COFIROUTE

FINANCIAL REPORT

2018

2018 Annual financial report

VINCI AUTOROUTES

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Contents

Board of Directors' Management report

1. The Company's position and business in 2018

Cofiroute had 2018 revenue of €1,441.1 million, up 2.9%. This consisted mainly of toll receipts, which rose due to a 1.0% increase in traffic on the interurban network.

As a proportion of revenue, EBITDA [(1)] was 74.6% versus 74.9% in 2017.

Capital expenditure on the network in service amounted to €170 million in 2018. It related primarily to the implementation of the various programmes laid out in contracts with the French government, the concession grantor, including the completion of work under the 3rd master contract, the continuation of the two redevelopment phases on the interurban network (ERI 2) and the implementation of the motorway stimulus plan signed in 2015.

Net financial debt at 31 December 2018 was €3.6 billion.

2. Traffic

The traffic on Cofiroute's intercity network increased 1.0% in 2018; growth was +0.6% for light vehicles (LV) and +3.5% for heavy vehicles (HV). Average traffic intensity on the network was 29,752 vehicles per day in 2018.

While heavy vehicles traffic increased sharply under the momentum of the French and Spanish economies, light vehicles traffic grew only moderately, largely because of higher fuel prices.

Duplex A86 traffic showed growth of 3.5% in the number of transactions, with slightly higher growth on weekends and holidays (+4.8%) than on weekdays (+3.0%). Average weekday traffic in 2018 was 36,707 vehicles a day.

3. Toll revenue

Toll revenue was €1,422.1 million in 2018, split between €1,352.7 million for the intercity network (up +2.7% from 2017) and €69.4 million for the Duplex A86 (up +7.1% from 2017).

Revenue from ancillary activities in 2018 were €19.1 million.

4. Maintenance of the network in service

In-service network investments amounted to €170 million in 2018, of which €31 million in roadwork and equipment for existing motorways.

4.1. Duplex A86

Capital expenditure in 2018 included the completion of final work (basically directional signage, landscaping and flood management works) and the start of the equipment replacement plan (project management assistance, selection of the general contractor and system improvements).

4.2. Intercity network improvement works

The phase 3 work of the contract (CDP3) undertaken in 2012 finished with the operational start-up on 27 July 2018 of the widening of the A10 motorway on the Chambray-Veigné section and construction of the 73/7 overpass on the A71 motorway.

As part of the second development phase of the intercity network (ERI2), work was completed on circulation improvements on the A10/A85 interchange put in service on 20 December and the doubling of the la Sauldre viaduct on the A85. Work is proceeding on the final cross-section of the A28 and the doubling of the Cher viaducts, the Cher relief lanes and three other viaducts on the A85 north of Tours (Langeais, La Perrée and La Roumer). Studies continue on widening the Angers North bypass on the A11.

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

As part of the motorway stimulus plan, work was started to widen the A10 north of Orléans and between Poitiers and Veigné. Environmental improvements continued, bringing to 27 the number of ecological continuity restoration projects completed and to 410 the number of car-sharing parking spaces created by the end of 2018. Hydraulic redevelopment on the A71 began. Lastly, work continued on the mineralisation of the central reservation on the A10 between Sainte Maure de Touraine and Poitiers Sud, with more than 56 kilometres completed by the end of 2018.

4.2.1. Motorway investment plan

The motorway investment plan was approved by the decree of 28 August 2018, published 30 August 2018. It calls for a programme of five construction operations to improve mobility in the regions, particularly travel in urban and suburban areas. The bulk of these projects will be covered by special agreements between the Company and the regional municipalities.

The studies deal with the four new interchanges (Porte de Gesvres, Gidy, Laval, Connerré) and the three eco-bridges have been started.

5. Network operation and customer safety

Indicators	2015	2016	2017	2018
Accident rate(*)	18.29	17.12	18.55	19.04
Personal injury rate(*)	3.87	3.95	4.76	4.16
Fatality rate(*)	0.18	0.21	0.10	0.18

(*) *Number of accidents or personal injuries or fatalities per number of km travelled x 10^8.*

The indicators at end-December 2018 show:

- an increase in the accident rate due to a 9.7% rise in property-damage accidents, offset partly by the fall in personal-injury accidents.

  This increase was strongly affected by the poor results of the first quarter (up 41% from the first quarter of 2017), related to unfavourable weather conditions;
- a significant decline in personal injury accidents (11% fewer personal injury accidents). The total number of victims was also down, with 72 fewer victims (870 in 2018 versus 942 in 2017);
- a sharp rise in the number of fatalities (9 more).

2017 remains an atypical year with a low number of fatalities (12 in 2017 versus 21 in 2018).

2018 is nevertheless the second lowest year (along with 2015) in number of fatalities since the data have been collected.

Cofiroute is a founder-member of the VINCI Autoroutes corporate foundation for responsible driving, which has taken initiatives to raise driver awareness of road safety issues, with a special focus on messages concerning the risks of inattention and, especially, drowsiness at the wheel.

Cofiroute supported these campaigns on its network by participating in initiatives at its rest and service areas, especially during its #BienArriver initiatives and through its awareness campaign displayed on scroll message signs. Special initiatives to raise awareness among heavy vehicle drivers continued, including participation in the 24-hour Le Mans truck race.

A great many Cofiroute employees were involved in these events.

6. Financial risks related to the effects of climate change

Climate change poses risks to transport and the business of public interest transportation companies.

To reduce these risks, a strategy with two components has been put in place:

- reducing direct emissions linked to our business in order to lower greenhouse gases (GHG);
- promoting the emergence of sustainable mobility and a transition towards low carbon transport by supporting new forms of mobility (car-pooling, collective transport on motorways and dual carriageways), by carrying out programs with State approval and in some cases involving local communities or other partners to encourage carpooling, make coaches more welcome on motorways, promote a preference for electronic toll lanes at 30 km/h, and install roadside recharging terminals for electric vehicles.

This strategy is part of the VINCI Group strategy aimed at reducing its GHG emissions by 30% by 2020, helping its customers achieve better energy efficiency and encouraging them to act responsibly towards the environment.

7. Internal control

The Company's internal control structure is based on:

- formal definition of company strategy and decision-making procedures;
- co-ordination and monitoring of business activities;
- notification and co-ordination between different company entities.

7.1. Objectives of internal control

The internal control procedures applied within the Company aim to:

- ensure that management practices, operations and employee behaviour are consistent with the Company's business strategy as defined by its governing bodies, its values, standards and internal rules as well as all applicable laws and regulations;
- verify that the accounting, financial and management information given to the Company's governing bodies and third parties fairly presents the Company's situation and business.

One of the objectives of internal control is to prevent and manage risks arising from the Company's business operations and the risks of error and fraud, particularly in accounting and finance. No control system can provide absolute assurance that all risk will be eliminated.

7.2. Principles governing conduct and behaviour

7.2.1. Decentralisation

Given the decentralised structure of the Company's operations, which are organised in appropriately resourced geographical sectors, local management can act rapidly by making any necessary operational decisions.

7.2.2. Delegation of authority

The Company's system for delegating authority is applied in compliance with the following principles for conduct and behaviour:

- strict adherence to the rules laid down by the Chief Executive Officer, in particular as regards delegation, commitments and financial and accounting information;
- employee transparency and loyalty towards their line management and functional departments. All managers must, in particular, inform their line managers of any difficulties encountered in performing their duties. An integral part of operational managers' role is to make decisions alone on matters falling within their area of expertise. However, these difficulties should be handled with the assistance, if necessary, of their line managers or functional departments;
- compliance with the laws and regulations in force in the countries where the Company operates;
- responsibility of operational executives to communicate these principles by appropriate means (orally and/or in writing) and set an example;
- safety of property and individuals;
- a rigorous approach and management culture.

7.2.3. VINCI Code of "Ethics and Conduct"

This code, which applies to all managers and now appended to the Company's internal regulations, defines the rules of good conduct applicable to all employees and sets out the professional ethical principles that should govern their behaviour.

7.2.4. The VINCI anti-corruption code of conduct

This code, appended to the Company's internal regulations and sent to all employees concerned, who must confirm receipt of it and agree to it, defines the rules articulated in the Code of Ethics and Conduct in terms of measures to fight corruption in its various forms.

7.2.5. VINCI Subcontractor relations guidelines

These guidelines, which were sent out to all managers in 2013, stipulate the importance of fairness in relationships with its subcontractors and suppliers. To this end, the Group's contracting agents give six fundamental commitments and ensure that they are adhered to.

7.2.6. Safety of individuals

The safety of people is a top priority for the Company. Its management of work-related risks is reflected in the zero workplace accident objective, a policy integrated into all company procedures. Resources and tools (education, training, procedures, indicators) are adapted to this business policy.

7.2.7. Internal guidelines

Internally, the internal control framework is structured around several guidelines:

- the rules to be followed by company employees, set out primarily in the internal rules, departmental procedures and any other documents issued by Executive Management or its representatives;
- an information technology charter, which informs users of the rules and conditions that apply to information system resources, particularly as regards data security and protection. This document was supplemented in 2012 by a code of conduct for IT administrators.

7.3. Internal committees within the Company

7.3.1. Executive Committee

The Executive Committee is a forum for information, discussion, co-ordination and decision-making; it brings together the Chief Executive Officer and certain Senior Managers for fortnightly meetings.

7.3.2. The Commitments Committee

Any significant financial and/or contractual commitment made by Cofiroute or any investment in excess of €240,000 is examined by the Commitments Committee prior to approval. The Committee is chaired by the Chief Executive Officer and examines every aspect — including financial, technical and legal aspects — of Cofiroute's commitments (guarantees, sureties and off-balance sheet commitments), investment opportunities and their impact on the Company's financial position.

7.4. Executive Management reviews

7.4.1. Concession reviews

Four concession reviews were held in 2018 to monitor obligations resulting from concession agreements and their riders and the regulatory environment, and also to review discussions with the government in relation to these operations.

7.4.2. Quality, Safety and Environment reviews

Every year, management reviews study the results of the Company's QSE policy and set its future priorities based on the audits and analysis of the efficiency of the operational and support processes.

The Company's QSE management system, which includes these management reviews, has obtained ISO 9001 (Quality management) and ISO 14001 (Environmental management) certification for the construction, operation and maintenance of its motorway network.

To foster continuous improvement, a safety and prevention plan is drawn up every year for the Company's staff. It contains initiatives covering all the Company's processes in relation to training, communications and improvements in prevention systems. Its ultimate objective is to achieve a zero workplace injury rate for all employees. It draws on the VINCI Autoroutes Accident Prevention policy adopted in June 2016. It is monitored on a regular basis.

The zero accident approach to project management is adopted by all operational departments for subcontracting companies performing work on the Cofiroute network.

7.5. Control processes

7.5.1. The accounting system

Expenditure control system

The Company's information and management system is based on SAP software. It comprises various functionalities, including accounting, management control, purchasing, invoicing and investment management.

The following restrictions have been put in place:

- disbursements (expenses and investments) are authorised subject to personalised thresholds configured in the software. This authorisation is required before an item of expenditure can be accounted for or a disbursement made;
- accounts payable accounting and creation and modification of supplier records, along with payments, are centralised;
- the supplier invoice processing and supplier invoice payment functions are kept separate.

Income and expense accounting processing procedures

Accounting and management system procedures have been drawn up and are available to all users on the Company's intranet.

Prior to processing toll revenue, the control function is separated from the production function: this procedure involves the Finance Department, Operational Systems Department and Operations Department performing cross-checks and compiling a monthly report.

Preparation and verification of financial statements

The Finance Department is in charge of preparing and approving the Company's interim and annual financial statements, ensuring compliance with accounting policies and the procedures applied by the Company's various departments.

As part of their assignment, the Statutory Auditors perform checks on procedures and compliance with accounting principles.

7.5.2. Drafting and monitoring of budgets

The Management Control Department implements and co-ordinates the budget process for the entire Group. Each department inputs its budget proposals into the SAP system on the required dates, along with explanatory notes aligning budget proposals with business forecasts, identified risks and unforeseen events.

The budget, its three annual updates and an analysis by every Group department are presented to the Chief Executive Officer and Chief Financial Officer. The budgets allocated to each department are then formally approved by Executive Management and regularly monitored throughout the year.

7.5.3. Cash management

Cash management complies with the Group's cash management guidelines. Cash is invested by VINCI Autoroutes under a cash management agreement signed in October 2011.

Interest-rate risk is managed according to prudential rules defined by the VINCI Group.

Cofiroute uses derivative financial instruments in managing its debt, and market risk exposure in particular, as described in the notes "Data on net financial debt" and "Information on financial risk management" to the IFRS individual financial statements.

Decisions about the main financing and debt management transactions are made in Treasury Committee meetings, which are held regularly and before any material transaction.

Bank mandates are granted on a restricted basis, in compliance with the Group's cash management guidelines. The nature of the authorisations granted and the list of beneficiaries are regularly reviewed.

The VINCI Group's instructions and information guides to prevent the risks of fraud were circulated throughout the financial services department.

7.6. Reporting

7.6.1. Reporting to Executive Management and shareholders

The Finance Department reports every month to the Company's Executive Management and shareholders regarding the Company's revenue, key operating indicators and net financial debt.

Its reporting also includes:

- interim and annual financial statements;
- financial forecasts for the current year (initial version in November of the previous year followed by four updates in March, May, September and November each year);
- the three-year plan, which is revised every year.

7.6.2. Reporting to the concession-granting authority

Under its two concession contracts, Cofiroute regularly reports to the concession-granting authority on its commitments. In June 2018, Cofiroute sent its 2017 parent company financial statements, reports on the performance of each of its concession contracts and an annual review of operations. The results of the annual user satisfaction survey are also sent every year, together with a review of safety matters. As part of its turn-around plan, Cofiroute also prepares quarterly progress assessments of operations as well as a biennial report. Quarterly meetings are held with the concession grantor about the progress made on all the redevelopment/reconfiguration projects and the policies for maintaining the assets. Half-yearly meetings are held to discuss operations. An annual overview meeting to track contract performance is held with the grantor early in the year.

7.6.3. Report to the French rail and road operators' regulatory authority known as ARAFER

A report on the activity of the Contracting Commission must be sent to ARAFER each year. To this end, Cofiroute submitted a report on Contracting Commission activities in 2017 on 21 March 2018.

8. Risk management procedures

8.1. Procedures relating to the preparation and treatment of accounting and financial information for the parent company and IFRS individual financial statements

The Finance Department, which reports to Executive Management, is in charge of producing and analysing the parent company and consolidated financial information, disclosed within and outside the Company. In particular, it is in charge of:

- drawing up, validating and analysing interim and annual parent company and separate IFRS statements;
- defining and monitoring accounting procedures and implementing IFRS.

The Statutory Auditors are involved in discussions and work related to the implementation of complex accounting operations. They present their observations and comments on the interim and annual financial statements to the Finance Department before these financial statements are presented to the Board of Directors.

The Statutory Auditors obtain a representation letter signed by the Chief Executive Officer and Chief Financial Officer before signing their reports.

8.2. Procedures implemented to prevent and manage the Company’s operational risk

As part of the quality, safety and environment management system, which is ISO 9001 and ISO 14001 certified and covers all of Cofiroute’s activities, the risks and opportunities of all processes have been identified and an action plan relating to them is reviewed once a year.

Internal and external procedures, set out in the ”Technical and Operational Handbook”, apply to the operation of the network in service. Interventions are formally set out in the Intervention and Back-up Plan (”Plan d’Intervention et de Secours” or PIS) for every motorway in the network. The Plan defines and facilitates the co-ordination and implementation of back-up and operational measures. It ranges from coping with minor, daily events to handling serious disruptions in cases where the Prefect has not decided to launch an emergency plan or an Orsec Plan (the French basic emergency plan implemented in the event of a disaster, when local resources are not sufficient).

An emergency procedure covers the entire network. Under this procedure, a crisis management cell is manned by operational employees 24 hours a day, while Executive Management, represented by one of the members of the Executive Committee, and the Communication Department is also available around-the-clock.

Critical systems have full redundancy. An information system recovery plan has been drawn up to handle a system shut-down or a disaster.

8.3. Procedures implemented to safeguard operation of the Information System

A joint Head of Information System Security (RSSI) was appointed in 2013 with responsibility for all VINCI Autoroutes entities. The RSSI’s main duties are to harmonise the information system policies, management systems and standards across the entities, in particular by preparing VINCI Autoroutes’ Information Systems Security Policy and overseeing its application within Cofiroute.

The RSSI is also in charge of identifying and assessing risks. He or she defines and controls the implementation of response plans to security incidents. The RSSI ensures that security aspects are dealt with in various IT projects. An information security officer from the French Ministry of Ecology, Sustainable Development, Transport and Housing has also been appointed.

8.4. Procedures related to internal control

The Chief Executive Officer has stipulated that internal control should consist of:

- a toll fraud prevention officer;
- a revenue certification manager;
- a head of information system security (RSSI); and
- a head of internal control.

Where necessary, these officers use external providers for any independent audits they deem necessary. These four have drawn up coordinated action plans and report directly to the Chief Executive Officer.

9. Financing

As at 31 December 2018, Cofiroute's available resources amounted to €1,337.6 million, breaking down as €237.6 million in net cash under management and €1,100 million of an undrawn internal credit line with VINCI.

Net financial debt amounted to €3,637 million at 31 December 2018, of which 52% was indexed to a fixed rate and 48% at a variable rate.

10. Research and development

During 2018 the development programme involved innovative digital projects to improve the level of service delivered to customers and, gradually, operational management in terms of operations and assets.

In particular, an experiment concerning the Traffic Information Performance project was conducted on the network, allowing safety & security companies to have real-time access to the data supplied by the transportation companies. This project makes it possible to get an overview of the different events occurring on the network in addition to the existing procedures. The software developed also makes it possible to improve the classification and broadcasting of traffic information on VINCI Autoroutes radio and on social networks. Moreover, a job-specific application for the use of the roadway agents is being tested so that information from the field about an event can be reported in real time.

The FULL BIM project continued in 2018. The aim of this is to organise all of the occupational processes, methods and work applications into one unified information and management system for infrastructures and roadway equipment. The FULL BIM project is used into every phase of our infrastructure projects: design, production, delivery, and operation, with the following objectives:

- improve the oversight and management of our infrastructure;
- develop dialogue among all external and internal parties;
- facilitate the continuity of information and the transfer of knowledge at each phase of a project, ensure better control of risks, deadlines and costs of projects throughout the life cycle of the infrastructures and equipment.

Finally, a new Ulys application was introduced in July 2018 to inform users of events in progress on the network, give them real-time access to the services offered on their journey and, notably at the rest areas, provide them with a rewards programme and enable them to access their subscriber page.

11. Activity of subsidiaries and affiliated companies

11.1. Toll Collect

Toll Collect GmbH (TC) is a German company owned by Cofiroute (10%), Daimler Financial Services (DFS) (45%) and Deutsche Telekom (DT) (45%). Until August 2018, TC was the holder of a contract with the German Bund to operate a satellite-based toll payment service for heavy vehicles of 7.5 tonnes or more on the 12,900 km motorway network and 2,350 km of the German national trunk road network.

The MAB 40K contract for the construction and installation of a system to extend the means of applying the heavy goods vehicle tax over the 40,000 km of the federal network enabled the system to come into service on 1 July 2018.

An agreement between the Bund and the shareholders was signed in July 2018. Cofiroute is not involved in the payment of €3.2 billion that Daimler and Telekom must make as an offset to the transaction.

This dispute did not affect Cofiroute's financial statements, since the upper limit on its financial contribution to the project was reached in December 2004.

In August 2018, Toll Collect paid Cofiroute €7.2 million, consisting of €8.5 million in investment income, from which €1.3 million was withheld for taxes by the German government.

