroute did not recognise non-current tax effects.

7. 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 2018 and in 2017 is 4,058,516. The earnings per share is presented within the IFRS income statement for the period.

C. 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 of accounting under IFRS 15 with the performance obligations being continually recognised;
- an operating and maintenance activity in respect of concession assets: revenue is recognised in accordance with IFRS 15.

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 users use the service, with no guarantee of payment amounts (simple "pass through" or "shadow toll" agreement), the "Intangible Asset Model" 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 the 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.

8. Concession intangible assets

8.1. Details of concession intangible assets

(in € millions)	Cost of infrastructure in service(*)	Advances and outstanding amounts	Total
Gross			
At 01/01/2017	**8,006.7**	**122.1**	**8,128.8**
Acquisitions during the period	15.6	104.2	119.8
Other movements	43.8	(46.3)	(2.5)
At 31/12/2017	**8,066.1**	**180.0**	**8,246.1**
Acquisitions during the period	3.9	59.8	63.7
Other movements	19.6	(19.7)	(0.1)
At 30/06/2018	**8,089.7**	**220.0**	**8,309.7**
Depreciation, amortisation and impairment			
At 01/01/2017	**(3,371.5)**		**(3,371.5)**
Depreciation during the period	(107.6)		(107.6)
Other movements	1.2		1.2
At 31/12/2017	**(3,477.9)**		**(3,477.9)**
Depreciation during the period	(99.4)		(99.4)
Other movements	(0.0)		(0.0)
At 30/06/2018	**(3,577.3)**		**(3,577.3)**
Net			
At 01/01/2017	**4,635.2**	**122.1**	**4,757.3**
At 31/12/2017	**4,588.2**	**180.0**	**4,768.2**
At 30/06/2018	**4,512.4**	**220.0**	**4,732.4**

(*) *After deduction of grants.*

Acquisitions in the first half stood at €63.7 million (€63.3 million in the first half of 2017). 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 €59.8 million on 30 June 2018.

8.2. 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 2018, the amount of investment commitments provided for under the service concession contracts was €837.9 million (€963.6 million at 30 June 2017).

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

9. Property, plant and equipment

(in € millions)	Property, plant and equipment for service concession contracts	Land	Plant, equipment fixtures and fittings	Total
Gross				
At 01/01/2017	**862.7**	**1.4**	**20.1**	**884.2**
Acquisitions during the period	22.4	0.0	2.2	24.6
Disposals during the period	(10.8)	(0.0)	(2.7)	(13.5)
Other movements	2.4	(0.0)	0.2	2.6
At 31/12/2017	**876.7**	**1.3**	**19.8**	**897.8**
Acquisitions during the period	11.9		0.7	12.6
Disposals during the period	(1.0)	(0.0)		(1.0)
Other movements	(0.2)	(0.0)	0.2	0.0
At 30/06/2018	**887.5**	**1.2**	**20.7**	**909.4**
Depreciation, amortisation and impairment				
At 01/01/2017	**(520.5)**		**(13.1)**	**(533.6)**
Depreciation during the period	(137.4)		(2.4)	(139.8)
Other movements	9.6		1.5	11.0
At 31/12/2017	**(648.3)**		**(14.0)**	**(662.3)**
Depreciation during the period	(21.5)		(1.2)	(22.7)
Other movements	1.0		0.0	1.0
At 30/06/2018	**(668.8)**		**(15.2)**	**(684.0)**
Net				
At 01/01/2017	**342.3**	**1.4**	**7.0**	**350.6**
At 31/12/2017	**228.5**	**1.3**	**5.8**	**235.5**
At 30/06/2018	**218.7**	**1.2**	**5.5**	**225.4**

10. Working capital requirement and current provisions

10.1. Change in the working capital requirement

(in € millions)		30/06/2018	31/12/2017	2018-2017 changes Related to operations	Other changes
Inventories and work in progress (net)		1.4	2.0	(0.6)	0.0
Trade and other receivables		134.6	110.2	24.3	0.0
Other current operating assets		24.8	38.6	(13.9)	0.0
Inventories and operating receivables	**I**	**160.8**	**150.9**	**9.8**	**0.0**
Trade payables		(29.3)	(32.9)	3.7	0.0
Other current operating liabilities		(106.2)	(110.6)	4.4	0.0
Trade and other operating payables	**II**	**(135.5)**	**(143.6)**	**8.1**	**0.0**
Working capital requirement (before current provisions)	**I + II**	**25.3**	**7.4**	**17.9**	**0.0**
Current provisions		**(246.7)**	**(241.0)**	**(6.4)**	**0.7**
o/w part at less than one year of non-current provisions		*(0.9)*	*0.0*	*(0.9)*	*0.0*
Working capital requirement (after current provisions)		**(221.4)**	**(233.7)**	**11.6**	**0.7**

