COFIROUTE

FINANCIAL REPORT

2019

Half-year financial report at 30 June 2019

VINCI AUTOROUTES

Half-year financial report at 30 June 2019

Contents

Half-year management report at 30 June 2019

1. The Company's position and business during the first half of 2019

Revenue (excluding construction revenue) was €692.1 million, of which €682.5 million in toll revenue.

The ratio of EBITDA[1] to revenue went from 75.6% in June 2018 to 76.6% in June 2019.

Investments came to €88 million in the first half, relating primarily to the carrying out of the motorway stimulus plan, the second development phase of the intercity network, as well as to improvements in the network.

Net financial debt totalled €3,849.4 million at 30 June 2019.

2. Traffic

Traffic on the intercity network changed little in the second half of 2019 (-0.1%) with a decline in light vehicles (LVs) of 0.5% and growth in heavy vehicles (HV) of 2.2%.

Peak A86 Duplex traffic in the period was recorded on Friday, 7 June 2019 with 47,308 vehicles.

3. Operating revenue

Operating revenue totalled €692.1 million, a gain of +1.9% over the half-year. It breaks down into €682.5 million in toll revenue, up 1.9% on 30 June 2018, and €9.5 million in revenue from ancillary activities.

Toll rates on the A86 Duplex 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 kilometer was +1.65%.

4. Works and upgrades to the network in service

4.1. A86 Duplex

Capital expenditure in the first half of 2019 included the completion of finishing work (basically landscaping to minimise flooding risks) and the continuation of the equipment replacement plan.

4.2. Intercity network improvement works

As part of the second phases of intercity network development (ERI2), work was completed on the doubling of the Cher viaducts and the Cher relief lanes on the A85. Work is proceeding on the final cross-section of the A28 and A85, and the doubling of the three A85 viaducts west of Tours (Langeais, La Perrée and La Roumer). Studies continue on widening the Angers North bypass on the A11.

As part of the motorway stimulus plan (MSP), the reinforcement of the central reservation on the A10 between Sainte-Maure-de-Touraine and Poitiers South was completed in June 2019. The widening of the A10 north of Orleans and between Veigné and Sainte-Maure was begun. Environmental improvements continued, bringing to 27 the number of ecological continuity restoration projects completed and to 496 the number of car-sharing parking spaces created as of 30 June 2019. Hydraulic redevelopment on the A71 continues. Lastly, construction of the Longvilliers multi-mode hub began in June 2019.

Motorway investment plan

Studies are still under way on Porte de Gesvres, the Saran-Gidy interchange, access to the Grand ouest business park and the three eco-bridges. Work on the Huisne Sarthoise interchange began in June 2019.

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

5. Network operation and employee safety

The first half-year 2019 was marked by the so-called "yellow vest" demonstrations, particularly at weekends, and toll collection was disturbed.

Operations were also marked by unfavourable weather conditions, particularly in May (storms) and June (heat wave) that required the widespread mobilisation of all personnel to maintain levels of service for customers across the network.

In April, operations launched "cockpit", a new digital tool designed to integrate community data, specifically Waze and Tomtom, in order to be more responsive when triggering network operation measures. Additionally, patrol vehicles now use the smartphone application "PACO" (Connected Patroller) which provides quicker feedback of field information shared with all operators in the information chain.

For the first time in France, an experiment with no-barrier ("free flow") tolling was conducted in February at the Tours Nord toll station.

In terms of employee safety, Cofiroute has adopted a two-pronged approach:

- Requirements as to preparedness, the keystone to limiting accidents;
- Intensive vigilance as a means for employees to prepare for their daily jobs.

Moreover, all employees now have a prevention application, "MoveSafe", with which they can quickly report dangerous situations or a status of non-compliance.

Additionally, Cofiroute continues to experiment with ways to reduce van collisions with a special focus on a "connected" van that includes several innovations, such as

- A shiftable luminous emergency arrow that helps to position vehicles more safely;
- A telescopic boom that gives visual information in the event of an accident or incident;
- A camera in back of the van that keeps the motorway agent informed in real time of any dangerous situation.

6. Relationship with the French State as concession grantor

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. Four of these operations were the subject of special agreements between Cofiroute and the local communities affected.

The annual operating reports for 2018 on the A86 Duplex and intercity network concessions were submitted to the grantor in June 2019, as per the concession agreement.

7. IFRS half-year financial statements

7.1. Revenue

Cofiroute recognises the revenue from public service concession contracts in the manner provided by IFRS 15. Revenue under IFRS includes operating revenue, i.e. toll receipts from the network and receipts from ancillary activities carried out by Cofiroute, and construction revenue from investments in infrastructure built on behalf of the government.