As it was contractually entitled to do, on 31 August 2018 the German government exercised its call option on the shares of Toll Collect. Cofiroute thus divested its ownership of Toll Collect, worth €47 million and fully impaired, with no impact on profit and loss.

12. IFRS individual financial statements

12.1. Revenue

Consolidated revenue includes operating revenue, i.e. toll receipts, and construction revenue from building infrastructure facilities, payable in respect of construction services undertaken on behalf of the French government.

Operating revenue grew by +2.9% to €1,441.1 million in 2018, from €1,400.4 million in 2017.

Construction revenue rose by 15.7% to €139.9 million from €121 million in 2017. This amount corresponds to the construction work outsourced, as Cofiroute does not apply any mark-up on its project management activities.

Total revenue (operation/construction) amounted to €1,581.1 million, compared with €1,521.4 million in 2017.

12.2. Operating income

Operating income rose by 1.8% to €816.8 million as against €802.5 million in 2017.

12.3. Financial profit or loss

Net financial expense decreased by €18 million to €74.6 million in 2018, from €92.6 million in 2017. The main cause was a €14.2 million improvement in the cost of net financial debt.

12.4. Net income

Income tax expense was €253 million, stable from 2017 (€252.9 million).

This mainly comprises:

- a favourable basis effect following the tax law changes made in late 2017 (see the one-time additional 5% on the income tax rate); and
- a less favourable non-current variation in deferred tax compared with 2017.

Net income came to €489.3 million, up €32.2 million compared with 2017 (€457.1 million).

12.5. Balance sheet

Net financial debt amounted to €3,637.0 million at 31 December 2018, compared with €3,772.8 million at the end of 2017.

13. Group management report

Pursuant to article L.233-16 I of the French Commercial Code, the information provided in the Group's management report is available below.

(in € millions)	2018	2017	2016	2015	2014
Operating revenue	1,441.1	1,400.4	1,363.5	1,306.4	1,283.6
Revenue - construction of new infrastructure assets under concession	139.9	121.0	94.1	80.9	100.3
Total revenue	**1,581.1**	**1,521.4**	**1,457.7**	**1,387.3**	**1,383.9**
Net income attributable to owners of the parent	**489.3**	**457.1**	**476.8**	**375.9**	**337.0**
Net financial debt	**(3,637)**	**(3,773)**	**(4,115)**	**(1,856)**	**(2,374)**

14. Parent company financial statements

In 2018, Cofiroute decided to stop recognizing deferred taxes in its parent company financial statements in order to provide clearer financial information.

Pursuant to French GAAP and ANC Regulation No. 2018-01, this constitutes a change in accounting policies, which is calculated retrospectively at 1 January 2018 and results in the reversal of the provision for deferred taxes and a credit to shareholder's equity in the amount of €94.6 million.

14.1. Income statement

Revenue rose by €40,7 million or 2.9% to €1,441.1 million.

Operating income increased by €12.9 million or 1.6% to €807.6 million.

Net income of €490.3 million was up from 2017 (up €41.5 million), largely a consequence of higher revenue.

14.2. Five-year performance

In accordance with article R.225-102 of the French Commercial Code, the following table shows the Company's results over the past five years:

(in €)

Type of information	2014	2015	2016	2017	2018
1. FINANCIAL POSITION AT YEAR-END					
• Share capital	158,282,124	158,282,124	158,282,124	158,282,124	158,282,124
• Number of shares outstanding	4,058,516	4,058,516	4,058,516	4,058,516	4,058,516
2. TOTAL COMPREHENSIVE INCOME OF OPERATIONS CARRIED OUT					
• Revenue	1,271,951,368	1,306,366,245	1,363,549,599	1,400,415,619	1,441,144,343
• Income before tax, employee profit-sharing, amortisation and provisions	838,273,912	875,091,942	918,844,493	976,759,596	976,021,187
• Income tax expenses	186,603,823	202,117,413	234,579,314	240,955,096	249,027,594
• Additional corporate income tax	26,099,356	28,271,259	7,715,938	44,069,603	8,192,732
• Earnings after tax, contributions, employee profit-sharing, amortisation and provisions	347,019,977	384,197,177	449,538,878	448,772,769	490,261,966
• Distributed earnings			2,917,261,301	446,355,590	582,843,483
• Long-term debt	3,178,892,481	2,618,534,505	3,862,563,137	3,878,926,740	3,624,463,023
• Cost of concession	8,914,306,897	9,013,567,871	9,026,995,021	9,158,765,875	9,324,967,905
3. PER SHARE OPERATING EARNINGS					
• Earnings after tax and employee profit-sharing but prior to depreciation, amortisation and provisions	153.32	158.00	165.68	168.78	175.03
• Earnings after tax and employee profit-sharing, amortisation and provisions	85.50	94.66	110.76	110.58	120.80
• Dividend per share	0.00	0.00	718.80	109.98	143.61
4. EMPLOYEE INFORMATION					
• Average number of employees during the year	1,560	1,482	1,455	1,408	1,360
• Total payroll	60,448,192	57,694,572	55,685,936	53,422,239	50,912,502
• Total amount paid in respect of employee benefits	35,366,232	34,447,855	33,735,150	34,596,891	34,151,890

14.3. Proposed distribution of 2018 income

The following distribution of income has been proposed:

Net earnings	490,261,966
Retained earnings from previous year	105,662,805
Earnings available for distribution	595,924,771
Allocation to the statutory reserve	-
Payment of the interim dividend on 30/08/2018	96,470,925
Proposed payment of final dividend	486,372,557

The dividend distribution presented here relates to a dividend of €143.61 per share for each of the 4,058,516 shares, i.e.:

- as per the decision of the Board of Directors at its meeting of 25 July 2018, an interim dividend of €23.77 per share representing €96,470,925 paid on 30 August 2018;
- it is proposed that the final dividend of €119.84 per share be paid, representing a total of €486,372,557.

In application of article 243 bis of the French General Tax Code, the following dividends have been paid out with respect to the past three financial years.

Dividend in respect of 2017

- Payment of an interim dividend of €81,292,075 on 31 August 2017.
- Payment of the final dividend of €365,063,514 on 29 March 2018.

Dividend in respect of 2016

- Payment of an interim dividend of €1,314,147,481 on 7 September 2016.
- Payment of an interim dividend of €1,492,032,237 on 15 December 2016.
- Payment of the final dividend of €111,081,583 on 7 April 2017.

Dividend in respect of 2015

- No dividend distribution

The Statutory Auditors will provide the findings of their audit and the specific verifications required by law in their general report.

15. Information on payment terms

In compliance with the order of 6 April 2016 issued pursuant to article D.441-4 of the French Commercial Code, information on the payment terms of suppliers and customers is provided in the table below.

	Article D.441 I - 1.: past due invoices received but unpaid at the balance sheet date for the year						**Article D.441 I - 2.: past due invoices issued but unpaid at the balance sheet date for the year**					
	0 days (for information only)	**1-30 days**	**31-60 days**	**61-90 days**	**91 days or more**	**Total (1 day or more)**	**0 days (for information only)**	**1-30 days**	**31-60 days**	**61-90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payment tranche												
Number of invoices covered	55					24	43	869	243	172	1,282	2,566
Total amount of invoices concerned incl. of tax	1,668,141 €	686,427 €	23,462 €	15,219 €	0 €	725,109 €	16,432,569 €	1,407,906 €	506,279 €	4,843 €	388,001 €	2,307,029 €
Percentage of total amount of purchases incl. tax for the year	0.4%	0.2%	0.0%	0.0%	0.0%	0.2%	1.0%	0.1%	0.0%	0.0%	0.0%	0.1%
Percentage of revenue incl. tax for the year												
(B) Invoices excluded from (A) for debts and contested claims												
Number of excluded invoices	779	26	36	41	285	388					11,384	11,384
Total amount of invoices excluded	1,365,802 €	84,355 €	41,276 €	53,950 €	500,860 €	680,442 €					2,554,982 €	2,554,982 €
(C) Contractual or legal benchmark payment periods used - article L.441-6 or article L.443-1 of the French Commercial Code												
Payment periods used to calculate payment delays	**Statutory period**: 60 days from invoice issue date according to French Act on the modernisation of the economy (LME)						**Statutory period**: 30 days from invoice date					

16. Post-balance sheet events

Toll rates on the Duplex A86 increased on 1 January 2019 pursuant to the Interministerial Decree of 26 December 2018.

Toll rates for the intercity network increased on 1 February 2019 pursuant to the Concessions Contract and the Contract Plan. The average rise in the rate per kilometre was +1.65%.

On its intercity network, from 1 February 2019 Cofiroute will introduce a special rate for regular users thanks to a new subscription: drivers making at least 10 round-trips in the month on the same route will enjoy a 30% discount on tolls for all trips made.

17. Change in the Company's business, earnings and financial position

In accordance with article L.225-100 of the French Commercial Code, an analysis of changes in the Company's business, earnings and financial position is provided below.

Concession contracts with remaining terms of 15.5 years for the interurban network and 68 years for the A86, as well as the master contracts signed with the French government, give Cofiroute good visibility as to its business outlook and help drive its financial performance.

Cofiroute's major risks include the dependency of toll revenue on users' acceptance of toll prices and on trends in traffic. Heavy vehicle traffic shows correlation with economic activity and, to a lesser extent, light vehicle traffic shows correlation with consumer spending and retail fuel prices.

The level of financial debt (€3,637.0 million) should be seen in the light of the investments made to build the motorway network in concession, i.e. a net value of €4,702.4 million, and the recurrence of strong cash flows. Cofiroute's debt management policy addresses the financial risk resulting from this level of debt, and includes the use of financial instruments. This policy and the prudential rules applied are described in the notes to the IFRS annual financial statements disclosing information on net financial debt and financial risk management.

18. Agreements covered by article L.225-38 of the French Commercial Code

No agreement referred to in article L.225-38 of the French Commercial Code needed approval in 2018.

19. Share buyback programme

No authorisations to buy back company shares were granted at the Shareholders' General Meeting.

20. Employee share ownership

Pursuant to article L.225-102 of the French Commercial Code, we report that employees hold no equity in the Company.

21. Observations from the Works Council

Pursuant to article L.2323-8 of the French Labour Code (Code du Travail), all documents submitted at the Shareholders' General Meeting are sent to the Works Council.

22. Report of the Statutory Auditors

The Statutory Auditors' report provides further details on the audit performed.

23. Board of Director's report on corporate governance

23.1. Board membership and gender balance

At 31 December 2018, Cofiroute's Board of Directors included:

- Pierre Coppey;
- Cofiroute Holding;
- VINCI Autoroutes;
- VINCI Concessions;
- VINCI Autoroutes Services;
- VINCI Autoroutes Projets 4;
- Pierre Trotot;
- Alexandra Serizay beginning 25/07/2018;
- Marianne Laigneau;
- Sylvain Lefol.

The Board of Directors has 10 Directors, including five female directors, and therefore meets the balanced representation requirement prescribed by article L.225-18-1 of the French Commercial Code (employee representatives on the Board are not included in this ratio, in compliance with the French Commercial Code).

23.2. Preparation and organisation of work performed by the Board of Directors

The Board of Directors meets regularly. Directors receive all the information necessary for their work and decisions in advance of meetings, in accordance with the provisions of law, the regulations, the articles of association and contractual agreements. Directors are also free to review, if necessary, all available information about the Company.

The Statutory Auditors are invited to attend Board meetings held to approve the interim and annual financial statements.

Directors are appointed for four years.

23.3. Potential limitations on the powers of Executive Management

- No limitations impair or prevent the Chief Executive Officer's full and complete exercise of the powers that come with his duties.
- In compliance with articles L.225-35 and R.225-28 of the French Commercial Code, the Board of Directors authorised the Chief Executive Officer at its 12 December 2018 meeting to grant guarantees and sureties for a total of up to €100 million on behalf of the Company, for a period of one year from 13 December 2018.
- In compliance with paragraphs 2 and 3 of article L.228-40 of the French Commercial Code, the Board of Directors authorised the Chief Executive Officer to issue up to €1.5 billion in one or more bond issues, for a period of one year from 13 December 2018. The Chief Executive Officer shall be accountable to the Board for any such bond issues.
- At the Board of Directors' meeting on 12 December 2018, the aforementioned authorisations were renewed for a period of one year for the benefit of Marc Bouron, the Chief Executive Officer.

23.4. Operational organisation

23.4.1. Corporate governance

The Board of Directors
The Board of Directors met three times in 2018, with an average attendance rate of 84.17%.

The Board assessed the composition and operation of the Board of Directors with the aid of questionnaires sent to the Directors. The Directors showed a high level of satisfaction with the organisation of meetings, the information provided and presentations made to them.

In accordance with its internal rules, the Board included a discussion on its own procedures in its agenda for the meeting held on 2 February 2018.

23.5. Shareholders' participation at Shareholders' General Meetings

Arrangements for shareholders' participation at Shareholders' General Meetings are laid down in Section V of the articles of association, as reproduced below:

"SECTION V/GENERAL SHAREHOLDERS' MEETINGS

Article 21

General Shareholders' Meetings are convened under the terms set by the law.

The meetings take place on the date, time and place indicated in the meeting notification.

Article 22

General Shareholders' Meetings may be attended by all shareholders whose shares are fully paid up at that date, irrespective of the number of shares owned by each of them.

Shareholders who attend the meeting via videoconference or other means of telecommunication by which they can be identified, the nature and conditions of application of which are determined by decree, are deemed to be present for the calculation of the quorum and majority.

In all the meetings, the owners of shares are entitled to attend the meeting or be represented without any prior formalities, if their shares are registered five days at the latest before the date of the meeting.

The Board of Directors has the right to shorten or to remove this time limit.

General Shareholders' Meetings are chaired by the Chairman or one of the Vice-Chairmen of the Board of Directors, or by a Director specially designated by the Board for this purpose. Failing this, the meeting elects its Chairman itself.

Article 23

Ordinary or Extraordinary General Shareholders' Meetings, deliberating in accordance with the statutory quorum and majority voting requirements, exercise the powers granted to them by the laws in force.

Article 24

The resolutions of the General Shareholders' Meetings are recorded in minutes drawn up and kept in accordance with the provisions of law.

Copies or extracts of these minutes are validly certified either by the Chairman of the Board of Directors or by a Director fulfilling the office of Chief Executive Officer. They may also be certified by the Secretary of the meeting.

If the Company is being liquidated, they may validly be certified by a single liquidator".

23.6. Agreements between a senior executive or major shareholder and a subsidiary

During the 2018 financial year, no agreements were entered into between a senior executive or major shareholder on the one hand, and a subsidiary of the Company on the other.

23.7. Information on corporate officers

The list of each corporate officer's appointments and terms of office held in 2018 is shown in Appendix 1 of this report.

23.8. Remuneration of corporate officers

In compliance with the provisions of article L.225-37-3 of the French Commercial Code, we hereby report on the total remuneration and benefits paid during the period to each corporate officer, by the Company and by the companies it controls within the meaning of article L.233-16 of the French Commercial Code, and by the company that controls the Company.

The following tables show all remuneration and benefits received during the period by:

- Marc Bouron, Chief Executive Officer

Remuneration paid during the period

Fixed remuneration	160,000 €
Variable remuneration	100,000 €
Directors' fees	-
Benefits in kind	3,770 €
LTI 2015	274,304 €

Existing performance share plans

Number of performance shares granted to the executive corporate officers

	2018
No. and date of plan	AP 2018 17/04/2018
Number of free shares	5,000
Value of shares based on the method used for the consolidated financial statements	320,600 €
Vesting date	17/04/2021
End of lock-up period	17/04/2021
Performance condition	yes

Stock options granted during the period

Marc Bouron did not receive any allocation of stock options in 2018.

Share subscription and purchase options exercised during the period

Marc Bouron did not exercise any option in 2018.

For 2018, Cofiroute paid a total annual amount of €12,250 as directors' fees, distributed among the members in compliance with the rules of distribution adopted by the Board of Directors.

23.9. Information likely to have an impact in the event of a public offering

Pursuant to article L.225-37-5 of the French Commercial Code, the following points may have an impact in the event of a public offering.

Ownership of Cofiroute's share capital at 31 December 2018 was as follows:

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

To the knowledge of the members of the Board of Directors, there is no information likely to have an impact in the event of a public offering.

23.10. Delegations of authority and powers granted to the Board of Directors in the area of capital increases

No delegation was granted.

The Chairman

Pierre COPPEY

Terms of office and duties of corporate officers

Offices of Pierre COPPEY from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
VINCI	Deputy CEO		20/06/2016	
VINCI	Member of the Management and Coordination Committee			
VINCI	Member of the Executive Committee		01/07/2009	
AUTOROUTES DU SUD DE LA FRANCE (ASF)	Chairman of the Board of Directors		01/07/2009	
COFIROUTE	Director		18/12/2007	
COFIROUTE	Chairman		30/04/2009	
CONSORTIUM STADE DE FRANCE	Director		07/05/2014	
CONSORTIUM STADE DE FRANCE	Chairman and CEO		22/11/2016	
ARCOUR	Director		26/11/2004	
ARCOUR	Chairman		03/12/2009	
RADIO VINCI AUTOROUTES	Chairman		02/05/2011	
VINCI AUTOROUTES	Chairman		10/02/2010	
VINCI STADIUM	Chairman		18/04/2014	
VINCI AUTOROUTES SERVICES	Chairman		17/11/2010	
NICE ECO STADIUM	Ex officio member of the Supervisory Board		30/09/2016	
LA FABRIQUE DE LA CITÉ	Director		16/11/2010	
LA FABRIQUE DE LA CITÉ	Member of the Management & Coordination Committee		21/01/2016	
VINCI AUTOROUTES FOUNDATION FOR RESPONSIBLE DRIVING	Chairman		07/04/2011	
STADE BORDEAUX ATLANTIQUE	Ex officio member of the Supervisory Board		30/09/2016	
LNRD	Chairman		09/10/2017	
ULYS FREE	Chairman		08/12/2016	
VIAVEIS	Chairman		30/06/2017	
VINCI AUTOROUTES Rhône-Alpes	Chairman		12/12/2018	
VINCI AUTOROUTES PROJETS 2	Chairman		12/12/2018	
VINCI AUTOROUTES PROJETS 4	Chairman		08/12/2016	
VINCI AUTOROUTES PROJETS 6	Chairman		10/07/2017	
VINCI AUTOROUTES PROJETS 7	Chairman		23/08/2017	
VINCI AUTOROUTES PROJETS 8	Chairman		15/03/2018	
VINCI AUTOROUTES PROJETS 9	Chairman		06/03/2018	
VINCI AUTOROUTES PROJETS 10	Chairman		04/04/2018	
VINCI AUTOROUTES PROJETS 7 PRIME	Chairman		03/05/2018	
VINCI AUTOROUTES PROJETS 11	Chairman		03/05/2018	
VINCI AUTOROUTES PROJETS 12	Chairman		31/08/2018	

Offices held within the VINCI Group outside France

Company	Positions held	Representative	Start date	End date
LONDON STADIUM 185	Director		17/01/2017	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
AUTOROUTES DU SUD DE LA FRANCE (ASF)	Director	SOCIÉTÉ DES AUTOROUTES ESTEREL CÔTE D’AZUR PROVENCE ALPES	25/07/2014	
VINCI AUTOROUTES	Director and Founding member	VINCI AUTOROUTES FOUNDATION FOR RESPONSIBLE DRIVING	14/03/2011	

Pierre COPPEY is also Chairman of the Association AURORE.