10.2. Breakdown of current provisions

During the first half of 2018 and full year 2017, current provisions recognised as liabilities in the balance sheet changed as follows:

(in € millions)	Opening	Additions	Provisions used	Other reversals not used	Other	Closing
01/01/2017	**245.7**	**21.7**	**(1.5)**	**(7.8)**	**(19.9)**	**238.2**
Obligation to maintain the condition of concession intangible assets	233.6	33.1	(21.3)	(5.4)		240.0
Other liabilities	4.6	0.6	(0.9)	(3.4)	0.2	1.0
31/12/2017	**238.2**	**33.7**	**(22.2)**	**(8.8)**	**0.2**	**241.0**
Obligation to maintain the condition of concession intangible assets	240.0	15.3	(9.6)			245.7
Other liabilities	1.0	0.0	(0.1)			1.0
30/06/2018	**241.0**	**15.3**	**(9.6)**	**0.0**	**0.0**	**246.7**

Current provisions relate directly to the operating cycle. The above provisions amounted to €246.7 million at 30 June 2018 (compared with €241 million at 31 December 2017) 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 €245.7 million at 30 June 2018 (up from €240 million at 31 December 2017).

11. Contractual obligations related to leases

Operating lease commitments totalled €1.5 million at 30 June 2018 and mostly related to vehicle rental contracts. These commitments break down by maturity in the following manner:

(in € millions)	30/06/2018	< 1 year	From 1 to 5 years	> 5 years
Opening leases	1.5	0.8	0.7	0.0

E. Equity

12. Information related to equity

12.1. Transactions recognised directly in equity

(in € millions)	30/06/2018	31/12/2017
Cash flow hedges		
Reserve at start of period	0.9	1.3
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	**0.8**	**0.9**
Gross reserve before tax effect at balance sheet date (Items that can be recycled in the income statement)	**0.8**	**0.9**
Associated tax effect	(0.3)	(0.3)
Reserve net of tax (Items that can be recycled in the income statement)	**0.5**	**0.6**
Equity instruments		
Reserve at start of period[(*)]	0.0	0.0
Gross reserve before tax effect at balance sheet date	0.0	0.0
Actuarial gains and losses on retirement benefit obligations		
Reserve at start of period	(4.0)	(5.4)
Actuarial gains and losses recognised in the period	(0.4)	1.4
Gross reserve before tax effect at balance sheet date	**(4.4)**	**(4.0)**
Gross reserve before tax effect at balance sheet date (Items that cannot be recycled in the income statement)	**(4.4)**	**(4.0)**
Associated tax effect	1.5	1.4
Reserve net of tax (Items that cannot be recycled in the income statement)	**(2.8)**	**(2.6)**
Total items recognised directly in equity		
Gross reserve before tax effect at balance sheet date	(3.6)	(3.1)
Associated tax effect	1.3	1.1
Reserve net of tax	**(2.3)**	**(2.0)**

(*) *Amounts adjusted to reflect the change in accounting policy resulting from the first-time application as at 1 January 2018 of IFRS 9 "Financial instruments", and described in Note A.3.2.*

12.2. Dividends

In March 2018, Cofiroute paid a dividend of €365.1 million corresponding to the balance of its earnings available for distribution at 31/12/2017.

F. Financing and financial risk management

13. Information on net financial debt

13.1 Net financial debt

At 30 June 2018, net financial debt stood at -€3,881.6 million, up by €108.8 million compared to 31 December 2017. This change was in particular due to an €835.1 million reduction in cash and net repayments of borrowings of €698.4 million.