Offices of Mr Marc BOURON from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
COFIROUTE	Chief Executive Officer		11/12/2014	
ARCOUR	Director		25/02/2011	
ARCOUR	Chief Executive Officer		03/12/2009	
VINCI AUTOROUTES FOUNDATION FOR RESPONSIBLE DRIVING	Vice-Chairman		13/06/2014	
JARDIN DE LA VOIE ROMAINE	Chairman		10/03/2010	
ARCOS	Chairman		27/11/2015	
VINCI AUTOROUTES ALSACE	Chairman		01/12/2015	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
COFIROUTE	Director and Founding member	VINCI AUTOROUTES FOUNDATION FOR RESPONSIBLE DRIVING	13/06/2014	
VINCI AUTOROUTES	Director	Jardin de la Voie Romaine	10/03/2010	

Offices of Xavier HUILLARD from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
VINCI	Director		09/01/2006	
VINCI	Member of the Management and Coordination Committee		12/11/2007	
VINCI	Chairman and CEO		06/05/2010	
VINCI	Chairman of the Executive Committee		09/01/2006	
VINCI CONCESSIONS	Chairman		20/06/2016	
VINCI FOR THE COMMUNITY	Chairman		26/06/2006	

Offices held within the VINCI Group outside France

Company	Positions held	Representative	Start date	End date
VINCI DEUTSCHLAND GMBH	Vorsitzender des Aufsichtsrats		16/06/2003	
KANSAI AIRPORTS	Director		21/04/2016	

Offices held outside the Group in France

Company	Positions held	Representative	Start date	End date
INSTITUT DE L'ENTREPRISE	Steering Committee		25/01/2017	
AURORE	Vice-Chairman		01/01/2004	
AIR LIQUIDE	Director		03/05/2017	
AIR LIQUIDE	Member of Remuneration Committee		03/05/2017	01/01/2018
AIR LIQUIDE	Chairman of Remuneration Committee		01/01/2018	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
VINCI	Director	VINCI ENERGIES S.A.	23/08/2006	
VINCI	Director	LA FABRIQUE DE LA CITÉ	16/11/2010	
SOCIÉTÉ NOUVELLE DE L'EST DE LYON	Director	AUTOROUTES DU SUD DE LA FRANCE (ASF)	23/03/2006	
VINCI AUTOROUTES	Director	COFIROUTE	28/07/2011	

Offices held as permanent representative outside the Group in France

Company represented	Positions held	In the company	Start date	End date
VINCI	Director	AEROPORTS DE PARIS	15/07/2014	
VINCI	Manager	SIGNAU	24/08/2006	

Offices of Ms Amélia FOLCH from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
SOCIÉTÉ DE RECHERCHES D'ÉTUDES ET DE CRÉATIONS IMMOBILIÈRES (R.E.C.I.M)	Non-partner Manager		21/06/2013	
SOCIÉTÉ NOUVELLE DE L'EST DE LYON	Director		28/06/2013	18/05/2018
SOC 22	Director		12/05/2016	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
SOCIÉTÉ NOUVELLE DE L'EST DE LYON	Director	SOCIÉTÉ GÉNÉRALE DE PARTICIPATIONS ET DE FINANCEMENT	26/06/2013	
VINCI	Director	SOCIÉTÉ DES AUTOROUTES ESTÉREL CÔTE D'AZUR PROVENCE ALPES	22/03/2018	

Offices of Bernard HUVELIN from 1/1/2018 to 31/12/2018

Offices held within the VINCI Group outside France

Company	Positions held	Representative	Start date	End date
VINCI FINANCE INTERNATIONAL	Director		31/12/2012	
VINCI FINANCE INTERNATIONAL	Chairman		28/01/2013	

Offices held outside the Group in France

Company	Positions held	Representative	Start date	End date
SOFICOT (SAS)	Director		15/03/2002	

Offices held outside the Group abroad

Company	Positions held	Representative	Start date	End date
COFIDO	Director		01/01/1950	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
SEMANA	Director	AUTOROUTES DU SUD DE LA FRANCE (ASF)	09/09/2014	
COFIROUTE HOLDING	Director	COFIROUTE	25/02/2008	

Offices of Pierre TROTOT from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
AUTOROUTES DU SUD DE LA FRANCE (ASF)	Director		22/09/2015	
COFIROUTE	Director		10/09/2015	

Offices held outside the Group in France and abroad

Company	Positions held	Representative	Start date	End date
European company TK'Blue Agency	Member of the Supervisory Board		05/01/2018	

Offices of Ms Alexandra SERIZAY from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
AUTOROUTES DU SUD DE LA FRANCE (ASF)	Director		25/07/2018	
COFIROUTE	Director		25/07/2018	

Offices held outside the Group in France and abroad

Company	Positions held	Representative	Start date	End date
Dexia SA	Director and Chairman of the Audit Committee		01/06/2016	
Dexia Crédit Local	Director and Chairman of the Audit Committee		November 2016	

Offices of Ms Marianne LAIGNEAU from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
AUTOROUTES DU SUD DE LA FRANCE (ASF)	Director		23/03/2016	
COFIROUTE	Director		24/03/2016	

Offices held outside the Group in France and abroad

Company	Positions held	Representative	Start date	End date
Électricité de Strasbourg (SA)	Chairman of the Board of Directors		18/04/2015	13/02/2018
Électricité de Strasbourg (SA)	Director		28/08/2014	13/02/2018
EDF International (SAS)	Chairman and Director		18/07/2017	
EDF Renouvelables	Permanent representative within EDEV		30/09/2017	
Enedis (SA)	Member of the Supervisory Board		06/05/2010	
EDF Luminus	Director		18/07/2017	
EDF Trading Ltd (United Kingdom)	Director		31/01/2005	
Cité Universitaire Internationale de Paris	Director by reason of personal qualifications		29/06/2018	

Offices of Ms Marie BASTART from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
LA FABRIQUE DE LA CITÉ	Member of the Advisory Committee		08/02/2011	26/01/2018
VINCI COLOMBIE	Chairman		24/04/2017	18/06/2018

Offices held within the VINCI Group outside France

Company	Positions held	Representative	Start date	End date
VINCI FINANCE INTERNATIONAL	Director		12/02/2009	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
VINCI	Director	SOCIÉTÉ DES AUTOROUTES ESTÉREL CÔTE D'AZUR PROVENCE ALPES	03/02/2017	
VINCI CONCESSIONS	Director	COFIROUTE	14/11/2016	
VINCI AUTOROUTES Rhône-Alpes	Director	AUTOROUTES DU SUD DE LA FRANCE (ASF)	23/03/2018	

Offices of Ms Estelle PIERCOURT from 01/01/2018 to 31/12/2018

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
VINCI AUTOROUTES PROJETS 3	Director	AUTOROUTES DU SUD DE LA FRANCE (ASF)	23/03/2018	02/10/2018
VINCI AUTOROUTES PROJETS 3	Director	COFIROUTE	23/03/2018	02/10/2018

Offices of Ms Nathalie BOIVIN from 01/01/2018 to 31/12/2018

Offices held within the VINCI Group in France

Company	Positions held	Representative	Start date	End date
CONSORTIUM STADE DE FRANCE	Director		22/11/2016	

Offices held as permanent representative within the VINCI Group in France

Company represented	Positions held	In the company	Start date	End date
VINCI AUTOROUTES PROJETS 4	Director	AUTOROUTES DU SUD DE LA FRANCE (ASF)	23/03/2018	
VINCI AUTOROUTES PROJETS 4	Director	COFIROUTE	23/03/2018	
VINCI AUTOROUTES PROJETS 4	Director	SOCIÉTÉ DES AUTOROUTES ESTÉREL CÔTE D'AZUR PROVENCE ALPES	04/04/2017	

IFRS individual financial statements at 31 December 2018

IFRS INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2018

IFRS income statement

(in € millions)	Notes	2018	2017
Revenue	**4.1**	**1,581.1**	**1,521.4**
o/w:			
Operating revenue		*1,441.1*	*1,400.4*
Revenue – construction of new infrastructure assets under concession		*139.9*	*121.0*
Income from ancillary activities		3.6	1.9
Operating expenses	4.2	(757.7)	(718.7)
Operating income from ordinary activities		**827.0**	**804.5**
Share-based payments (IFRS 2)	21	(2.5)	(2.0)
Other current operating items		(7.6)	0.0
Current operating income		**816.8**	**802.5**
Non-current operating items		0.0	0.0
Operating income	**4.2**	**816.8**	**802.5**
Cost of gross financial debt		(75.8)	(90.0)
Cost of net financial debt	**5**	**(75.8)**	**(90.0)**
Other financial income and expenses	6	1.2	(2.6)
Income tax expense	7	(253.0)	(252.9)
of which impact of non-current changes in deferred tax(*)		*(0.4)*	*(9.2)*
Net income		**489.3**	**457.1**
Net earnings per share *(in euros)* **- including non-current tax effects(*)**	**8**	**120.56**	**112.62**
Net earnings per share *(in euros)* **- excluding non-current tax effects(*)**		**120.64**	**114.89**

(*) In 2018, non-current tax effects were limited: -€0.4 million on the consolidated income tax expense. They came about as a result of the following tax measures adopted in France by the 2018 Finance Act and the amended Finance Act for 2017: the exceptional 15% corporate tax rate, cancellation of the 3% tax on dividends and the progressive reduction of corporate tax in France from 33.33% to 25% from 2022, leading to a revaluation of Cofiroute's deferred tax. In 2017, the non-current tax effects amounted to -€9.2 million on the consolidated tax expense. They were a result of the same tax measures adopted in France by the 2018 Finance Act and the amended Finance Act for 2017.

IFRS comprehensive income statement for the period

(in € millions)	2018	2017
Net income	**489.3**	**457.1**
Changes in the fair value of financial instruments used to hedge cash flows[1]	(0.3)	(0.3)
o/w:		
Cash flow hedges[1]	*(0.3)*	*(0.3)*
Tax expense[2]	0.1	0.1
Other comprehensive income items that can be subsequently recycled in net income	(0.2)	(0.2)
Actuarial gains and losses on retirement benefit obligations	0.4	1.4
Tax expense	(0.2)	(0.5)
Other comprehensive income items that cannot be subsequently recycled in net income	0.2	0.9
Total other comprehensive income items recognised directly in equity	**0.0**	**0.7**
Comprehensive income	**489.2**	**457.8**

(1) Changes in the fair value of cash flow hedges (interest rate hedges) are recognised in equity for the effective portion. Cumulative gains or losses in equity are recorded in the income statement if the hedged cash flow affects earnings.
(2) Tax effects relating to changes in the fair value of cash flow hedges (effective portion) and hedging costs.

IFRS Balance sheet - Assets

(in € millions)	Notes	31/12/2018	31/12/2017
Non-current assets			
Concession intangible assets	9	4,702.4	4,768.2
Other intangible assets	10	1.2	2.7
Concession property, plant and equipment	10	215.3	228.5
Property, plant and equipment	10	6.8	7.1
Non-current derivative instruments, assets	16 - 19	48.7	54.2
Total non-current assets		**4,974.3**	**5,060.7**
Current assets			
Inventories and work in progress	12	1.9	2.0
Trade and other receivables	12	106.5	110.2
Other current operating assets	12	50.9	38.6
Other current non-operating assets		0.0	1.5
Current derivative instruments, assets	16 - 19	17.1	51.4
Cash management financial assets	17	0.0	4.0
Cash and cash equivalents	17	237.6	840.6
Total current assets		**414.1**	**1,048.4**
Total assets		**5,388.5**	**6,109.1**

IFRS Balance sheet - Equity and liabilities

(in € millions)	Notes	31/12/2018	31/12/2017
Equity			
Share capital		158.3	158.3
Reserves		160.5	166.9
Net income for the period		489.3	457.1
Transactions recognised directly in equity		(2.0)	(2.0)
Total equity	**14**	**806.0**	**780.2**
Non-current liabilities			
Provisions for employee benefits	20	19.7	18.8
Bonds	16	3,140.5	3,131.8
Other loans and borrowings	16	456.5	708.4
Non-current derivative instruments, liabilities		39.2	49.5
Other non-current liabilities		3.8	2.5
Net deferred tax liabilities	7.3	140.4	146.0
Total non-current liabilities		**3,800.1**	**4,057.0**
Current liabilities			
Current provisions	12.4	258.4	241.0
Trade payables	12.1	39.3	32.9
Payables related to non-current assets		58.7	47.1
Other current operating liabilities	12.1	115.3	111.5
Current tax liabilities		6.3	6.0
Current derivative instruments, liabilities	16 - 19	0.8	26.8
Current financial debts	16	303.5	806.5
Total current liabilities		**782.3**	**1,271.9**
Total equity and liabilities		**5,388.5**	**6,109.1**

IFRS cash flows statement

(in € millions)		Notes	2018	2017
Net income for the period			**489.3**	**457.1**
Depreciation and amortisation		4.4	251.4	248.9
Net increase/(decrease) in provisions			15.5	1.1
Share-based payments and other restatements		21	(1.6)	(1.0)
Gain (loss) on disposals			0.2	(0.6)
Dividends from unconsolidated companies			(8.5)	0.0
Cost of net financial debt recognised		5	75.8	90.0
Current and deferred tax expense recognised		7	253.0	252.9
Cash flows (used in) / from operations before tax and financing costs			**1,075.1**	**1,048.3**
Changes in operating working capital requirement and current provisions		12	4.8	7.1
Income taxes paid			(257.4)	(298.6)
Net interest paid		5	(88.6)	(83.3)
Cash flows (used in) / from operating activities	**I**		**733.9**	**673.4**
Purchases of property, plant and equipment and intangible assets			*(1.7)*	*(2.2)*
Disposals of property, plant and equipment and intangible assets			*1.5*	*(0.2)*
Operating investments (net of disposals)			(0.2)	(2.4)
Operating cash flow			**733.7**	**671.1**
Investments in concession fixed assets (net of grants received)		9 - 10	(157.5)	(129.3)
Free cash flow (after investments)			**576.2**	**541.7**
Dividends received from unconsolidated companies			8.5	0.0
Net cash flows (used in) / from investing activities	**II**		**(149.1)**	**(131.7)**
Dividends paid to Cofiroute SA shareholders		15	(461.5)	(192.4)
Proceeds from new long-term borrowings		16	7.0	740.3
Repayments of long-term borrowings		16	(737.2)	(54.2)
Change in cash management assets and other current financial liabilities		16 - 17	4.0	0.0
Net cash flows (used in) / from financing activities	**III**		**(1,187.7)**	**493.7**
Change in net cash	**I + II + III**	**16 - 17**	**(602.9)**	**1,035.5**
Net cash at beginning of period			**840.6**	**(194.9)**
Net cash and cash equivalents at end of period			**237.6**	**840.6**
Increase/(decrease) in cash management financial assets			(4.0)	0.0
(Issue) repayment of borrowings			730.2	(686.1)
Other changes			12.6	(7.0)
Change in net financial debt		**16**	**135.8**	**342.3**
Net financial debt at beginning of period			(3,772.8)	(4,115.2)
Net financial debt at end of period			**(3,637.0)**	**(3,772.8)**

IFRS statement of changes in equity

(in € millions)	Share capital	Reserves	Transactions recognised directly in equity	Net income	Total
	Equity				
Equity at 01/01/2017	**158.3**	**(116.4)**	**(2.7)**	**476.8**	**516.0**
Net income for the period				457.1	457.1
Other comprehensive income items			0.7		0.7
Comprehensive income for the period	**0.0**	**0.0**	**0.7**	**457.1**	**457.8**
Allocation of net income and dividend payments		284.4		(476.8)	(192.4)
Share-based payments		(1.1)			(1.1)
Equity at 31/12/2017	**158.3**	**166.9**	**(2.0)**	**457.1**	**780.2**
Net income for the period				489.3	489.3
Other comprehensive income items			(0.0)		(0.0)
Comprehensive income for the period	**0.0**	**0.0**	**(0.0)**	**489.3**	**489.2**
Allocation of net income and dividend payments		(4.5)		(457.1)	(461.5)
Share-based payments		(1.9)			(1.9)
Equity at 31/12/2018	**158.3**	**160.5**	**(2.0)**	**489.3**	**806.0**

NOTES TO THE IFRS INDIVIDUAL FINANCIAL STATEMENTS

A. General principles and use of estimates

1. Basis for preparing of the financial statements

As required by European regulation No. 1606/2002 of 19 July 2002, Cofiroute's IFRS individual financial statements for the year ended 31 December 2018 have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2018[1].

The accounting policies retained at 31 December 2018 are the same as those used in preparing the IFRS individual financial statements at 31 December 2017, except for the standards and/or amendments to standards described below, adopted by the European Union and mandatories as from 1 January 2018.

The IFRS individual financial statements were approved by the Board of Directors on 1 February 2019 and will be submitted for shareholder approval at the Shareholders' General Meeting on 22 March 2019.

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 are mandatory from 1 January 2018 do not have a significant impact on the consolidated financial statements of Cofiroute at 31 December 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 yet applicable at 31 December 2018

Cofiroute did not opt for the early adoption of any of the new standards and interpretations listed below, which may relate to it, but whose application was not mandatory at 1 January 2016:

- IFRS 16 "Leases";
- IFRIC 23 "Uncertainty over income tax treatments";
- amendments to IAS 19 "Plan amendment, curtailment or settlement";
- amendments to IFRS 9 "Prepayment features with negative compensation";
- annual improvements, 2015-2017 cycle.

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

Given the relatively short term of asset leases (primarily transport equipment), the current estimate of the effect on the Cofiroute financial statements may not be representative of the impact that will be 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 13. "Other contractual obligations of an operational nature" could therefore differ from the liabilities that will be recognised under 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.

IFRIC 23 "Uncertainty over Income Tax Treatments" supplements IAS 12 Income Taxes by laying out the ways to measure and recognise uncertainties related to income taxes. This interpretation is mandatory for reporting periods beginning from 1 January 2019. Cofiroute does not expect implementation of this interpretation to have a material effect on opening equity at 1 January 2019.

(1) Available at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement", mandatory starting 1 January 2019, subject to approval by the European Union. These new amendments to IAS 19 state that in the event of amendment, curtailment or settlement of a defined-benefit plan occurring in the period, the cost of services rendered and net interest must be re-measured for the following period using the same assumptions used to remeasure the net liability or asset. The requirements regarding the capping of the asset during this remeasurement have been clarified.

Our analyses confirm that the clarifications made by these new amendments to IAS 19 are consistent with the methods and assumptions currently in use by Cofiroute to measure retirement plans.

2. 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 these 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.

Values used in impairment tests

The assumptions and estimates drawn upon to determine the recoverable amount of intangible assets and property, plant and equipment relate in particular to the market outlook required to assess the cash flow and discount rates applied. Any change in these assumptions could have a material effect on the recoverable amount.

Measurement of provisions

The factors that materially influence provision amounts include:

- forecasts for medium- to long-term maintenance expenditure and for major repairs, which serve as a basis for provisions for the obligation to maintain infrastructure assets under concession in good condition. These forecasts are estimated by taking into account the indexing clauses of construction contracts (primarily the TP01, TP02 and TP09 indices);
- the discount rates used to discount these provisions to present value.

Measurement at fair value

Cofiroute mainly uses fair value in measuring, on a consistent basis, derivative instruments, cash and cash equivalents 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.19. "Carrying amount and fair value by accounting category" of the notes to the IFRS individual financial statements.

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 recognised on the basis of the asset or liability's main market (or the most advantageous market if there is no main market), i.e. the one that offers the highest volume and activity levels. The fair value of derivative financial instruments includes a "counterparty risk" component for derivatives carried as assets and an "own credit risk" component for derivatives carried as liabilities.

To determine these fair values, Cofiroute mainly uses the following measurement methods:

- 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 standard 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;

Measurement of retirement benefit obligations

- Cofiroute subscribes to defined-contribution and defined-benefit retirement plans. Its obligations in connection with these defined benefit plans are measured using the actuarial projected unit credit method based on assumptions such as the discount rate, future increases in wages and salaries, employee turnover, mortality rates and the healthcare expenditure growth rate.
- These assumptions are generally updated annually. Cofiroute considers that the actuarial assumptions used are appropriate and justified in current conditions. Obligations may, however, change in the event of changes in assumptions.

Valuation of share-based payments

Cofiroute recognises a share-based payment expense for the granting of performance share plans to certain employees and the VINCI Group savings plan. This expense is measured using actuarial calculations based on estimated behavioural assumptions arising from observation of past behaviour.

The main actuarial assumptions (volatility, return on shares) used by Cofiroute are described by plan in Note H.21. "Share-based payments".

3. Change in accounting policy

3.1. IFRS 15 "Revenue from Contracts with Customers"

Cofiroute adopted IFRS 15 on 1 January 2018, the date on which it came into force in the European Union. With regard to non-material impacts identified, IFRS 15 was applied retrospectively to contracts in effect using the so-called "simplified retrospective" transition method. The 2017 data, presented for comparative purposes, were not adjusted and continue to be presented according to the previous accounting guidelines (IAS 11 "Construction Contracts" and IAS 18 "Revenue").

At 1 January 2018 the first-time application of the standard did not cause Cofiroute to alter the amount of its opening equity.

Since 1 January 2018 Cofiroute has applied IFRS 15 to measure and recognise consolidated revenue. The new accounting policies are described in Note C.4. "Revenue" and D. "Concession contracts".

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.

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 Interest (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 G.19. "Carrying amount and fair value of financial assets and liabilities by accounting category").

Phase II – Impairment model for financial assets

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. No significant increase in credit risk was identified.

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 also 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, etc.). 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. Key events of the period

Social movements arising in October 2018 in France surged following the announcement by the French government of higher fuel prices as part of the energy transition and later extended to a variety of other grievances.

This formed the background to the first nationwide demonstration held on Saturday 17 November 2018.

Since then, this many-sided movement has focused its actions on the roads and motorways, leading to random vehicle stops, roadblocks, obstruction of traffic and tollbooths, vandalism of equipment and facilities, and thefts. The sites most affected have been Châtellerault, Ancenis and Orléans.

Traffic in 2018 will have been affected by these events:

- light vehicles traffic up only 0.6%;
- heavy vehicles traffic up 3.5%;
- resulting total traffic increase of 1.0%.

C. Main income statement items

4. Revenue and operating profit

4.1. Revenue

Accounting principles

Consolidated revenue is recognised in accordance with IFRS 15 "Revenue From Contracts With Customers."

Before the revenue is recognised, under the standard it is mandatory to identify a contract and 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 principle of IFRS 15 is that the recognition of revenue from contracts with customers must reflect:

- both the rate of achievement of the performance obligations corresponding to the transfer of control of the good or service to a client;
- and the consideration to which the vendor expects to be entitled in exchange 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).

The method for recognising revenue in respect of concession contracts is explained in Note D. "Concession contracts" presented below. They comprise:

- payments received on road infrastructures operated under concessions and ancillary income such as fees for use of commercial premises, and revenue from the rental of telecommunication infrastructures and parking facilities; and
- revenue in respect of the construction of new concession infrastructure recognised on a stage of completion basis in accordance with IFRS 15.

(in € millions)	2018	2017
Revenue - Tolls	1,422.1	1,381.4
Revenue - Other	19.1	19.0
Operating revenue	**1,441.1**	**1,400.4**
Revenue - construction of new infrastructure assets under concession	139.9	121.0
Total revenue	**1,581.1**	**1,521.4**

4.2. Operating income

Accounting principles

The revenue from ancillary activities is mainly revenue from leases and sales of materials, equipment and goods.

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

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.

(in € millions)	2018	2017
Revenue	**1,581.1**	**1,521.4**
o/w:		
Operating revenue	*1,441.1*	*1,400.4*
Revenue – construction of new infrastructure assets under concession	*139.9*	*121.0*
Income from ancillary activities	**3.6**	**1.9**
Construction expenses	(139.9)	(121.0)
Purchases consumed	(10.4)	(10.1)
External services	(90.3)	(77.4)
Taxes	(174.1)	(169.7)
Employment costs	(88.4)	(92.2)
Other operating income and expense(*)	(0.2)	0.6
Depreciation and amortisation	(251.4)	(248.8)
Net provision expense and other	(2.9)	(0.3)
Operating expenses	**(757.7)**	**(718.7)**
Operating income from ordinary activities	**827.0**	**804.5**
Share-based payments	(2.5)	(2.0)
Other current operating items	(7.6)	0.0
Current operating income	**816.8**	**802.5**
Operating income	**816.8**	**802.5**

(*) *Capital gains or losses net of disposal of property, plant and equipment and intangible assets.*

In 2018, other current operating items notably include the impact of changes in the indexation clauses used in the measurement of provisions for the obligation on the upkeep of the concession assets (see Note G.12.4. "Breakdown of current provisions").

4.3. Employment costs

Employment costs break down as follows:

(in € millions)	2018	2017
Wages and salaries	(48.9)	(51.0)
Social security and other employment costs(*)	(28.2)	(24.6)
Costs of defined-contribution plans	0.0	(5.0)
Incentive and profit-sharing plans	(11.3)	(11.6)
Wages and employee benefit expenses	**(88.4)**	**(92.2)**

(*) *In 2018 the costs of defined-contribution plans are included in Social security and other employment costs.*

The average workforce in 2018 breaks down as follows:

	31/12/2018	31/12/2017
Managers	243	236
Other employees	1,117	1,172
Total	**1,360**	**1,408**

4.4. Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2018	2017
Concession intangible assets	(204.2)	(107.6)
Concession property, plant and equipment	(43.5)	(137.4)
Property, plant and equipment and intangible assets	(3.7)	(3.9)
Depreciation and amortisation	**(251.4)**	**(248.8)**

Depreciation and amortisation expenses amounted to €251.4 million in 2018, remaining stable compared with 2017 (-€248.8 million). During fiscal year 2017, €91.9 million in amortisation of concession intangible assets were reclassified as amortisation of concession property, plant and equipment.

5. Cost of net financial debt

Accounting principles

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense (calculated at the effective interest rate), and gains and losses on interest-rate derivatives allocated to gross financial debt whether designated as hedges for accounting purposes or not;
- financial income from investments, which includes revenue generated by investments in cash and cash equivalents measured at fair value through profit or loss;
- the recycling of financial hedging costs.

The cost of net financial debt amounted to €75.8 million in 2018, against €90.0 million in 2017. This improvement is primarily due to refinancing at end-2017 at lower interest rates than those of the loans having expired in 2018.

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

(in € millions)	31/12/2018	31/12/2017
Financial liabilities at amortised cost	(100.6)	(115.8)
Financial assets and liabilities at fair value through profit or loss	0.0	(0.5)
Derivatives designated as hedges: assets and liabilities	24.8	26.3
Total cost of net financial debt	**(75.8)**	**(90.0)**

The entry "Derivatives designated as hedges: assets and liabilities" breaks down as follows:

(in € millions)	31/12/2018	31/12/2017
Net interest from derivatives designated as fair value hedges	24.5	26.0
Change in value of derivatives designated as fair value hedges	3.9	(31.8)
Change in value of the adjustment of hedged financial debt to fair value	(3.9)	31.8
Reserve recycled through profit or loss in respect of cash flow hedges	0.3	0.3
Gains and losses on derivative instruments allocated to net financial debt	**24.8**	**26.3**

6. Other financial income and expense

Accounting principles

Other financial income and expense mainly comprises the effects of discounting to present value, the impact of capitalised borrowing costs, foreign exchange gains and losses related to financial items, and changes in the value of derivatives not allocated to interest and exchange rate risk hedging.

(in € millions)	31/12/2018	31/12/2017
Discounting costs of provisions for obligation to maintain the condition of concession assets	1.5	(2.4)
Discounting costs of provisions for retirement benefit obligations	(0.4)	(0.2)
Total other financial income and expense	**1.2**	**(2.6)**

7. Income tax expense

Accounting principles

Cofiroute calculates its income taxes in accordance with French tax law. In accordance with IAS 12, deferred tax is recognised for the temporary differences between the carrying amount and the tax base of assets and liabilities. Tax is calculated on the basis of the latest tax rates enacted or substantively enacted at the balance sheet date. The effects of changes in tax rates from one period to another are recognised in the income statement in the period in which the change occurs except when they relate to transactions recognised in other comprehensive income or directly in equity.

Deferred tax relating to share-based payments (IFRS 2) is recognised in income as long as the deductible base does not exceed the fair value of the plans drawn up in accordance with IFRS 2.

Deferred tax balances are determined on the basis of the tax status of Cofiroute and are presented as assets or liabilities at their net position by tax category. Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospect of recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

Income tax expense amounted to €253.0 million at 31 December 2018, compared to €252.9 million at 31 December 2017.

7.1. Breakdown of net tax expense

(in € millions)	2018	2017
Current tax	(258.7)	(248.5)
Deferred tax	6.1	5.0
Total excl. non-current taxation	**(252.6)**	**(243.6)**
Impact of non-current changes in deferred tax	(0.4)	16.0
Exceptional contribution of 15% tax	0.0	(36.1)
Refund of the 3% contribution on dividends	0.0	10.8
Total taxes	**(253.0)**	**(252.9)**

Net tax expense for the period reflects:

- tax recorded by Cofiroute, belonging to the VINCI tax consolidation group;
- the supplementary welfare tax of 3.3% of the Company tax rate;
- non-current changes in deferred tax (reduction in corporate income tax rate from 33.33% to 25.00% with effect from 2022) with an impact of -€0.4 million (€16.0 million in 2017).

7.2. Effective tax rate

The effective tax rate amounted to 34.03% in 2018, excluding the effect of non-recurring taxes, compared to 34.31% in 2017.

The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the period can be analysed as follows:

(in € millions)	2018	2017
Income before tax	742.2	709.9
Theoretical tax rate in force in France	34.43%	34.43%
Expected theoretical tax expense	**(255.6)**	**(244.4)**
Permanent differences and other	2.9	0.9
Tax actually incurred excl. non-current portion	**(252.6)**	**(243.6)**
Effective tax rate excl. non-current taxation	34.03%	34.31%
Impact of non-current changes in deferred tax	(0.4)	16.0
Exceptional contribution of 15% tax	0.0	(36.1)
Refund of the 3% contribution on dividends	0.0	10.8
Effective tax rate	34.08%	35.62%

7.3. Breakdown of deferred tax assets and liabilities

		Change			
(in € millions)	31/12/2018	Net income	Equity	Other	31/12/2017
Deferred tax assets					
Retirement benefit obligations	5.3	(1.2)	(0.2)		6.7
Concession assets (capitalised borrowing costs and other)	19.1	0.6		(1.3)	19.7
Other	13.8	(1.1)			14.9
Total	**38.1**	**(1.6)**	**(0.2)**	**(1.3)**	**41.2**
Deferred tax liabilities					
Property, plant and equipment	5.0	(2.4)			7.4
Fair value adjustment on financial instruments	2.4	(1.5)	(0.1)		3.9
Provisions	3.1	1.0			2.2
Concession assets (capitalised borrowing costs and other)	166.7	(4.6)		(1.3)	172.5
Other	1.3	0.1			1.2
Total	**178.5**	**(7.4)**	**(0.1)**	**(1.3)**	**187.2**
Net deferred tax	**(140.4)**	**5.7**	**(0.1)**	**(0.0)**	**(146.0)**

Net deferred taxes liabilities amounted to €140.4 million (versus €146 million in 2017).

7.4. Unrecognised deferred taxes

Since the disposal of its shares in Toll Collect in 2018 (see Note 11.), Cofiroute no longer has unrecognised deferred tax assets due to the full impairment of those shares (€7.3 million in 2017.)

8. Earnings per share

Accounting principles

Earnings per share before dilution (basic earnings per share) correspond to net income divided by the number of shares for the year.

Cofiroute SA's share capital comprises 4,058,516 shares, unchanged between 2017 and 2018. The Company has not issued any instrument granting rights to shares.

As a result, the number of shares used to calculate both basic and diluted earnings per share in 2018, as in 2017, stood at 4,058,516.

Earnings per share amounted to €120.56 in 2018 (€112.62 in 2017).

D. Service Concession Contracts

Accounting principles

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.

9. Concession intangible assets

9.1. Details of intangible assets under concession

(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	34.7	104.7	139.4
Other movements	86.3	(87.2)	(0.9)
At 31/12/2018	**8,187.1**	**197.5**	**8,384.6**
Depreciation and amortisation			
At 01/01/2017	**(3,371.5)**		**(3,371.5)**
Depreciation and amortisation during the period	(107.6)		(107.6)
Other movements	1.2		1.2
At 31/12/2017	**(3,477.9)**		**(3,477.9)**
Depreciation and amortisation during the period	(204.2)		(204.2)
At 31/12/2018	**(3,682.2)**		**(3,682.2)**
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 31/12/2018	**4,504.9**	**197.5**	**4,702.4**

(*) *After deduction of grants.*

The increase in intangible assets under concession in gross value corresponds mainly to the €139.4 million of acquisitions made in 2018 (against €119.8 million in 2017). They include fixed assets in progress of €104.7 million in 2018 related mainly to completion of the operations of the 3rd plan contract, the continuation of phase-two improvements to the interurban network (ERI 2) and the motorway stimulus plan signed in 2015.

9.2. Main characteristics of concession contracts

The characteristics of the main concession contracts operated by Cofiroute are shown in the following table:

2018	Control and regulation of prices by concession grantor	Source of payments	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Accounting model
Cofiroute						
Intercity network - France (1,100 km of toll motorways)	Pricing regulation as defined in the concession contract. Price increases subject to agreement by grantor.	Users	None	Infrastructure returned to grantor for no consideration at the end of the contract unless purchased by the grantor on the basis of its economic value.	Contract end: 30 June 2034	Intangible asset
Duplex A86 - France (11-km toll tunnel)	Pricing regulation as defined in the concession contract. Price increases subject to agreement by grantor.	Users	None	Infrastructure returned to grantor for no consideration at the end of the contract unless purchased by the grantor on the basis of its economic value.	Contract end: end of December 2086	Intangible asset

9.3. Commitments given under 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.

As at 31 December 2018, the total investment commitment provided for under the concession contracts was €869.2 million compared with €881.8 million in 2017.

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

10. Property, plant and equipment and other intangible assets

10.1. Property, plant and equipment

Accounting principles

Property, plant and equipment are recorded at acquisition or production cost, net of investment grants received, less cumulative depreciation and any impairment losses. Their value is not remeasured. These assets mainly include fittings, equipment, furniture and vehicles wholly owned by Cofiroute. They also include concession operating property, plant and equipment that is not controlled by the grantor but that is necessary for the operation of the concession: buildings used in operations, toll equipment, signage, remote transmission, video surveillance, vehicles and equipment.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may, however, apply when deemed more appropriate given the terms of use of the asset.

Periods of use of the various categories of property, plant and equipment (fittings, equipment, furniture and vehicles) range from three to ten years.

Depreciation commences on the date on which the asset is ready to come into service.

(in € millions)	Property, plant and equipment related to 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	3.2	0.0	1.5	4.7
Disposals during the period	(3.1)	(0.0)	(0.0)	(3.2)
Other movements	27.1	0.2	0.1	27.5
At 31/12/2018	**903.9**	**1.5**	**21.4**	**926.8**
Depreciation and amortisation				
At 01/01/2017	**(520.5)**		**(13.1)**	**(533.6)**
Depreciation and amortisation 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 and amortisation during the period	(43.5)		(2.1)	(45.6)
Other movements	3.1		0.0	3.1
At 31/12/2018	**(688.7)**		**(16.1)**	**(704.8)**
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 31/12/2018	**215.3**	**1.5**	**5.3**	**222.0**

In 2018, the gross value of property, plant and equipment was up €29 million versus 2017.

10.2. Other intangible assets

They mainly include software licenses and software. They are stated in the balance sheet at acquisition cost less amortisation and any accumulated impairment losses. They are amortised on a straight-line basis over their useful life.

The net value of the other intangible assets amounted to €1.2 million at 31 December 2018. These include software, patents, licences and other intangible assets, representing a gross value of €29.7 million.

Cumulative amortisation recorded at the end of 2018 stood at €28.5 million.

10.3. Impairment of non-financial non-current assets

Accounting principles

Impairment tests are performed on property, plant and equipment and intangible assets where evidence of a loss of value arises. For intangible assets with an indefinite useful life and construction work in progress, a test is performed at least annually and whenever there is an indication of a loss of value.

Assets tested for impairment are grouped within cash-generating units (CGUs), defined as homogenous assets that generate identifiable cash inflows.

In accordance with IAS 36, the criteria adopted to assess indications that an asset might be impaired will either be external (e.g. a material change in market conditions) or internal (e.g. a material reduction in revenue, etc.).

Cofiroute did not find any material impairment of its tangible or intangible non-current assets in 2018 or 2017.

11. Other non-current financial assets

In August 2018, Toll Collect paid Cofiroute €7.2 million, consisting of €8.5 million in investment income, from which €1.3 million were withheld for taxes by the German government.

As it was contractually entitled to do, on 31/08/2018 the German government exercised its call option on the shares of Toll Collect. Cofiroute thus divested its ownership of Toll Collect, worth €47 million and fully impaired, with no impact on profit and loss.

12. Working capital requirement and current provisions

Accounting principles

Trade receivables are current financial assets. They are initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material.

The Group applies the simplified model defined under IFRS 9 and accordingly records an impairment of its trade receivables equal to the credit loss expected at maturity.

At each balance sheet date, trade receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.

An analysis of the losses recognized during the period is performed in order to make any necessary adjustments in the impairment rates. This risk is assessed in the light of payment delays and guarantees obtained.

Trade payables are current financial liabilities. They are initially measured at their fair value, which is most often their nominal value, unless the effect of discounting is material.

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

12.1. Change in working capital requirement

			2018-2017 Changes
(in € millions)	31/12/2018	31/12/2017	Related to operations
Inventories and work in progress (net)	1.9	2.0	(0.1)
Trade and other receivables	106.5	110.2	(3.7)
Other current operating assets	50.9	38.6	12.2
Inventories and operating receivables (I)	**159.4**	**150.9**	**8.4**
Trade payables	(39.3)	(32.9)	(6.4)
Other current operating liabilities	(114.8)	(110.6)	(4.2)
Trade and other operating payables (II)	**(154.1)**	**(143.6)**	**(10.5)**
Working capital requirement (before current provisions) (I + II)	**5.3**	**7.4**	**(2.1)**
Current provisions	**(258.4)**	**(241.0)**	**(2.7)**
o/w part at less than one year of non-current provisions	(0.5)	0.0	(0.5)
Working capital requirement (after current provisions)	**(253.1)**	**(233.7)**	**(4.8)**

The working capital requirement (WCR) comprises current assets and liabilities related to operations except for current tax assets and liabilities and other current financial assets and liabilities.

12.2. Current operating assets and liabilities

The components of working capital requirement break down with respect to maturity in the following manner:

(in € millions)	31/12/2018	Maturity < 1 year: 1 to 3 months	3 to 6 months	6 to 12 months	From 1 to 5 years	> 5 years
Inventories and work in progress (net)	1.9	1.9				
Trade and other receivables	106.5	106.5				
Other current operating assets	50.9	44.9	0.1	0.2	2.0	3.7
Inventories and operating receivables (I)	**159.4**	**153.4**	**0.1**	**0.2**	**2.0**	**3.7**
Trade payables	(39.3)	(39.3)				
Other current operating liabilities	(114.8)	(103.3)	(11.5)			
Trade and other operating payables (II)	**(154.1)**	**(142.6)**	**(11.5)**	**0.0**	**0.0**	**0.0**
Working capital requirement (before current provisions) (I + II)	**5.3**	**10.8**	**(11.4)**	**0.2**	**2.0**	**3.7**

12.3. Breakdown of trade receivables

The following table presents invoiced trade receivables and any possible depreciation:

(in € millions)	31/12/2018	31/12/2017
Trade receivables invoiced	21.3	23.1
Allowances against trade receivables	(9.6)	(10.0)
Trade receivables, net	**11.7**	**13.1**

On 31 December 2018 the breakdown of trade receivables and impairment was as follows:

(in € millions)	31/12/2018	< 1 year: 1 to 3 months	3 to 6 months	6 to 12 months	From 1 to 5 years
Trade receivables invoiced	21.3	18.4	0.0	0.3	2.6
Allowances against trade receivables	(9.6)	(7.5)	(0.0)	(0.0)	(2.1)

12.4. Breakdown of current provisions

Current provisions are directly linked to the operating cycle, irrespective of their expected maturity. They are accounted for in accordance with IAS 37. They also include the current part (maturing in less than one year) of provisions not directly linked to the operating cycle.