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

		30/06/2018			31/12/2017		
(in € millions)		Non-Current	Current(*)	Total	Non-Current	Current(*)	Total
Financial instruments recognised at amortised cost	Bonds	(3,134.8)	(23.7)	(3,158.4)	(3,131.8)	(670.5)	(3,802.3)
	Other bank loans and other financial debt	(687.5)	(57.1)	(744.6)	(708.4)	(136.0)	(844.4)
	LONG-TERM FINANCIAL DEBT	**(3,822.3)**	**(80.7)**	**(3,903.0)**	**(3,840.2)**	**(806.5)**	**(4,646.7)**
	Other current financial liabilities		0.0	0.0		0.0	0.0
	Bank overdrafts						
	I - GROSS FINANCIAL LIABILITIES	**(3,822.3)**	**(80.7)**	**(3,903.0)**	**(3,840.2)**	**(806.5)**	**(4,646.7)**
	o/w impact of fair value hedges	*(5.9)*	*0.0*	*(5.9)*	*(4.7)*	*(0.9)*	*(5.6)*
Financial assets Derivatives at fair value through profit and loss	Cash management financial assets – not cash equivalents		0.0	0.0		4.0	4.0
	Cash equivalents		0.0	0.0		835.6	835.6
	Cash		9.4	9.4		4.9	4.9
	II - FINANCIAL ASSETS	**0.0**	**9.4**	**9.4**	**0.0**	**844.6**	**844.6**
Derivatives	Derivative instruments - liabilities	(43.6)	(2.9)	(46.5)	(49.5)	(26.8)	(76.3)
	Derivative instruments - assets	49.5	9.0	58.5	54.2	51.4	105.6
	III - DERIVATIVE INSTRUMENTS	**5.9**	**6.1**	**12.0**	**4.7**	**24.6**	**29.3**
	NET FINANCIAL DEBT (I + II + III)	**(3,816.4)**	**(65.2)**	**(3,881.6)**	**(3,835.5)**	**62.6**	**(3,772.8)**

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

Derivative financial instruments (assets/liabilities) eligible for hedge accounting are presented in the balance sheet, depending on their maturity, under non-current derivative instruments (assets/liabilities) for the part over a year and under current derivative instruments (assets/liabilities) for the part at less than a year. Derivative instruments not designated as hedges are presented under current derivative instruments assets or current derivative instruments liabilities regardless of their maturity.

The change in net financial debt breaks down as follows:

				Non-cash changes			
(in € millions)	Opening	Cash flows	Ref.	Changes in fair value	Other changes	Ref.	Closing
Bonds	**(3,131.8)**	**0.2**	**3**	**(1.2)**	**(2.0)**	**4**	**(3,134.8)**
Other loans and borrowings	**(708.4)**		**3**		**20.8**	**4**	**(687.5)**
Current financial debt	**(806.5)**	**597.9**		**0.9**	**127.0**		**(80.7)**
o/w non-current portion of long-term debt	*(739.1)*	*698.3*	*3*	*0.9*	*(20.3)*	*4*	*(60.2)*
o/w current liability	*-*	*-*	*1*			*1*	*-*
o/w int accrued not yet due	*(67.5)*	*(100.3)*	*4*		*147.2*	*4*	*(20.6)*
o/w overdraft	*-*					*4*	*-*
Cash management financial assets	**4.0**	**(4.0)**	**2**			**4**	**-**
Cash and cash equivalents	**840.6**	**(831.1)**	**1**			**1**	**9.4**
Derivative financial instruments - net	**29.3**	**30.0**		**(1.5)**	**(45.8)**		**12.0**
FV	*7.7*	*-*	*3*	*(1.5)*		*4*	*6.2*
o/w int accrued not yet due	*21.6*	*30.0*	*4*		*(45.8)*	*4*	*5.8*
Net financial debt	**(3,772.8)**	**(207.0)**	**5**	**(1.8)**	**100.0**	**5**	**(3,881.6)**

The table below makes it possible to reconcile changes in net financial debt with the cash flow statement.

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

(in € millions)	Ref.	1st half 2018
Change in net cash	(1)	(831.1)
Change in cash management assets and other current financial debt	(2)	(4.0)
(Issue) repayment of borrowings	(3)	698.4
Other changes	(4)	27.9
Change in net financial debt	**(5)**	**(108.8)**

13.2. Resources and liquidity

At 30 June 2018, Cofiroute had a total of €509.4 million of available resources, including €9.4 million in cash and €500 million made up of confirmed and unused medium-term bank credit lines.

Payment schedule for financial debt

At 30 June 2018, the average maturity of Cofiroute's long-term financial debt was 6.2 years (5.7 years at 31 December 2017).

Net cash managed

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

(in € millions)	30/06/2018	31/12/2017
Cash equivalents	**0.0**	**835.6**
Balance of cash management current accounts	*0.0*	*835.6*
Cash	**9.4**	**4.9**
Current financial debt	**0.0**	**0.0**
Net cash	**9.4**	**840.6**
Cash management financial assets	**0.0**	**4.0**
Term accounts	*0.0*	*4.0*
Net cash under management	**9.4**	**844.6**

The investment vehicles used by Cofiroute are mainly money market UCITS, negotiable debt securities (in particular, bank certificates of deposit) and term accounts. They are measured and recognised at their fair value.