Provisions are recognised for the contractual commitments to keep the facilities under concession in good working order. They are calculated on the basis of a medium to long-term expenditure programme that is reviewed annually. This expenditure is remeasured using the appropriate indices (primarily the TP01, TP02 and TP09 indices).

Provisions are also booked when structures have been identified with established problems. These provisions are recognised at their discounted amounts. The discounted cost is recorded under "Other financial income and expenses".

In 2018 and 2017, current provisions recognised as liabilities on the balance sheet changed in the following manner:

(in € millions)	Opening	Provisions taken	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	30.4	(23.4)	(5.7)	16.2	257.5
Other liabilities	1.0	0.0	(0.1)	(0.1)		0.9
31/12/2018	**241.0**	**30.5**	**(23.5)**	**(5.8)**	**16.2**	**258.4**

Current provisions relate directly to the operating cycle. The above provisions amounted to €258.4 million at 31 December 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 €257.5 million at 31 December 2018, up from €240 million at 31 December 2017.

13. Other contractual obligations of an operational nature

Operating lease commitments totalled €8.1 million at 31 December 2018 and mostly related to the lease on the corporate headquarters and long-term leases. These commitments break down by maturity in the following manner:

(in € millions)	31/12/2018	< 1 year	From 1 to 5 years	> 5 years
Operating leases	8.1	3.1	5.1	0.0

The commitments given and received by Cofiroute under concession contracts are included in Note D.9.3.

F. Equity

14. Information related to equity

14.1. Share capital

Cofiroute SA's share capital comprises 4,058,516 shares, unchanged between 2018 and 2017. The Company has not issued any instrument granting rights to shares.

14.2. Transactions recognised directly in equity

The following tables provide a breakdown of changes in these items by type of financial instrument:

(in € millions)	31/12/2018	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	(0.3)	(0.3)
Gross reserve before tax effect at balance sheet date	**0.7**	**0.9**
Gross reserve before tax effect at balance sheet date (items that can be recycled in the income statement)	**0.7**	**0.9**
Associated tax effect	(0.2)	(0.3)
Reserve net of tax (Items that can be recycled in the income statement)	**0.4**	**0.6**
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	**(3.6)**	**(4.0)**
Gross reserve before tax effect at balance sheet date (items that cannot be recycled in the income statement)	**(3.6)**	**(4.0)**
Associated tax effect	1.2	1.4
Reserve net of tax (items that cannot be recycled in the income statement)	**(2.5)**	**(2.6)**
Total items recognised directly in equity		
Gross reserve before tax effect at balance sheet date	(3.0)	(3.1)
Associated tax effect	0.9	1.1
Reserve net of tax	**(2.0)**	**(2.0)**

Changes in fair value recognised in the income statement for the period mainly concern the hedging of floating-rate bonds through the setting up of fixed-for-floating interest rate swaps. These transactions are described in Note 18.1.3. "Description of cash flow hedges".

15. Dividends

The balance of the 2017 dividend was paid in March 2018 and amounted to €365.1 million.

An interim dividend on the year was paid in August 2018 in the amount of €96.5 million.

The total amount of the dividend that will be paid out for 2018 will be submitted for approval at the Shareholders' Ordinary General Meeting of 22 March 2019 (see Note J.).

G. Financing and financial risk management

16. Information on net financial debt

Accounting principles

Bonds, other borrowings and financial debt are recognised at amortised cost using the effective interest rate. The effective interest rate is determined after taking redemption premiums and issuance expenses into account. Under this method, interest expense is measured using the actuarial method and reported under "Cost of gross financial debt".

When the prevailing rate is significantly lower than market rates, particularly in the case of project financing granted by public bodies, the economic benefit that results is considered, according to IAS 20, as a government grant for debt reduction and the related investments.

Certain financing contracts provide for early redemption options, for amounts that are always close to the amortised cost of the financial liabilities that are recognised as a result. Consequently, Cofiroute does not recognise any derivative financial instrument separately from these original contracts.

The current portion of financial debt is reported under "Current financial debt".

At 31 December 2018, net financial debt, as defined by Cofiroute, fell by €135.8 million from 31 December 2017 to €3,637.0 million.

Net financial debt breaks down as follows:

		31/12/2018			31/12/2017		
(in € millions)		Non-Current	Current(*)	Total	Non-Current	Current(*)	Total
Financial Instruments recognised at amortised cost	Bonds	(3,140.5)	(46.2)	(3,186.6)	(3,131.8)	(670.5)	(3,802.3)
	Other bank loans and other financial debt	(456.5)	(257.4)	(713.9)	(708.4)	(136.0)	(844.4)
	Long-term financial debt	**(3,597.0)**	**(303.5)**	**(3,900.5)**	**(3,840.2)**	**(806.5)**	**(4,646.7)**
	Other current financial liabilities					0.0	0.0
	Bank overdrafts						
	I – Gross financial debt	**(3,597.0)**	**(303.5)**	**(3,900.5)**	**(3,840.2)**	**(806.5)**	**(4,646.7)**
	o/w impact of fair value hedges	9.5		*9.5*	*(4.7)*	*(0.9)*	*(5.6)*
Loans and receivables	Collateralised loans and financial receivables						
	Financial current account assets		227.4	227.4		835.6	835.6
Financial assets measured at fair value through profit or loss	Cash management financial assets – not cash equivalents					4.0	4.0
	Cash equivalents			0.0			0.0
	Cash		10.3	10.3		4.9	4.9
	II – Financial assets	**0.0**	**237.6**	**237.6**	**0.0**	**8.9**	**844.6**
Derivatives	Derivative instruments – liabilities	(39.2)	(0.8)	(40.0)	(49.5)	(26.8)	(76.3)
	Derivative instruments – assets	48.7	17.1	65.9	54.2	51.4	105.6
	III – Derivative financial instruments	**9.5**	**16.3**	**25.9**	**4.7**	**24.6**	**29.3**
	Net financial debt (I + II + III)	**(3,587.5)**	**(49.5)**	**(3,637.0)**	**(3,835.5)**	**(773.0)**	**(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 one year and under current derivative instruments (assets/liabilities) for the part at less than one year.

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

The change in net financial debt breaks down as follows:

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Changes in consolidation scope	Translation effect	Changes in fair value	Other Changes	Ref.	Closing
Bonds	**(3,131.8)**	**0.2**	**(3)**			**(4.8)**	**(4.1)**	**(4)**	**(3,140.5)**
Other loans and borrowings	**(708.4)**		**(3)**				**251.9**	**(4)**	**(456.5)**
Current financial debt	**(806.5)**	**609.5**				**0.9**	**(107.4)**		**(303.5)**
o/w non-current portion of long-term debt	*(739.1)*	*730.0*	*(3)*			*0.9*	*(252.5)*	*(4)*	*(260.7)*
o/w current liability			*(1)*					*(1)*	
o/w accrued interest not yet due	*(67.5)*	*(120.5)*	*(4)*				*145.1*	*(4)*	*(42.8)*
o/w overdraft								*(4)*	
Cash management assets	**4.0**	**(4.0)**	**(2)**					**(4)**	
Cash and cash equivalents	**840.6**	**(603.0)**	**(1)**					**(1)**	**237.6**
Derivative financial instruments - net	**29.3**	**31.9**				**2.0**	**(37.4)**		**25.9**
FV	*7.7*		*(3)*			*2.0*		*(4)*	*9.8*
o/w accrued interest not yet due	*21.6*	*31.9*	*(4)*				*(37.4)*	*(4)*	*16.1*
Net financial debt	**(3,772.8)**	**34.6**	**(5)**	**-**	**-**	**(1.9)**	**103.1**	**(5)**	**(3,637.0)**

Reconciliation of net financial debt with financing flows on statement of cash flows:

(in € millions)	Ref.	2018
Change in net cash	(1)	(603.0)
Change in cash management assets and other current financial debt	(2)	(4.0)
(Issue) repayment of borrowings	(3)	730.2
Other changes	(4)	12.6
Change in net financial debt	**(5)**	**135.8**

16.1. Breakdown of long-term financial debt

At 31 December 2018, long-term financial debt recognised in the balance sheet stood at €3,900.5 million, a decrease of €746.2 million compared to 31 December 2017. This is mainly attributable to the repayment of €737 million of debt.

Long-term financial debt at 31 December 2018 showed the following characteristics:

	31/12/2018						31/12/2017	
(in € millions)	Currency	Contractual interest rate	Maturity	Nominal amount outstanding	Carrying amount	of which accrued interest not yet due	Nominal amount outstanding	Carrying amount
Bonds								
2003 Bond issue							600.0	622.3
2006 Bond issue	EUR	5.000%	May-21	750.0	810.7	22.8	750.0	823.0
2006 Bond tap issue	EUR	5.000%	May-21	350.0	355.7	10.6	350.0	353.8
2016 Bond issue	EUR	0.750%	September-28	650.0	619.2	1.5	650.0	607.0
2016 Bond issue	EUR	0.375%	February-25	650.0	647.7	2.2	650.0	644.9
2017 Bond issue	EUR	1.125%	October-27	750.0	746.2	1.8	750.0	741.9
May 2019 Company Savings Plan	EUR	3.250%	May-19	7.0	7.1	0.1		
May 2013 Company Savings Plan							8.8	9.1
May 2021 Company Savings Plan							0.2	0.2
Other bank loans and other financial debt								
EIB March 2002	EUR	EIB RATE	March-13 to March-27	45.0	45.0	0.0	50.0	50.0
EIB December 2002	EUR	EUR3M + 0.455%	December-13 to December-27	30.0	30.0	0.0	33.3	33.3
EIB March 2003							75.0	78.8
EIB December 2004	EUR	EIB RATE	December-19	200.0	200.0	0.0	200.0	200.0
EIB December 2005	EUR	4.115%	December-12 to December-25	107.9	108.2	0.4	121.0	121.4
EIB December 2006	EUR	4.370%	December-13 to December-29	32.4	32.4	0.1	35.3	35.4
EIB June 2007	EUR	4.380%	June-14 to June-29	144.4	147.6	3.2	157.5	161.0
EIB November 2008	EUR	EUR3M + 0.324%	November-13 to November-28	156.3	150.6	0.0	171.9	165.2
VINCI credit facility[1]	EUR	EUR + 0.45%	November-23					
Credit facility[2]								(0.8)
Long-term financial debt				**3,872.8**	**3,900.5**	**42.8**	**4,603.0**	**4,646.7**

(1) Internal credit facility with VINCI (see Note 17.2.).
(2) Syndicated credit line terminated November 2018 (see Note 17.2.).

16.2. Repayment schedule of financial liabilities and associated interest payments

The maturity of Cofiroute's financial liabilities, at redemption value and the associated interest payments, based on interest rates at 31 December 2018, breaks down as follows:

	31/12/2018					
(in € millions)	Carrying amount	Capital and interest cash flows	< 1 year	> 1 year < = 2 years	> 2 years < = 5 years	> 5 years
Bonds						
Capital	(3,186.6)	(3,157.0)	(7.0)	0.0	(1,100.0)	(2,050.0)
Interest payment cash flows		(307.0)	(71.0)	(70.8)	(102.3)	(63.0)
Other bank loans and other financial debt			**0.0**			
Capital	(713.9)	(715.8)	(253.7)	(54.2)	(166.2)	(241.7)
Interest payment cash flows		(65.1)	(12.2)	(11.0)	(25.0)	(16.9)
Sub-total: long-term financial debts	**(3,900.5)**	**(4,244.9)**	**(343.9)**	**(135.9)**	**(1,393.4)**	**(2,371.7)**
I - Financial debt	**(3,900.5)**	**(4,244.9)**	**(343.9)**	**(135.9)**	**(1,393.4)**	**(2,371.7)**
Financial current account assets	227.4	227.4	227.4			
Cash	10.3	10.3	10.3			
II – Financial assets	**237.6**	**237.6**	**237.6**			
Derivative instruments – liabilities	(40.0)	112.5	12.2	12.2	36.5	51.5
Derivative instruments – assets	65.9	7.3	12.0	12.0	5.0	(21.7)
III - Derivative financial instruments	**25.9**	**119.8**	**24.2**	**24.2**	**41.5**	**29.9**
NET FINANCIAL DEBT (I + II + III)	**(3,637.0)**	**(3,887.5)**	**(82.0)**	**(111.7)**	**(1,351.9)**	**(2,341.8)**

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

16.3. Financial covenants

Cofiroute's financing agreements (bonds, bank loans and credit facilities) do not include any case of default as defined by financial covenants.

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

16.4. Credit rating

At 31 December 2018, Cofiroute had the following financial ratings from Standard & Poor's:

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

17. Information on net cash managed and available resources

Accounting principles

Cash and cash equivalents include bank current accounts, short-term liquid investments and are subject to an insignificant risk of changes in value. Cash equivalents comprise in particular interest-bearing accounts, monetary UCITS and certificates of deposit with maturities not exceeding three months at inception. Bank overdrafts are not included in cash and are reported under "Current financial liabilities". Changes in the fair value of these instruments are recognised directly in profit or loss.

Cash management financial assets include money market securities and bonds and short-term investments in UCITS that do not meet the criteria for cash equivalents defined by IAS 7. They are measured and recognised at their fair value. Changes in the value of these instruments are recognised directly in profit or loss.

Purchases and sales of cash management financial assets are recognised at their transaction date.

As at 31 December 2018, Cofiroute's available resources amounted to €1,337.6 million, breaking down as €237.6 million in net cash under management and €1,100 million in an undrawn internal line of credit with VINCI (see Note 17.2.).

17.1. Breakdown of net cash under management

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

(in € millions)	30/12/2018	31/12/2017
Cash equivalents	**227.4**	**835.6**
Balance of cash current accounts	*227.4*	*835.6*
Cash	**10.3**	**4.9**
Current financial debt		**0.0**
Net cash	**237.6**	**840.6**
Cash management financial assets		**4.0**
Term accounts		*4.0*
Net cash under management	**237.6**	**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.

All cash is invested in a current account with VINCI Autoroutes. 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.

At 31 December 2018, the Group had total assets of €237.6 million in cash under management.

17.2. Revolving credit facilities

In November 2018, Cofiroute terminated the €500 million syndicated credit facility maturing in 2021 and at the same time put in place an internal €1,100 million credit facility with VINCI maturing in 2023.

The amounts authorised and used and the maturity of the VINCI credit facility at 31 December 2018 are presented in the following table.

(in € millions)	Used at 31/12/2018	Authorised at 31/12/2018	Maturity < 1 year	Maturity From 1 to 5 years	Maturity more than 5 years
VINCI credit facility		1,100.0		1,100.0	
Total	**0.0**	**1,100.0**		**1,100.0**	

18. Information on financial risk management

Management rules

Cofiroute has implemented a system to manage and monitor the financial risks to which it is exposed, principally interest rate risk.

The management and limiting of these financial risks at Cofiroute is done by the Group's Finance Department, in accordance with the management policies agreed by the corporate management bodies and under the rules set out in the Group Treasury and Finance guidelines. In application of these rules, responsibility for identifying, measuring and hedging financial risks lies with the Treasury Committee, which meets regularly to analyse the main exposures and decide on hedging strategies.

To manage its exposure to market risks, Cofiroute uses derivative financial instruments recognised in the balance sheet at fair value.

Accounting principles

Cofiroute uses derivatives to hedge its exposure to market risks, mainly interest rate risk. Most interest rate derivatives used by Cofiroute are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for under IFRS 9 are satisfied:

- the hedging relationship is clearly designated and documented at inception;
- the economic link between the item hedged and the hedging instrument must be documented, as well as the potential sources of ineffectiveness;
- retrospective ineffectiveness must be measured at each closing date.

Changes in fair value from one period to another are recognised in various ways, depending on whether they constitute:

- a fair value hedge of an asset or a liability or an unrecognised firm commitment;
- a cash flow hedge.

A fair value hedge is used to hedge exposure to the risk of a change in the fair value of a financial asset, a financial liability or an unrecognised firm commitment.

Changes in the fair value of the hedging instrument are recognised in the income statement for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in the income statement for the period (and adjusted to the carrying amount of the hedged item). These two revaluations offset each other within the same line items in the income statement, for the exact amount of the "ineffective part" of the hedge.

A cash flow hedge is used to hedge exposure to variability in future cash flows associated with an existing asset or liability, or a forecast highly probable transaction.

Changes in the fair value of the derivative financial instrument are recognised in equity for the effective part and in the income statement for the "ineffective part" of the hedge. Cumulative gains or losses in equity are recorded in the income statement on the same line as the item hedged if the hedged cash flow affects earnings.

If the hedging relationship is interrupted because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and symmetrically recognised with the cash flow hedged. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are taken to the income statement.

Derivative financial instruments not designated as hedging instruments are recognised in the balance sheet at their fair value, while changes in fair value are recognised in the income statement.

At the balance sheet date, the fair value of derivatives broke down in the following manner:

		31/12/2018			31/12/2017		
(in € millions)	Notes	Assets	Equity and liabilities	Fair value(*)	Assets	Equity and liabilities	Fair value(*)
Interest-rate derivatives: fair value hedges	18.1.2.	66.1	(40.4)	25.7	71.8	(47.3)	24.6
Interest-rate derivatives: cash flow hedges	18.1.3.			0.0			0.0
Interest-rate derivatives: not designated as hedges	18.1.4.			0.0	30.6	(26.6)	4.0
Other derivatives		(0.2)	0.4	0.2	(0.2)	1.0	0.8
Interest rate derivatives		**65.9**	**(40.0)**	**25.8**	**102.2**	**(72.9)**	**29.3**

(*) *The fair value includes unpaid accrued interest amounting to €16.1 million at 31/12/2018 and €21.6 million at 31/12/2017.*

18.1. Interest rate risk management

Management of interest rate risk works on two time horizons: the long term, aiming to ensure and optimise the concession's economic equilibrium, and the short term, with an objective of optimising the average cost of debt depending on the situation in financial markets.

The long-term management objective is to change over time the breakdown between fixed and floating rate debt depending on the debt level (measured by the ratio of net debt to cash flows from operations before tax and financing costs), proportion at a fixed rate will be all the greater the higher the level of debt is.

To hedge its interest rate risk, Cofiroute uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These derivatives may be designated as hedges or not, in accordance with IFRS. Because Cofiroute takes great care to see that the instruments subscribed exactly reflect the exposure to be hedged, the ineffectiveness of its hedging relationships is not significant.

18.1.1. Long-term debt before and after interest rate hedging and sensitivity to interest rate risk

The table below shows the breakdown at 31 December 2018 of long-term debt between fixed-rate debt, floating-rate debt, and capped floating-rate or inflation-linked debt, before and after taking account of hedging derivative financial instruments:

	Breakdown between fixed and floating rate before hedging										
	Fixed rate			Floating-rate capped/inflation			Floating rate			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt(*)	Rate
Total at 31/12/2018	**3,422.5**	**89%**	**2.56%**				**431.3**	**11%**	**0.02%**	**3,900.5**	**2.27%**
Total at 31/12/2017	4,125.9	90%	3.01%				455.2	10%	0.01%	4,646.7	2.72%

	Breakdown between fixed and floating rate after hedging										
	Fixed rate			Floating-rate capped/inflation			Floating rate			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt(*)	Rate
Total at 31/12/2018	**1,879.1**	**49%**	**2.81%**				**1,974.7**	**51%**	**0.53%**	**3,900.5**	**1.64%**
Total at 31/12/2017	2,508.6	55%	3.26%				2,072.5	45%	0.49%	4,646.7	2.01%

(*) *Long-term financial debt at amortised cost + unpaid accrued interest + impact of fair value hedges.*

Sensitivity to interest rate risk

Cofiroute's income statement is exposed to fluctuations in interest rates, in light of:

- the cash flows connected with net floating-rate financial debt;
- fixed-rate financial instruments, recognised at fair value in the balance sheet through earnings;
- derivatives that are not designated as hedging instruments.

By contrast, fluctuations in the value of derivatives designated as cash flow hedges for their effective portion do not have a direct impact on the income statement and are recognised in equity.

The following analysis was carried out by assuming that the amount of financial debt and derivatives at 31 December 2018 remains constant over a year.

A 25-basis point fluctuation in interest rates at the balance sheet date would lead to an increase or a contraction in equity and (pre-tax) income amounting to the sums shown below. For the purpose of this analysis, all the other variables are assumed to remain constant.

	31/12/2018			
	Net income		Equity	
	Impact of the sensitivity calculation		Impact of the sensitivity calculation	
(in € millions)	+ 25 bps	- 25 bps	+ 25 bps	- 25 bps
Floating-rate liabilities after hedging	(5.0)	5.0		
Floating-rate assets after hedging	0.6	(0.6)		
Derivatives not designated as hedges	0.0	0.0		
Derivatives designated as cash flow hedges			0.0	0.0
Total	**(4.4)**	**4.4**	**0.0**	**0.0**

18.1.2. Description of fair value hedges

At the balance sheet date, derivatives designated as fair value hedges broke down as follows:

	Receive fixed/pay floating interest rate swaps					
(in € millions)	Fair value	Notional	<= 1 year	between 1 & 2 years	between 3 & 5 years	> 5 years
31/12/2018	**25.7**	**1,550.0**			**500.0**	**1,050.0**
31/12/2017	24.6	1,625.0	75.0		500.0	1,050.0

These transactions hedge Cofiroute's issues of fixed-rate bonds.

18.1.3. Description of cash flow hedges

Cofiroute's exposure to risks of fluctuation in future interest flows results from floating-rate debt payments as at 31 December 2018.

Cofiroute has set up interest-rate swaps and/or caps in order to fix the coupons on floating-rate debt. Contractual payments relating to these derivatives are settled symmetrically with the hedged interest flows on bonds. The deferred amount in equity is recognised in the income statement in the period in which the interest flows of the debt affect earnings.

At the balance sheet date, Cofiroute did not hold any instruments designated as cash flow hedges.

The amounts recorded in equity correspond to qualified products derived from settled cash flow hedges. These amounts will have an impact on the income as follows:

(in € millions)	Amount recognised in equity	Amount recycled in profit or loss ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years
Unwound interest rate derivatives designated as cash flow hedges	0.7	0.3	0.4	0.0	0.0
Interest rate derivatives designated as hedges of highly probable future cash flows	0.0	0.0	0.0	0.0	0.0
Total interest rate derivatives designated as cash flow hedges	**0.7**	**0.3**	**0.4**	**0.0**	**0.0**

18.1.4. Derivatives not designated as hedging instruments

At 31 December 2018, Cofiroute does not hold any instruments that do not qualify as hedges.

Transactions not qualifying as hedges at 31 December 2017 related to swaps backed by the €600 million bond issue that matured in 2018.

18.2. Exchange rate risk

Cofiroute is exposed to a currency risk that is not considered to be significant.

18.3. Credit and counterparty risk

Cofiroute is exposed to credit risks in the event of default by its customers. It is exposed to counterparty risk through the investment of its cash and cash equivalents (bank credit balances, negotiable debt securities, term deposits, marketable securities, etc.), the subscription of derivatives, commitments received (sureties and guarantees), unused credit authorisations and financial receivables.

Cofiroute has set up procedures to manage and curb credit risk as well as counterparty risk.

Receivables

Regarding its exposure to trade receivables risk, Cofiroute considers that the concentration of credit risk related to trade receivables is limited because of the large number of customers and the fact that they are geographically widespread. No customer accounts for more than 10% of Cofiroute's revenue. The breakdown of trade receivables is provided in Note 12.3. "Breakdown of trade receivables".

Financial instruments (investments and derivatives)

Financial instruments are arranged with financial institutions that meet the credit rating criteria defined by the Group. Moreover, the Group has set up a system of limits per counterparty to manage its counterparty risk. This system sets maximum risk lines by counterparty, defined according to their credit ratings as published by Standard & Poor's and Moody's. These limits are regularly monitored and updated by the Group's Finance Department at Treasury Committee meetings on the basis of quarterly reporting.

In addition, the Group's Finance Department has issued instructions setting limits for every authorised counterparty and defining a list of authorised UCITS.

The measurement of the fair value of financial derivative instruments carried by Cofiroute includes a counterparty risk component for the derivative instruments carried as assets and an "own risk" for the derivative instruments carried as liabilities. Credit risk is measured by drawing on the mathematical models usually drawn upon by market players. At 31 December 2018, adjustments recognised for counterparty risk and own credit risk are not material.

Netting agreements

At 31 December 2018 and in accordance with IAS 32, Cofiroute's financial assets and liabilities (including derivatives) are not offset in the balance sheet, except in cases where Cofiroute has netting agreements. In the event of default by the Group or by financial institutions with which it holds contracts, these agreements provide for netting between the fair values of assets and liabilities arising from derivative financial instruments presented in the IFRS statement of financial position.

The table below presents Cofiroute's net exposure stemming from these netting agreements:

	31/12/2018			31/12/2017		
(in € millions)	Fair value of derivatives recognised on the balance sheet(*)	Impact of netting agreements	Total	Fair value of derivatives recognised on the balance sheet(*)	Impact of netting agreements	Total
Derivative instruments – assets	65.9	(4.0)	61.9	102.2	(27.1)	75.1
Derivative instruments – liabilities	(40.0)	4.0	(36.0)	(72.9)	27.1	(45.8)
Derivative financial instruments - net	**25.8**	**0.0**	**25.9**	**29.3**	**0.0**	**29.3**

(*) *Gross amounts as stated on the balance sheet.*

19. Book and fair value of financial instruments 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:

	31/12/2018										
	Accounting categories							FV			
(in € millions)	Derivatives at fair value through profit and loss	Derivatives classified as hedges	Financial assets measured at fair value through profit or loss	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
I - Non-current financial assets							0.0				0.0
II – Derivative financial instruments – assets	(0.2)	66.1					65.9		65.9		65.9
Cash management financial assets – not cash equivalents							**0.0**		0.0		**0.0**
Financial current account assets			227.4				**227.4**	227.4			**227.4**
Cash			10.3				**10.3**	10.3			**10.3**
III – Current financial assets			237.6				237.6	237.6	0.0	0.0	237.6
Total assets	(0.2)	66.1	237.6	0.0	0.0	0.0	303.5	237.6	65.9	0.0	303.5
Bonds						(3,186.6)	**(3,186.6)**	(3,225.8)	(7.1)		**(3,232.9)**
Other bank loans and other financial debt						(713.9)	**(713.9)**		(719.5)		**(719.5)**
IV – Long-term financial debt						(3,900.5)	(3,900.5)	(3,225.8)	(726.6)		(3,952.4)
V – Derivative financial instruments – liabilities	0.4	(40.4)					(40.0)		(40.0)		(40.0)
VI – Current financial liabilities							**0.0**	0.0			**0.0**
Total liabilities	0.4	(40.4)	0.0	0.0	0.0	(3,900.5)	(3,940.5)	(3,225.8)	(766.6)	0.0	(3,992.4)
Carrying amount of categories	0.2	25.7	237.6	0.0	0.0	(3,900.5)	(3,637.0)	(2,988.1)	(700.8)	0.0	(3,688.9)

The following table shows the carrying amount and fair value of financial assets and liabilities as published on 31 December 2017 using 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	Level 2 Internal model with observable inputs	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 financial instruments – assets	**30.3**	**71.8**					**102.2**		**102.2**		**102.2**
III – Trade 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**
I – Non-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)**
V – Derivative financial 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**
VI – 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)**

In 2018, the criteria used to measure the fair value of financial assets and liabilities remained unchanged.

H. Employee benefits and share-based payments

20. Provisions for employee benefits

As at 31 December 2018, provisions for employee benefits due in more than one year broke down as follows:

(in € millions)	31/12/2018	31/12/2017
Provisions for retirement benefit obligations	19.7	18.8
Provisions for employee benefits	**19.7**	**18.8**

20.1. Provisions for retirement benefit obligations

Accounting principles

Provisions are booked in the balance sheet for obligations arising from defined-benefit retirement plans for current employees. These provisions are determined by using the projected unit credit method based on actuarial assessments made at each annual balance sheet date. Each plan's obligations are recognised separately.

Under IAS 19, for defined-benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the discounted value of the obligations is recognised as an asset or liability in the balance sheet.

The expense recognised under operating income or loss in each period comprises the current service cost and the effects of any change, reduction or winding up of the plan. The accretion impact recognised on actuarial debt and interest income on plan assets are recognised under other financial income and expenses. Interest income from plan assets is calculated using the discount rate used to calculate obligations with respect to defined benefit plans.

The impacts of remeasuring net liabilities (or assets as the case may be) with respect to defined-benefit plans are recorded under other comprehensive income. They primarily comprise:

- actuarial gains and losses on obligations resulting from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred);
- plan asset outperformance/underperformance (i.e. the difference between the effective return on plan assets and the return calculated using the discount rate applied to the actuarial liability).

The share of provisions for retirement benefit obligations that matures in less than one year is shown under "Other current non-operating liabilities".

Provisions for retirement benefits amounted to €20.1 million at 31 December 2018, including €19.7 million maturing in more than one year, compared to €19.3 million at 31 December 2017, including €18.8 million maturing in more than one year.

Cofiroute's retirement benefit obligations for defined-benefit plans break down into two categories:

- obligations borne directly by Cofiroute, covered by provisions recognised in the IFRS balance sheet. Retirement bonuses and additional defined-benefit pension plans;
- plans that are pre-financed through a contract with an insurance company.

Retirement benefit obligations covered by provisions in the balance sheet are measured on the basis of the following assumptions:

Plan	2018	2017
Discount rate	1.70%	1.75%
Inflation rate	1.60%	1.60%
Rate of salary increases (excl. inflation)	1.00%	1.00%

The discount rate was determined on the basis of the yields of blue chip corporate bonds (AA rating) whose maturities correspond to the plans' expected cash flows. The discount rate finally adopted is a single rate equivalent to the application of the various rates depending on maturities.

On the basis of these assumptions, retirement benefits, the provisioned and recognised pension expenses break down as follows:

Reconciliation of obligations and provisions recorded in the balance sheet

(in € millions)	31/12/2018	31/12/2017
Actuarial liability from retirement benefit obligations	**24.0**	**24.1**
Fair value of hedging assets	(3.9)	(4.7)
Deficit (or surplus)	**20.1**	**19.3**
Provision recognised as liabilities in the balance sheet	**20.1**	**19.3**

Changes in actuarial liabilities and plan assets for the period

(in € millions)	31/12/2018	31/12/2017
Actuarial liability from retirement benefit obligations		
At start of period	**24.1**	**25.2**
o/w obligations covered by plan assets	4.7	5.4
Cost of services rendered during the period	0.9	1.0
Actuarial debt discount cost	0.4	0.3
Past service cost (plan changes and curtailments)	0.0	0.0
Actuarial gains and losses recognised in other comprehensive income items(*)	(0.3)	(1.3)
o/w impact of changes in demographic assumptions	*0.0*	*0.0*
o/w impact of changes in financial assumptions	*0.1*	*(1.6)*
o/w experience gains and losses	*(0.5)*	*0.3*
Benefits paid to beneficiaries	(0.8)	(1.2)
Disposals of companies and other	(0.2)	0.1
At the end of the period	**24.0**	**24.1**
o/w obligations covered by plan assets	3.9	4.7

(in € millions)	31/12/2018	31/12/2017
Plan assets		
At start of period	**4.7**	**5.4**
Interest income during the period	0.1	0.1
Actuarial gains and losses recognised in other comprehensive income items(*)	0.0	0.1
Benefits paid to beneficiaries	(0.9)	(0.8)
At the end of the period	**3.9**	**4.7**

(*) *Experience gains and losses corresponding to the variance between the actual return on plan assets and a nominal yield calculated using the discount rate for the actuarial liability.*

Change in provisions for retirement benefit obligations during the period

(in € millions)	31/12/2018	31/12/2017
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
At start of period	**19.3**	**19.9**
Total expense recognised with respect to retirement benefit obligations	1.0	1.3
Actuarial gains and losses recognised in other comprehensive income items	(0.4)	(1.4)
Benefits paid to beneficiaries	0.1	(0.4)
At the end of the period	**20.1**	**19.3**

Expenses recognised in respect of defined benefit plans break down as follows

(in € millions)	2018	2017
Cost of services rendered during the period	(0.9)	(1.0)
Actuarial debt discount cost	(0.4)	(0.3)
Interest income during the period	0.1	0.1
Impact of plan settlements and other	0.2	(0.1)
Total	**(1.0)**	**(1.3)**

Breakdown of plan assets by type of vehicle

	31/12/2018	31/12/2017
	Eurozone	Eurozone
Equities	7%	7%
Bonds	85%	84%
Real estate	8%	9%
Total split of plan assets	**100%**	**100%**
Plan assets *(in € millions)*	3.9	4.7
Coverage rate of actuarial debt *(as %)*	**16%**	**20%**

20.2. Other employee benefits

Provisions for other employee benefits consisted of provisions relating to early retirement compensation under the "CATS" agreements (CATS is the French acronym for "Early Retirement Scheme for Certain Employees") and these provisions were measured at the discounted value of future benefits.

At 31 December 2018, the amount of provisions for early retirement agreements amounted to €0.1 million (all at less than one year).

21. Share-based payments

Accounting principles

Cofiroute employees may be granted performance shares by parent company VINCI, or may subscribe to the VINCI Group savings plans (in France and abroad).

The measurement and recognition methods for the VINCI Group savings plans and performance share plans are defined by IFRS 2 "Share-based Payments". The granting of performance shares and offers to subscribe to Group savings plans in France and abroad represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by the Group. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value, at the grant date, of the equity instruments granted.

Benefits granted under performance share grants and the Group savings plan are implemented as decided by VINCI SA's Board of Directors after their approval by the Shareholders' General Meeting, and are not, in general, systematically renewed. Moreover, their measurement is not directly related to the business lines' operating activities. Consequently, Cofiroute considered it appropriate not to exclude the corresponding expense from the operating income from ordinary activities, which is an indicator of business lines' performance, and instead to report it on a separate line, labelled "Share-based payments (IFRS 2)", in current operating income.

Performance share plans

Since financial criteria may have to be met for these shares to vest, the fair value of VINCI performance shares is measured at the share value on the grant date, according to the likelihood of the financial criteria being met, as recommended by IFRS 2.

VINCI's Board of Directors' meeting held on 7 February 2018 decided to allocate definitively all the original performance share allocations to beneficiaries of the 14 April 2015 long-term incentive plan, after fulfilment of the performance and presence conditions.

VINCI's Board of Directors' meeting held on 17 April 2018 decided to implement a new performance share plan that consists of granting certain employees a conditional performance share award. These shares will only be allocated definitively after a vesting period of three years. To qualify, the beneficiary must be employed by the Group until the end of the vesting period and meet the performance conditions.

VINCI Group savings plan

With regard to the Group savings plan, the VINCI Board of Directors defines the subscription conditions in accordance with the authorisations granted by the Shareholders' General Meeting. VINCI issues new shares in France three times a year reserved for VINCI Group employees, with a subscription price that includes a 5% discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. Subscribers also benefit from a matching employer's contribution, which is capped at an annual maximum of €2,500 per person and per year until 31 December 2017. Starting 1 January 2018, the maximum amount of the matching contribution that employees may receive by subscribing to the France Group savings plans is increased to €3,500. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2, on the basis of the following assumptions:

- subscription period: four months;
- lock-up period: five years.

The number of shares estimated as subscribed at the end of the subscription period is calculated using linear regression based on historical observations of the 2007-2017 plans, taking into account a cost for the unavailability of mutual fund shares.

The lock-up cost is estimated by a third party who will hold a diversified portfolio and will be prepared to purchase the blocked securities at a discounted rate. This will correspond to the profitability sought by an investor on the allocated equity for the purposes of hedging against market risk during the five-year lock-up period. The market risk is measured on an annual basis using a value at risk approach.

The total share-based payment expense recognised at 31 December 2018 totalled €2.5 million, including €0.7 million for the Group Savings Plan, compared with €2 million in 2017, including €0.6 million for the Group Savings Plan.

I. Other notes

22. Transactions with related parties

Transactions with related parties include:

- remuneration and similar benefits granted to members of the governing and management bodies;
- transactions with the VINCI Group and other related parties (mainly companies in which the Group holds an equity stake).

22.1. Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of Cofiroute's corporate officers is determined by the Board of Directors following proposals from the Remuneration Committee.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by Cofiroute to persons who, at the balance sheet date are (or, have been, during the year), members of Cofiroute's governing bodies and Executive Committee. The corresponding amounts have been recognised and expensed in 2017 and 2018 as follows:

	Members of governing bodies and Executive Committee	
(in € millions)	**2018**	**2017**
Remuneration	1.2	1.3
Employer's social charges	0.6	0.6
Post-employment benefits	0.0	0.0
Severance payments	0.0	0.0
Share-based payments(*)	0.9	1.1
Provisions for retirement benefit obligations	0.4	0.3

(*) *This amount is determined in accordance with IFRS 2 and the terms and conditions described in Note H.21. "Share-based payments".*

Members of Cofiroute's Executive Committee do not benefit from a supplementary retirement plan. They benefit from the arrangements described in Note H.20.1. "Provisions for retirement benefit obligations".

Corporate officers benefit from a supplementary retirement plan. Contributions to this plan are made by the parent company VINCI SA.

22.2. Transactions with the VINCI Group

Transactions in 2018 and 2017 between Cofiroute and the VINCI Group break down as follows:

VINCI *(in € millions)*	**2018**	**2017**
Construction expenses	(33.3)	(35.9)
Trade receivables	3.7	5.9
Dividend payments	461.5	192.4
Trade payables	15.8	13.5
Liabilities for non-current concession assets	10.3	6.7
Revenue and other ancillary revenue	1.7	2.1
Financial income and expenses	0.0	(0.5)
Other external expenses	(15.2)	(26.2)

23. Statutory Auditors' fees

Statutory Auditors' fees totalled €176 thousand in 2018, stable compared to 2017.

They consisted of €94 thousand for Deloitte & Associés (of which €72 thousand for the statutory audit and €22 thousand for other assignments invoiced in 2018) and €83 thousand for KPMG (of which €72 thousand for the statutory audit and €11 thousand for other assignments invoiced in 2018).

J. Post-balance sheet events

Rates

Toll rates on the Duplex A86 increased on 1 January 2019 pursuant to the Interministerial Decree of 26 December 2018.

Toll rates for the intercity network increased on 1 February 2019 pursuant to the Concessions Contract and the Contract Plan. The average rise in the rate per kilometre was +1.65%.

On its intercity network, from 1 February 2019 Cofiroute will introduce a special rate for regular users thanks to a new subscription: drivers making at least 10 round-trips in the month on the same route will enjoy a 30% discount on tolls for all trips made.