Investments ("cash management financial assets" and "cash equivalents") are managed to avoid risks to capital and are monitored through a performance and risk control system.

Most cash is invested in a current account with VINCI Autoroutes. Where applicable, any cash borrowed from the VINCI Autoroutes current account is presented under current financial debt.

At 30 June 2018, the Group had total outstandings of €9.4 million in cash under management.

Bank credit facility

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

Financial covenants

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 2018, Cofiroute had the following credit rating from Standard & Poor's:

- long-term: A- positive outlook;
- short-term: A2.

14. Information on financial risk management

Exposure to financial risks at 30 June 2018 remained unchanged compared to that of 31 December 2017 as described in Note G.17. to the 2017 financial report published on 5 March 2018.

15. Carrying amount 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 IFRS 9 and their fair value:

	30/06/2018										
	Accounting categories							FV			
(in € millions)	Derivatives at fair value through profit and loss	Derivatives classified as hedges	Financial assets measured at fair value through P&L	Financial assets measured at fair value through equity	Financial assets at amortised cost	Financial liabilities at amortised cost	Total net carrying amount on the balance sheet of the class	Level 1 Quoted prices	Level 2 Internal model with observable inputs	Level 3 Internal model using non-observable inputs(*)	Fair value of the class
Equity instruments				0.0			0.0			0.0	0.0
I - Non-current financial assets				**0.0**			**0.0**		**0.0**	**0.0**	**0.0**
II - Derivative instruments – assets	**(0.2)**	**56.4**					**56.2**		**56.2**		**56.2**
III - Operating receivables					**134.6**		**134.6**		**134.6**		**134.6**
Cash management financial assets – not cash equivalents			0.0				0.0		0.0		0.0
Cash equivalents			0.0				0.0		0.0		0.0
Cash			9.4				9.4	9.4			9.4
IV - Current financial assets			**9.4**				**9.4**	**9.4**	**0.0**	**0.0**	**9.4**
Total assets	**(0.2)**	**56.4**	**9.4**	**0.0**	**134.6**	**0.0**	**200.3**	**9.4**	**190.8**	**0.0**	**200.3**
Bonds						(3,158.4)	(3,158.4)	(3,260.0)	(7.0)		(3,267.0)
Other bank loans and other financial debt						(744.6)	(744.6)		(751.4)		(751.4)
V - Non-current financial liabilities						**(3,903.0)**	**(3,903.0)**	**(3,260.0)**	**(758.4)**		**(4,018.3)**
VI - Derivative instruments – liabilities	**0.5**	**(44.7)**					**(44.2)**		**(44.2)**		**(44.2)**
VII - Trade payables						**(78.2)**	**(78.2)**		**(78.2)**		**(78.2)**
Other current financial liabilities							0.0	0.0			0.0
VIII - Current financial liabilities							**0.0**	**0.0**			**0.0**
Total liabilities	**0.5**	**(44.7)**	**0.0**	**0.0**	**0.0**	**(3,981.2)**	**(4,025.4)**	**(3,260.0)**	**(880.8)**	**0.0**	**(4,140.7)**
Carrying amount of categories	**0.3**	**11.7**	**9.4**	**0.0**	**134.6**	**(3,981.2)**	**(3,825.2)**	**(3,250.5)**	**(689.9)**	**0.0**	**(3,940.5)**

"Operating receivables" are presented under "Financial assets at amortised cost" pursuant to IFRS 9. "Investments in unlisted companies" are presented under "Financial assets measured at fair value through equity".

The following table shows the carrying amount and fair value of financial assets and liabilities as published on 31 December 2017 having regard to the categories defined by IAS 39:

	31/12/2017										
	Accounting categories							FV			
(in € millions)	Financial instruments through income statement	Derivatives classified 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 on the balance sheet of the class	Level 1 Quoted prices	Total net carrying amount on the balance sheet of the class	Level 3 Internal model using non-observable inputs(*)	Fair value of the 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	**30.3**	**71.8**					**102.2**		**102.2**		**102.2**
III - Operating receivables					**110.2**		**110.2**		**110.2**		**110.2**
Cash management financial assets – not cash equivalents			4.0				4.0		4.0		4.0
Cash equivalents			835.6				835.6		835.6		835.6
Cash			4.9				4.9	4.9			4.9
IV - Current financial assets			**844.6**				**844.6**	**4.9**	**839.6**	**0.0**	**844.6**
Total assets	**30.3**	**71.8**	**844.6**	**0.0**	**110.2**	**0.0**	**1,056.9**	**4.9**	**1,052.0**	**0.0**	**1,056.9**
Bonds						(3,802.3)	(3,802.3)	(3,956.0)	(9.2)		(3,965.2)
Other bank loans and other financial debt						(844.4)	(844.4)		(850.9)		(850.9)
V - Non-current financial liabilities						**(4,646.7)**	**(4,646.7)**	**(3,956.0)**	**(860.1)**		**(4,816.2)**
VI - Derivative instruments – liabilities	**(25.6)**	**(47.3)**					**(72.9)**		**(72.9)**		**(72.9)**
VII - Trade payables						**(80.0)**	**(80.0)**		**(80.0)**		**(80.0)**
Other current financial liabilities							0.0	0.0			0.0
VIII - Current financial liabilities							**0.0**	**0.0**			**0.0**
Total liabilities	**(25.6)**	**(47.3)**	**0.0**	**0.0**	**0.0**	**(4,726.7)**	**(4,799.6)**	**(3,956.0)**	**(1,013.0)**	**0.0**	**(4,969.0)**
Carrying amount of categories	**4.7**	**24.6**	**844.6**	**0.0**	**110.2**	**(4,726.7)**	**(3,742.6)**	**(3,951.1)**	**39.0**	**0.0**	**(3,912.1)**

G. Employee benefits and share-based payments

16. 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 2018 for share-based payments was €1 million, including €0.3 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 €3,500 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.

17. Provisions for employee benefits

(in € millions)	30/06/2018	31/12/2017
Provisions for retirement benefit obligations	19.6	18.8
Provisions for other employee benefits	0.0	0.0
Provisions for employee benefits	**19.6**	**18.8**

17.1. Provisions for retirement benefit obligations

Provisions for retirement benefits stood at €19.6 million at 30 June 2018.

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

The part at less than one year of the provisions for retirement benefit obligations is presented in "Other current operating liabilities", and totalled €0.5 million at 30 June 2018 (unchanged from 31 December 2017).

The expense recognised in the first half of 2018 for retirement benefit obligations is half the forecast expense for 2018, determined on the basis of actuarial assumptions as of 31 December 2017.

The impacts arising from changes in assumptions relating to post-employment benefits (discount rate) during the first half of 2018 are recognised in other comprehensive income.

17.2. Provisions for other employee benefits

During the first half of 2018 and full year 2017, non-current provisions recognised as liabilities in the balance sheet changed as follows:

(in € millions)	Opening	Additions	Provisions used	Other reversals not used	Change in the part at less than one year	Closing
01/01/2017	**2.5**	**0.0**	**(0.3)**	**(0.4)**	**0.3**	**2.0**
Other employee benefits	2.5		(0.1)	(2.0)		0.3
Reclassification of the part at less than one year	(0.4)				0.1	(0.3)
31/12/2017	**2.0**	**0.0**	**(0.1)**	**(2.0)**	**0.1**	**0.0**
Other employee benefits	0.3		(0.0)			0.3
Reclassification of the part at less than one year	(0.3)				0.0	(0.3)
30/06/2018	**0.0**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**

Other employee benefits

As of 30 June 2018, 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").

H. Other notes

18. 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 2018, there was no significant change in the nature of transactions with the parties related to the VINCI group compared to 31 December 2017.

Report of the Statutory Auditors on the 2018 half-year financial information

Period from 1 January 2018 to 30 June 2018

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 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 IFRS individual financial statements of Cofiroute S.A for the six-month period from 1 January 2018 to 30 June 2018;
- examined information provided in the half-year management report.

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

Conclusion on the financial statements

We conducted our limited review in accordance with the prevailing standards of the profession in France. A limited review consists mainly of conducting discussions with the members of management responsible for accounting and financial matters, and carrying out analytical procedures. This work is less extensive than that required by an audit according to the prevailing standards of the profession in France. In consequence, the assurance obtained through a limited review that the financial statements taken as a whole do not contain material misstatements is a moderate assurance, less than that obtained when performing an audit.

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

Specific verifications

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

Paris-La Défense and Neuilly-sur-Seine, 25 July 2018.
The Statutory Auditors

KPMG Audit	Deloitte & Associés
Department of KPMG SA	
Philippe BOURHIS	**Frederic SOULIARD**
Partner	*Partner*

This is a free translation into English of the report of the statutory auditors on the half-year financial information issued in French and is provided solely for the convenience of English-speaking readers.

This report includes information relating to the specific verification of information given in the half-year management report.

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

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 half-year management report (shown on pp. 3 to 7) presents a true and fair view of the key events over the first six months of the year and their impact on the half-year 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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Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

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