Appropriation of 2018 net income

The Board of Directors approved the IFRS individual financial statements for the year ended 31 December 2018 on 1 February 2019. These financial statements will only become definitive when approved by the Shareholders' General Meeting. A proposal will be made to the Shareholders' Ordinary General Meeting of 22 March 2019 for a dividend of €143.61 per share for this year, which, given the interim dividend already paid on 30 August 2018 (€23.77 per share), would bring the balance of the dividend payable to €119.84 per share, to be paid no later than 29 March 2019.

K. Note on litigation

To Cofiroute's knowledge, there are no disputes likely to have a material impact on the Company's business, earnings, assets or financial position.

Report of the Statutory Auditors on the IFRS individual financial statements

For the year ended 31 December 2018

Cofiroute
A French limited liability company (Société Anonyme)
Registered office: 12-14, rue Louis Blériot
92500 Rueil-Malmaison
Share capital: €158,282,124

To the Chairman of the Board of Directors,

In our capacity as Statutory Auditors for the company Cofiroute and further to your request, we have performed an audit of the Cofiroute IFRS individual financial statements for the year ended 31 December 2018, as attached hereto.

These IFRS individual financial statements were prepared under the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

We have conducted our audit in accordance with the professional auditing standards applicable in France and with CNCC guidelines on this procedure; these standards require us to take reasonable steps to ensure that the IFRS individual financial statements are free from material misstatements. An audit involves examining, on a test basis or by means of other selection methods, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the IFRS individual financial statements. We believe that our audit provides a reasonable basis for our opinion, which follows.

In our opinion, the IFRS individual financial statements provide, in all material respects, a true and fair view of the Company's financial position, assets and liabilities and results for the year ended 31 December 2018, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Paris La Défense, 1 February 2019

KPMG Audit
Department of KPMG SA
Philippe BOURHIS
Partner

Deloitte & Associés

Frédéric SOULIARD
Partner

Parent company financial statements

Balance sheet – Assets

(in € millions)	31 Décember 2018			31 Décember 2017
Assets	**Gross**	**Depreciation, amortisation and provisions**	**Net amount**	**Net amount**
Intangible assets	**0.1**	**0.0**	**0.1**	**0.1**
Owned non-current assets				
Land	1.4	0.0	1.4	1.3
Fixtures and fittings	7.2	6.1	1.1	2.0
Other property, plant and equipment	44.0	38.5	5.5	6.6
	52.6	**44.6**	**8.0**	**9.8**
Property, plant and equipment under licence agreements				
Non-renewable assets in service	8,102.8	3,624.9	4,477.9	4,553.7
Renewable assets in service	988.8	806.8	181.9	209.8
Non-renewable assets in progress	198.1	0.0	198.1	180.0
Renewable assets in progress	35.3	0.0	35.3	21.8
	9,325.0	**4,431.7**	**4,893.2**	**4,965.3**
Financial assets				
Investments in associates and related loans	0.0	0.0	0.0	0.0
Deposits and guarantees	0.0	0.0	0.0	0.0
	0.0	**0.0**	**0.0**	**0.0**
Inventories	**1.9**	**0.0**	**1.9**	**2.0**
Receivables				
Trade receivables	116.1	2.0	114.1	119.6
Employees	0.1	0.0	0.1	0.0
Government	26.1	0.0	26.1	14.5
Advances and progress payments	0.0	0.0	0.0	
Other receivables	256.0	7.6	248.4	879.9
	398.2	**9.6**	**388.6**	**1,014.0**
Prepaid expenses	**43.2**	**0.0**	**43.2**	**37.0**
Loan issuance premiums and expenses	**46.4**	**29.1**	**17.2**	**21.1**
Cash and cash equivalents	**10.3**	**0.0**	**10.3**	**8.9**
Currency translation losses	**0.0**	**0.0**	**0.0**	**0.0**
Total	**9,877.6**	**4,515.1**	**5,362.5**	**6,058.1**

Balance sheet – Equity and liabilities

(in € millions)	31 Décember 2018	31 Décember 2017
Equity and liabilities		
Equity		
Share capital	158.3	158.3
Legal reserve	15.8	15.8
Other reserves	4.2	4.2
Retained earnings	105.7	8.6
Net income for appropriation	0.0	0.0
Net income for the period	490.3	448.8
Interim dividend	(96.5)	(81.3)
Investment subsidies	245.7	245.1
Regulated provisions	17.9	21.5
	941.3	**821.1**
Contingencies and loss provisions		
Provisions for losses and liabilities	270.0	247.7
Financial liabilities		
Other borrowings	3,915.6	4,670.4
Due to central and local government	0.0	0.0
	3,915.6	**4,670.4**
Liabilities		
Trade payables	98.1	80.1
Customer guarantee deposits	20.2	17.9
Employees	29.2	26.7
Tax and social liabilities	56.9	152.0
Other liabilities	23.5	34.3
	227.9	**310.9**
Prepaid income	**7.7**	**8.1**
Currency translation gains	**0.0**	**0.0**
Total	**5,362.5**	**6,058.1**

Income statement

(in € millions)	2018	2017
Operating revenue		
Revenue		
Revenue from tolls	1,422.1	1,381.4
Ancillary revenue	19.1	19.0
Net revenue	**1,441.1**	**1,400.4**
Reversal of provisions	33.0	30.7
Other income	16.7	15.5
Total I	**1,490.9**	**1,446.7**
Operating expenses		
Purchases of consumables	10.4	10.1
External costs related to investments	28.3	28.6
Major repairs	31.9	30.2
External costs related to operations	41.7	35.8
Transfer of insurance claim settlement income	(7.6)	(12.3)
Taxes	173.7	170.7
Employment costs	85.1	88.0
Statutory profit-sharing	11.3	11.6
Other ordinary management expenses	8.5	8.4
Depreciation and amortisation of owned non-current assets	3.7	3.8
Depreciation and amortisation of renewable assets	44.6	48.0
Special concession depreciation and amortisation	196.8	191.1
Provisions for operating expenses	54.9	38.1
Total II	**683.3**	**652.0**
1. Operating income (I - II)	**807.6**	**794.7**
Financial income		
Other financial income	100.2	65.6
Total III	**100.2**	**65.6**
Financial expenses		
Finance costs	117.7	154.1
Total IV	**117.7**	**154.1**
2. Net financial income/(expense) (III - IV)	**(17.5)**	**(88.5)**
3. Income from ordinary activities (1 + 2)	**790.1**	**706.2**
Exceptional income V	5.6	22.0
Exceptional expenses VI	49.8	4.5
Net exceptional income/(expense) (V - VI)	**(44.2)**	**17.5**
Income tax, deferred tax and other taxes VII	**255.6**	**274.9**
Total income (I + III + V)	**1,596.7**	**1,534.3**
Total expenses (II + IV + VI + VII)	**1,106.4**	**1,085.5**
Earnings	**490.3**	**448.8**

Cash flow statement

(in € millions)	31/12/2018	31/12/2017
Operating activities		
Cash flow used in/from operations, excluding expense transfers	754	692
Change in the working capital requirement(*)	610	(1,054)
A. Cash flow from/(used in) operating activities	**1,364**	**(362)**
Investing activities		
Non-current assets	(171)	(146)
Investment subsidies	1	2
Disposals of non-current assets and transfers	0	1
B. Cash flow from/(used in) investing activities	**(171)**	**(143)**
Financing activities		
Dividends	(462)	(192)
Borrowings and advances	7	750
Repayment of borrowings and advances	(737)	(54)
C. Cash flow from/(used in) financing activities	**(1,192)**	**503**
Change in cash position (A + B + C)	**1**	**(1)**
Cash at beginning of the year	**9**	**10**
Cash at end of the year	**10**	**9**
Cash at end of the year including VINCI Autoroutes current account	**238**	**845**
(*) Of which change to the VINCI Autoroutes current account	*608*	*(1,036)*

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2018

1. Measurement rules and methods

The financial statements of parent company Cofiroute are prepared in euros in compliance with the chart of accounts set forth by ANC (French Accounting Board) Regulation No. 2014-3, amended by ANC Regulation No. 2016-07.

1.1. Non-current assets

These fall into three categories: concession assets, the Company's own assets and financial assets.

1.1.1. Non-current concession assets

Non-current concession assets are the movable and immovable property directly necessary for the design, construction and operation of the motorway network. They are financed by the concession operator and will be returned free of charge to the French government at the end of the concession.

They are recognised at their historical cost and comprise:

- land, studies, works and subsequent improvements;
- pre-operational expenses and borrowing costs: loan issuance expenses and premiums, redemption premiums and capitalised interest;
- the cost of staff assigned to monitoring the construction of the infrastructure asset.

They are subject to special concession depreciation and amortisation charges calculated over the remaining period of the concession.

Non-current concession assets fall into two categories:

- non-renewable non-current assets: their useful life extends beyond the length of the concession contract, and they may require major repairs. They relate in particular to the network infrastructure, tunnels and bridges;
- renewable non-current assets: since their economic life is shorter than the term of the concession, they must be renewed at least once during the term of the concession. These assets include plant and equipment needed to ensure safety, maintain usable road surfaces and collect tolls.

Depreciation and amortisation

Special concession depreciation and amortisation charges are applied to non-renewable assets in service and non-current operating assets. The purpose of the special concession depreciation and amortisation charges is to reduce the carrying amount of these assets to zero by the end of the concession term, rather than to recognise any wear or obsolescence of the assets.

- The special concession depreciation and amortisation charges for non-renewable assets are applied on a straight-line basis to the cost of the assets net of any grants received between the date of their entry into service and the end of the concession;
- These charges applied to non-current operating assets are calculated based on their carrying amount and the period remaining until the end of the concession.

No provision is booked for the renewal of assets when a difference arises between the replacement value and the purchase price of renewable assets, because their net amount is depreciated or amortised using this special method.

Normal depreciation and amortisation charges are applied to assets with a useful life shorter than the length of the concession contract. They are calculated using a straight-line or diminishing balance method pursuant to section 39A of the CGI. The difference between depreciation for accounting and for tax purposes is booked under"Tax-regulated provisions", under liabilities.

Depreciation and amortisation periods range between 10 and 20 years for buildings and from 3 to 10 years for fittings, and equipment, furniture and vehicles. Software is written off over one year for tax purposes.

1.1.2. Owned non-current assets

These assets belong to Cofiroute and are the default type of asset. They comprise all the fixed assets not used for operating the motorway concession. They are recorded at cost and are amortised using the linear method over their useful life. Depreciation periods are 3 to 10 years for software, fittings, equipment, furniture and vehicles.

1.1.3. Financial assets

Investments in subsidiaries and associates are recognised in the balance sheet at their historical cost. A provision is recognised if their value, based primarily on that Company's net assets, is lower than cost.

1.2. Inventories

Stocks of chlorides and fuel are measured on a weighted average unit cost method. Any differences with physical inventory are recognised in the income statement for the period.

1.3. Trade and other operating receivables

This item includes fees due from other motorway companies under multi-company revenue-sharing agreements.

Trade and other operating receivables are measured at their nominal value less provisions taking account of the probability of recovery.

1.4. Marketable securities

Marketable securities (money market SICAVs) are recorded at their acquisition cost. Impairment is recognised if their market price is lower than cost. Where they exist, unrealised capital gains are not recognised.

1.5. Borrowings

Debt issue costs, including issuance premiums, are amortised on a straight-line basis over the life of the debt.

1.6. Financial instruments

The Company uses derivatives such as interest rate swaps and caps to manage the interest rate risk on its borrowings. As these transactions are carried out for hedging purposes, any gains and losses are recognised in the same period as the hedged item.

1.7. Investment grants

Grants received to finance fixed assets are recognised in shareholders' equity. They are deducted from non-current concession assets to calculate the special concession amortisation.

1.8. Contingencies and loss provisions

Contingencies and loss provisions are liabilities of uncertain timing or amount, but are intended to cover expenses that have become likely or certain to occur at the balance sheet date as a result of a past or present event.

A provision for major repairs is calculated at the end of each period, based on a medium- to long-term works plan drawn up by the Company's technical department and revised annually to adjust for changes in costs and in the corresponding spending plans.

1.9. Share-based payment

The measurement and recognition methods for share subscription and purchase plans, the VINCI Group Savings Plans and performance share plans are those defined by the VINCI Group. The grant of performance shares and offers to subscribe to the Group Savings Plan, pursuant to the decision by VINCI SA's Board of Directors after approval by the General Shareholders' Meeting, represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration. Because such transactions do not give rise to cash transactions, the benefits granted in this way are expensed over the vesting period of the rights, with a corresponding accrued expense. Benefits are measured on the basis of the fair value at the grant date of the equity instruments. Adjustments may be made at each closing date in relation to any items whose definitive grant is subject to the attainment of financial targets.

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. VINCI issues new shares in France three times a year reserved for VINCI Group employees, with a subscription price that includes a maximum 5% discount against the average stock market price of the VINCI share during the last 20 business days preceding the setting by the Board of Directors of the subscription price. Subscribers also benefit from a matching employer's contribution, which is capped at an annual maximum of €2,500 per person and per year until 31 December 2017. Starting 1 January 2018, the maximum amount of the matching contribution that employees will receive by subscribing to the France Group savings plans is increased to €3,500. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2, on the basis of the following assumptions:

- length of subscription period: four months;
- length of period during which funds are frozen: five years.

1.10. Income tax

As part of the tax consolidation agreement signed on 30 January 2015, the Company is liable to pay income tax in respect of VINCI SA, the tax group parent company. The tax expense recognised in the Company's financial statements is equal to what it would have paid if it were not part of the tax group. Any savings, other than those relating to tax loss carry-forwards, are retained by the parent company.

Cofiroute recognised a provision for deferred tax in its parent company financial statements based on the applicable tax rate at year-end.

In 2018, Cofiroute decided to stop recognizing deferred taxes in its parent company financial statements in order to provide clearer financial information.

Pursuant to French GAAP and ANC Regulation No. 2018-01, this constitutes a change in accounting policies, which is calculated retrospectively at 1 January 2018 and results in the reversal of the provision for deferred taxes and a credit to shareholder's equity in the amount of €94.6 million.

The CICE competitiveness and jobs tax credit introduced from 1 January 2013 was recognised as a reduction in tax expense. For 2014 to 2016 it was calculated on the basis of 6% of the wages and salaries paid during the year up to 2.5 times the SMIC minimum wage. This rate went up to 7% in 2017 and reduced to 6% in 2018.

In 2018 the CICE amounted to €2.1 million.

The CICE is allocated in full to the financing of investments associated with efforts contributing to energy transition and sustainable development, innovation and competitiveness for digital economy, collaborative tools and innovations for business lines, territorial new business activity and training for employees.

1.11. Consolidation

Cofiroute's IFRS individual financial statements are fully consolidated in the consolidated financial statements for the period ended 31 December 2018 of VINCI SA, a French limited liability company, with share capital of €1,493,789,960, headquartered at 1, cours Ferdinand de Lesseps, 92851 Rueil-Malmaison Cedex, France.

1.12. Key events of the period

Social movements arising in October 2018 in France surged following the announcement by the French government of higher fuel prices as part of the energy transition and later extended to a variety of other grievances.

This formed the background to the first nationwide demonstration held on Saturday 17 November 2018.

Since then, this many-sided movement has focused its actions on the roads and motorways, leading to random vehicle stops, roadblocks, obstruction of traffic and tollbooths, vandalism of equipment and facilities, and thefts. The sites most affected have been Châtellerault, Ancenis and Orléans.

Traffic in 2018 will have been affected by these events:

- light vehicles traffic up only 0.6%;
- heavy vehicles traffic up 3.5%;
- resulting total traffic increase of 1.0%.

2. Notes to the financial statements

2.1. Assets

2.1.1. Gross non-current assets

(in € millions)	At 1 January 2018	Change during the period			At 31 December 2018
		Increases	Decreases	Transfers	
Intangible assets	0.1	-	-	-	0.1
Owned non-current assets	50.8	1.7	(0.1)	0.2	52.6
Non-current concession assets:	9,158.8	169.7	(3.3)	(0.2)	9,325.0
• o/w in service(*)	8,957.0	37.9	(3.3)	100.0	9,091.5
• o/w in progress(*)	201.8	131.8		(100.2)	233.4
Financial assets	47.0	-	(47.0)	-	0.0
TOTAL	**9,256.7**	**171.4**	**(50.4)**	**(0.00)**	**9,377.7**

(*) *Proforma.*

Non-current concession assets

Capital expenditures on the network in service amounted to €169.7 million in 2018. It related primarily to the implementation of the various programmes laid out in contracts with the French government, the concession grantor, including the completion of work under the 3rd master contract, the continuation of the two redevelopment phases on the interurban network (ERI 2) and the implementation of the motorway stimulus plan signed in 2015.

Financial assets

In August 2018, Toll Collect paid Cofiroute €7.2 million, consisting of €8.5 million in investment income, of which €1.3 million were withheld for taxes by the German government.

As it was contractually entitled to do, on 31/08/2018 the German government exercised its call option on the shares of Toll Collect. Cofiroute thus divested its ownership of Toll Collect, worth €47 million and fully impaired, with no impact on profit and loss.

2.1.2. Depreciation

(in € millions)	At 1 January 2018	Change during the period		At 31 December 2018
		Allocations	Reversal	
Intangible assets	0.0	-	-	0.0
Owned non-current assets	40.9	3.7	0.0	44.6
Non-current concession assets:				
• Special concession depreciation and amortisation	3,428.1	196.8	-	3,624.9
• Depreciation and amortisation of renewable assets	765.3	44.6	3.1	806.8
TOTAL	**4,234.4**	**245.0**	**3.1**	**4,476.3**

Depreciation and amortisation on concession property, plant and equipment remain stable, while the length of the interurban and A86 concession contracts has not changed.

2.1.3. Maturity of receivables

Operating receivables totalled €398.2 million:

(in € millions)	Gross	At less than 1 year	At 1 to 5 years	At more than 5 years
Trade receivables	116.1	116.1	-	-
Government	26.1	26.1	-	-
Employees	0.1	0.1	-	-
Advances and progress payments	-	-	-	-
Other receivables	256.0	256.0	-	-
TOTAL	**398.2**	**398.2**	**0.0**	**0.0**

The amount of €116.1 million under "Clients" item corresponds mainly to the toll invoicing to be prepared or yet to be received.

2.1.4. Impairment provisions

Provisions for impairment break down as follows:

(in € millions)	At 1 January 2018	Change during the period Increases	Decreases	At 31 December 2018
Renewable assets	-	-	-	-
Investments in subsidiaries and affiliates(*)	47.0	-	47.0	0.0
Trade receivables	2.1	0.0	0.1	2.0
Claims from losses	7.9	3.1	3.4	7.6
TOTAL	**57.0**	**3.1**	**50.5**	**9.6**

(*) *The €47 million reduction in the line "Equity investments" refers to the reversal of the provision for impairment of the shares in Toll Collect Gmbh that were disposed of in 2018 (see § 2.1.1).*

2.1.5. Prepaid expenses

Prepaid expenses totalled €43 million. They primarily comprise:

- the State fee of €23 million paid in July 2018 for the first half of 2019;
- the Exceptional Voluntary Contribution of €19 million to be staggered according to a schedule agreed with the French government.

2.1.6. Loan issuance premiums and expenses

Loan issuance premiums and expenses were as €46.4 million with a gross depreciated value of €29.1 million.

2.1.7. Cash and cash equivalents

Cash and cash equivalents of €10.2 million correspond to cash available on bank current accounts.

2.2. Equity and liabilities

2.2.1. Share capital

The share capital breaks down into 4,058,516 fully paid-up shares with a par value of €39.

2.2.2. Shareholders' equity

(in € millions)	At 1 January 2018	Change during the period Increases	Decreases	At 31 December 2018
Share capital	158.3	-	-	158.3
Legal reserve	15.8	-	-	15.8
Other reserves	4.2	-	-	4.2
Retained earnings(*)	8.6	97.1		105.7
Profit or loss	448.8	490.3	448.8	490.3
Interim dividend	(81.3)	(96.5)	(81.3)	(96.5)
Investment subsidies	245.1	0.5		245.7
Tax-regulated provisions	21.5	1.7	5.3	17.9
TOTAL	**821.1**	**493.1**	**372.8**	**941.3**

(*) *The change of accounting policy from ceasing to recognize deferred taxes created an increase in retained earnings of €94.6 million (see §1.10).*

2.2.3. Contingencies and loss provisions

Contingencies and loss provisions break down as follows over the period:

		Change during the period				
			Reversal			
(in € millions)	At 1 January 2018	Allocations	Used	Unused	Total reversals	At 31 December 2018
Provisions for major repairs	246.3	51.8	23.4	5.7	29.1	269.0
Provisions for obligations under CATS (early retirement) agreement	0.3		0.1	0.2	0.3	0.1
Provisions for other liabilities	1.0	0.0	0.1	0.1	0.2	0.9
TOTAL	**247.7**	**51.8**			**29.5**	**270.0**

The provision for major repairs covers future expenses for maintaining road surfaces, engineering structures, hydraulic structures and specific equipment, based on a schedule that reflects the frequency with which each item is renovated.

Coverage of the Company's pension commitments for its personnel is outsourced via a specific insurance contract for the amount of €3.9 million. The net commitment totalled €20.1 million at end 2018.

The provision for the CATS agreements covers commitments resulting from the early retirement agreement signed in 2007. It is based on an actuarial calculation using demographic assumptions and parameters (age of joining workforce, number of quarters worked, retirement age, mortality table, etc.) and economic assumptions (increase in the social security ceiling, wage rises, increases in welfare contributions and expenses, etc.). The provision covers all the commitments of the plan (premiums, retirement benefits and bonuses).

Miscellaneous provisions mainly relate to tax and employee-related risks.

2.2.4. Maturity of liabilities

Liabilities totalled €4,151.2 million.

(in € millions)	Gross	At less than 1 year	At 1 to 5 years	At more than 5 years
Financial debt	3,915.6	303.5	1,320.4	2,291.7
Trade and other operating payables	227.9	227.9		-
Prepaid income	7.7	0.6	4.1	3.0
TOTAL	**4,151.2**	**532.0**	**1,324.5**	**2,294.7**

2.2.5. Borrowings

As at 31 December 2018, borrowings and accrued interest amounted to €3,915.6 million, breaking down as follows:

(in € millions)	At 1 January 2018	Change during the period		At 31 December 2018
		Increases	Decreases	
Bonds	3,759.0	7.0	609.0	3,157.0
Other borrowings and costs	844.0		128.2	715.8
Accrued interest	67.4		24.6	42.8
TOTAL	**4,670.4**	**7.0**	**761.7**	**3,915.6**

(in € millions)	Gross	At less than 1 year	At 1 to 5 years	At more than 5 years
Bonds	3,157.0	7.0	1,100.0	2,050.0
Other borrowings and costs	715.8	253.7	220.4	241.7
Accrued interest	42.8	42.8	-	-
TOTAL	**3,915.6**	**303.5**	**1,320.4**	**2,291.7**

Cofiroute's financing agreements (bonds, bank loans and credit facilities) do not include any case of default as defined by financial covenants.

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

Credit facilities

In November 2018, Cofiroute terminated the €500 million syndicated credit facility maturing in 2021 and at the same time put in place an internal €1,100 million credit facility with VINCI maturing in 2023.

The amounts authorised and used and the maturity of the VINCI credit facility at 31 December 2018 are presented in the following table.

(in € millions)	Used at 31/12/2018	Authorised at 31/12/2018	Maturity		
			within 1 year	1 to 5 years	more than 5 years
VINCI credit facility		1,100.0		1,100.0	
TOTAL	**0.0**	**1,100.0**		**1,100.0**	

2.2.6. Prepaid income

Prepaid income mainly comprises:

- rights of use in the amount of €6 million paid by telecommunications operators under multi-year agreements, which are recognised in revenue on a straight-line basis over the duration of the agreements granting these rights;
- financial income from, in particular, compensation received by the Company and staggered over the term of the borrowings amounted to €1.7 million.

2.2.7. Accrued expenses

Accrued expenses relate to:

(in € millions)	2018	2017
Trade payables	98.9	77.6
Employees	28.2	25.9
Taxes and levies	33.4	31.7
Other payables	8.9	9.0
Accrued financial expenses	1.2	19.4
Unpaid accrued interest	42.8	67.4
Accrued expenses	**213.4**	**231.0**

2.2.8. Accrued income

Accrued income breaks down as follows:

(in € millions)	2018	2017
Trade invoices to be issued	94.8	98.6
Other receivables and accrued income	2.1	2.1
Accrued financial income	17.3	41.1
Accrued income	**114.2**	**141.7**

2.3. Income statement

2.3.1. Revenue

Revenue breaks down as follows:

(in € millions)	2018	2017
Revenue	**1,441.1**	**1,400.4**
Revenue from tolls	1,422.1	1,381.4
Ancillary revenue	19.1	19.0

2.3.2. Purchases and external expenses

Purchases and external expenses break down as follows:

(in € millions)	2018	2017
Purchases and external expenses	**112.3**	**104.6**
Purchases of consumables	10.4	10.1
External costs related to investments	28.3	28.6
External costs related to operations	41.7	35.8
Major repairs	31.9	30.2

2.3.3. Gross operating income

Gross operating income is the difference between operating revenue and operating expenses, excluding depreciation, amortisation and provisions.

(in € millions)	2018	2017
Operating revenue excluding reversals of provisions	**1,457.9**	**1,416.0**
Revenue	1,441.1	1,400.4
Other operating income	16.7	15.5
Operating expenses excluding depreciation, amortisation and provisions	**383.3**	**371.0**
Purchases and external expenses	112.3	104.6
Insurance claim settlements	(7.6)	(12.3)
Employment costs including statutory profit-sharing	96.4	99.6
Taxes and levies	173.7	170.7
Other ordinary management expenses	8.5	8.4
Gross operating income	**1,074.6**	**1,045.0**

In 2018, the gross operating income ratio amounted to 74.6% of revenue. This reflects growth in revenue and a continuation of the Company's policy of containing operating expenses.

2.3.4. Operating income

(in € millions)	2018	2017
Gross operating income	**1,074.6**	**1,045.0**
Operating provisions	(21.9)	(7.4)
Depreciation and amortisation	(245.0)	(242.9)
Operating income	**807.6**	**794.7**

2.3.5. Net financial income/(expense)

(in € millions)	2018	2017
Financial income	100.2	65.6
Financial expenses	(117.7)	(154.1)
Net financial income/(expense)	**(17.5)**	**(88.5)**

Net financial expense came to -€17.5 million, an improvement of €71 million from 2017, attributable primarily to the impact of Toll Collect (see § 2.1.1), namely:

- the reversal of the provision for impairment of shares in Toll Collect in the amount of €47 million;
- and Toll Collect investment income of €8.5 million.

2.3.6. Net exceptional income/(expense)

Exceptional items include:

(in € millions)	2018	2017
Exceptional income	**5.6**	**22.0**
From operating transactions	0.2	12.3
Reversals of provisions	5.3	9.7
Exceptional expenses	**49.8**	**4.5**
From operating transactions(*)	48.1	2.1
Depreciation, amortisation and provisions	1.7	2.5
Net exceptional income/(expense)	**(44.2)**	**17.5**

(*) *The €48.1 million in the line "From operating transactions" consists mainly of the exceptional expense of €47 million from the disposal of shares in Toll Collect (see § 2.1.1).*

2.3.7. Income tax

The income tax expense of -€255.6 million consists largely of:

- -€248 million in corporate income tax arising on ordinary operations, and -€1 million from net exceptional income/(expense);
- +€2.9 million in total offsetting tax credits, including +€2.1 million related to the CICE tax credit;
- -€8.2 million arising from the 3.3% social contribution.

2.3.8. Deferred tax position

The Company has provisions amounting to €17.9 million as at 31 December 2018 relating to excess tax depreciation over normal depreciation, resulting in a deferred tax liability of €6.0 million, applying the 33.33% tax rate.

2.4. Additional information

2.4.1. Off-balance sheet commitments

- Off-balance-sheet commitments given to third parties either in the form of guarantees issued by banks on behalf of Cofiroute or directly: €6.4 million.
- Commitments received in the form of guarantees issued by banks on behalf of toll subscribers in favour of Cofiroute: €0.3 million.
- Investment commitments: as part of its concession contracts, the Company is committed to making investments amounting to €889.5 million.
- Operating lease commitments totalled €8.1 million at 31 December 2018 and mostly related to the lease on the corporate headquarters and long-term leases

2.4.2. Average workforce and staff training rights

(as a figure)	Paid staff 2018
Managers	243
Other employees	1,117
TOTAL	**1,360**

Beginning on 1 January 2015, the individual training account (CPF in French) replaced and phased-out the individual training entitlement (DIF).

The Caisse des Dépôts et Consignations (Deposits and Consignments Fund) tracks the hours in the CPF account using a computerised information processing system.

3. Other information

3.1. Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of Cofiroute's corporate officers is determined by the Board of Directors following proposals from the Remuneration Committee.

Aggregate remuneration and similar benefits granted to the members of Cofiroute's governing bodies and Executive Committee, recorded as expenses in 2017 and 2018, break down as follows:

	Members of governing bodies and Executive Committee	
(in € millions)	2018	2017
Remuneration	1.2	1.3
Employer's social charges	0.6	0.6
Post-employment benefits	0.0	0.0
Severance payments	0.0	0.0
Recognised total expenses	**1.8**	**1.9**
Provision for pensions	0.4	0.3

3.2. Transactions with the VINCI Group

Transactions in 2017 and 2018 between Cofiroute and the VINCI Group break down as follows:

VINCI *(in € millions)*	2018	2017
Trade receivables	3.7	5.9
Dividend payments	461.5	192.4
Trade and other operating payables	15.8	13.5
Liabilities for non-current concession assets	10.3	6.7
Revenue and other ancillary revenue	1.7	2.1
Financial income and expenses	0.0	(0.5)
Other external expenses	(15.2)	(26.2)

4. Post-balance sheet events

Toll rates on the Duplex A86 increased on 1 January 2019 pursuant to the Interministerial Decree of 26 December 2018.

Toll rates for the intercity network increased on 1 February 2019 pursuant to the Concessions Contract and the Contract Plan. The average rise in the rate per kilometre was +1.65%.

On its intercity network, from 1 February 2019 Cofiroute will introduce a special rate for regular users thanks to a new subscription: drivers making at least 10 round-trips in the month on the same route will enjoy a 30% discount on tolls for all trips made.

Report of the Statutory Auditors on the parent company financial statements

For the year ended 31 December 2018

Cofiroute
A French Limited Liability Company (Société Anonyme)
Registered office: 12-14 rue Louis Blériot
92506 Rueil Malmaison Cedex
Share capital: €158,282,124

To Cofiroute's Shareholders' General Meeting,

Opinion

In accordance with our appointment as Statutory Auditors by your General Shareholders' Meetings, we have performed an audit of the Cofiroute parent company financial statements for the year ended 31 December 2018, as attached hereto.

In our opinion, the parent company financial statements give a true and fair view of the Company's financial position and assets and liabilities as of 31 December 2018 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.

Basis of our opinion

Audit guidelines

We conducted our audit in accordance with the prevailing standards of the profession in France. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities pursuant to these standards are indicated in the section "Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements" of this report.

Independence

We performed our audit assignment in compliance with the rules of independence that apply to us, for the period from 1 January 2018 to the issue date of our report; and in particular we have not provided services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or by the Professional Code of Ethics of Statutory Auditors.

Furthermore, non-audit services that we provided during the financial year to your company and the entities that it controls and which are not mentioned in the management report or the notes to the financial statements are as follows: issues of comfort letters, of a report prepared at the time of the planned distribution of interim dividends, certification of covenant ratios, certification of costs and the report on employee-related, environmental and societal data contained in the management report for 2017.

Comments

Without questioning the opinion expressed above, we draw your attention to Note 1.10 "Corporate Income Tax" of the notes to the parent company financial statements, which describes the change in accounting policy relating to ceasing to recognize deferred taxes starting 1 January 2018.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of articles L.823-9 and R.823-7 of the French Commercial code relating to the justification of our assessments, we inform you of the key point of the audit relating to the risk of material misstatements that, according to our professional judgement, has been the most significant for the audit of the financial statements for the year, as well as our response to this risk.

This conclusion was formed in the context of the audit of the financial statements, taken as a whole, and the forming of our opinion, as stated above. We do not express any opinion on elements of these financial statements taken individually.

Assessment of provisions for the obligation to maintain the condition of concession assets

(Notes 1.8 and 2.2.3. "Contingencies and loss provisions")

Risk identified

Provisions are taken for contractual obligations to maintain the condition of concession assets and principally to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructures.

These provisions, recorded for an amount of €269.0 million at 31 December 2018, are calculated on the basis of a medium to long-term expenditure programme that is reviewed annually. Forecasts are estimated, notably taking account of indexation clauses included in construction contracts (mainly the TP01 and TP09 public works indices).

We considered that the evaluation of the provisions for maintaining the condition of concession assets, which represent a significant amount on the balance sheet liabilities, was a key point of the audit insofar as these provisions are based on the management's judgment for estimating the major maintenance expenditure over several years, and on account of their sensitivity to the assumptions used, particularly in terms of public works indices.

Our response to risk

Our work notably consisted of:

- taking note of the procedures implemented by the company for the assessment of the provisions for the obligation to maintain the condition of concession assets;
- comparing the expenses planned at the end of the preceding year for 2018 in 2018 with the actual expenses recorded during 2018;
- performing a critical analysis of the expenses taken into account when making provisions, by comparing estimates in the multi-year spending forecast for major maintenance as at 31 December 2018 with those used to 31 December 2017;
- performing a critical examination of the estimates in the multi-year spending forecasts for major maintenance in comparison with the technical documentation available;
- test the proper arithmetic application of the indexation clauses included in construction contracts (mainly the TP01 and TP09 indices).

Specific verifications

We have also carried out, in compliance with the professional standards applicable in France, the specific verifications required by legislation and regulations.

Information given in the management report and the other documents sent to the shareholders

We have no comments to make as to the fair presentation and consistency with the financial statements of the information given in the report of the Board of Directors and in the other documents sent to the shareholders, with respect to the financial position and the financial statements.

We certify the accuracy and the consistency with the annual statements of the information concerning payment terms mentioned in article D. 441-4 of the French Commercial Code.

Corporate governance

We certify the existence of information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code in the section of the Board of Directors' management report on corporate governance.

Concerning the information provided pursuant to the provisions of article L.225-37-3 of the French Commercial Code on remuneration and benefits paid to corporate officers as well as the commitments made in their favour, we have verified their consistency with the accounts or data used to draw up these financial statements and, where applicable, with the elements gathered by your company from companies controlling your company or controlled by it. Based on this work, we certify the accuracy and fair presentation of this information.

Information resulting from other legal and regulatory obligations

Designation of Statutory Auditors

We were appointed as Cofiroute's Statutory Auditors by the Shareholders' General Meeting of 27 April 2000 for KPMG and 8 January 2008 for Deloitte & Associés, taking into account the acquisitions or mergers for these firms since that date.

As at 31 December 2018, KPMG was in the 19th year of its uninterrupted mission and Deloitte & Associés was in the 12th year of its uninterrupted mission.

Responsibilities of the management and persons constituting the corporate governance relating to the financial statements

It is the management's responsibility to draw up the financial statements presenting a true and fair view in compliance with the French accounting rules and principles as well as to implement the internal control that it deems necessary for drawing up parent company financial statements that are free from material misstatements, whether these are a result of fraud or errors.

When preparing the financial statements, it is the responsibility of management to assess the ability of the Company to continue as a going concern, to present in these financial statements, where appropriate, the necessary information relating to the going concern and apply the going concern accounting policy, unless there are plans to wind up the business or discontinue operations.

These parent company financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements

It is our responsibility to draw up a report on the financial statements. Our objective is to obtain reasonable assurance that the parent company financial statements are free of material misstatement. Reasonable assurance means a high level of assurance, without; however, guaranteeing that an audit conducted in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may arise from fraud or be the result of error and are considered material when one can reasonably expect that, taken individually or in combination, they may influence the economic decisions that users of the financial statements take when relying upon them.

As specified by article L.823-10-1 of the French Commercial Code, our audit engagement for the certification of the financial statements does not consist of giving an opinion on the viability or quality of the management of your company.

As part of an audit carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises his professional judgement throughout this audit. In addition:

- it identifies and assesses the risks that the financial statements may contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address such risks, and collects elements that it considers sufficient and appropriate as a basis for its opinion. The risk of not detecting a material misstatement arising from fraud is greater than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, wilful omission, false statements or circumvention of the internal control system;
- the auditor shall examine the internal control system that bears on the audit in order to define the audit procedures that are appropriate in the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;

- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the Management, as well as the information related thereto provided in the financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, depending on the elements collected, the existence or non-existence of major uncertainty related to events or circumstances that are likely to question the Company's ability to continue as a going concern. This evaluation is based on the material collected up to the date of the auditor's report, bearing in mind that circumstances or subsequent events could call the going-concern assumption into question. If it concludes that there is a significant uncertainty, it draws the attention of the readers of its report to the information provided in the financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- it assesses the overall presentation of the financial statements and evaluates whether the financial statements reflect the underlying transactions and events so as to give a true and fair view.

Paris-La Défense, 25 February 2019

The Statutory Auditors

KPMG Audit
A department of KPMG SA
Philippe Bourhis
Partner

Deloitte & Associés
Frederic Souliard
Partner

Persons responsible for the document

1. Certification by the person responsible for this document

I certify, to the best of my knowledge, that the IFRS individual financial statements for the year ended 31 December 2018 forming part of the annual financial report have been prepared in compliance with the applicable accounting standards, and that they provide accurate information on the assets, financial position and income of Cofiroute. I also certify that the management report provides an accurate table of key events that occurred during 2018, their impact on the financial statements and a description of the primary risks and uncertainties for the year.

Marc BOURON

Chief Executive Officer

2. Statutory Auditors

The Company's Statutory Auditors are registered with France's official Statutory Auditors' representative body (Compagnie Nationale des Commissaires aux Comptes) and are subject to the authority of the French Higher Council of Statutory Audit (*Haut Conseil du Commissariat aux Comptes*).

Primary Auditors

KPMG SA	Deloitte & Associés
2, avenue Gambetta Tour Eqho 92066 Paris La Défense Cedex France	6, place de la Pyramide Tour Majunga 92908 Paris la Défense Cedex France
Current term began:AG du 23 mars 2018: GM of 23 March 2018.	Current term began: GM of 20 March 2013.
Current term expires: At close of GM to approve the 2023 financial statements.	Current term expires: at close of GM to approve the 2018 financial statements.

Alternate Auditors

KPMG AUDIT ID	Cabinet Beas
2, avenue Gambetta, Tour Eqho 92066 Paris La Défense Cedex France	195, avenue Charles de Gaulle 92524 Neuilly-sur-Seine France
Current term began: GM of 23 March 2018.	Current term began: GM of 20 March 2013.
Current term expires: At close of GM to approve the 2023 financial statements.	Current term expires: At close of GM to approve the 2018 financial statements.

3. Persons responsible for financial information

Frédéric Vautier, Chief Financial Officer and Member of the Executive Committee (+ 33 1 55 94 70 00).

4. Documents available for consultation by the public

The following documents are available on the Company's website (www.vinci-autoroutes.com):

- the 2018 financial report;
- the half-year 2018 financial report;
- financial, annual and half-year reports for 2008 to 2017.

Cofiroute's Articles of Association may be consulted at Cofiroute's registered office, 12 rue Louis Blériot – CS 30035 – 92506 Rueil Malmaison Cedex (+33 1 55 94 70 00).

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VINCI AUTOROUTES