IFRS operating revenue stood at €692.1 million at 30 June 2019, compared to €679.2 million in the first half of 2018, an increase of 1.9%.

Construction revenue stood at €72.3 million, compared to €63.5 million for the period ended 30 June 2018 (up 13.9%). It should be borne in mind that Cofiroute recognises no margin on this activity, for which a concession intangible asset is entered on the balance sheet in an amount equal to the construction expense recognised on the income statement.

Revenue year-to-date was €764.3 million, compared to €742.7 million in the first half of 2018.

7.2. Operating income

Operating income rose 3.1% to €405.4 million in the first half of 2019, versus €393.1 million the previous year.

7.3. Net financial income/(expense)

The cost of the Group's net financial debt amounted to -€32.4 million, compared with -€42.3 million at 30 June 2018, a decrease of €9.9 million.

Discounting the provision for infrastructure maintenance and the provision for retirement commitments, applied pursuant to IFRS, had a negative impact of -€4.2 million.

Consequently, net financial income was -€36.5 million, compared with -€41.7 million at 30 June 2018, an improvement of €5.1 million.

7.4. Net income

With a tax expense of -€118.4 million, net income came to €250.4 million, compared to €230.7 million recorded as at 30 June 2018.

7.5. Net financial debt

Net financial debt totalled -€3,849.4 million at end-June 2019, compared to -€3,881.6 million at 30 June 2018.

8. Parent company financial statements

Income statement

Cofiroute's revenue (excluding construction revenue) was €692.1 million in the first half of 2019, representing an increase of 1.9% compared with the same period in 2018.

Toll revenue was €682.5 million, up 1.9% compared with the same period in 2018.

Cofiroute generated net income in the first half of 2019 of €250.6 million, up 3.4% compared with the first half of 2018.

9. Principal risks and uncertainties of the second half of 2019

The main operational risks that Cofiroute may face in the second half of 2019 primarily relate to traffic and user acceptance of tolls and rates, almost all revenue comprising toll revenue. Traffic may be affected by the economic environment and the level of oil prices.

The main financial risks are set out in Note 18 "Information on financial risk management" to the 2018 annual financial report.

10. Composition of the Board of Directors

At 30 June 2019, the Board of Directors had the following members:

- Pierre Coppey;
- Cofiroute Holding;
- VINCI Autoroutes;
- VINCI Concessions;
- VINCI Autoroutes Services;
- VINCI Autoroutes Projets 4;
- VINCI Autoroutes Projets 11;
- Pierre Trotot;
- Alexandra Serizay;
- Marianne Laigneau;
- Sylvain Lefol.

The Board of Directors has eleven Directors, including six 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).

11. Breakdown of share capital

Cofiroute's share capital was distributed as follows at 30 June 2019:

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

Employees hold no equity in the Company.

Half-year financial report at 30 June 2019

IFRS condensed half-year individual financial statements at 30 June 2019

IFRS income statement for the period

(in € millions)	Notes	1st half 2019	1st half 2018	2018
Revenue(*)	**4.1**	**692.1**	**679.2**	**1,441.1**
Revenue – construction of new infrastructure assets under concession		72.3	63.5	139.9
Total revenue		764.3	742.7	1,581.1
Income from ancillary activities		1.1	1.0	3.6
Operating expenses	4.2	(358.6)	(349.6)	(757.7)
Operating income from ordinary activities		**406.8**	**394.1**	**827.0**
Share-based payments (IFRS 2)	19	(1.4)	(1.0)	(2.5)
Other current operating items				(7.6)
Current operating income		**405.4**	**393.1**	**816.8**
Operating income	**4.2**	**405.4**	**393.1**	**816.8**
Cost of gross financial debt		(32.4)	(42.3)	(75.8)
Cost of net financial debt	**5**	**(32.4)**	**(42.3)**	**(75.8)**
Other financial income and expenses	6	(4.2)	0.6	1.2
Income tax expense	7	(118.4)	(120.7)	(253.0)
Net income		**250.4**	**230.7**	**489.3**
Earnings per share *(in €)*	**8**	**61.71**	**56.85**	**120.56**

(*) *Excluding Revenue - construction of new infrastructure assets under concession.*

At 1 January 2019, Cofiroute applied IFRS 16 "Leases" using the so-called "simplified retrospective" approach. As a result, the 2018 data, presented for comparison purposes, was not adjusted. The impact of this first-time application is presented in Note A.3.

IFRS comprehensive income statement for the period

(in € millions)	1st half 2019	1st half 2018	2018
Net income	**250.4**	**230.7**	**489.3**
Changes in the fair value of financial instruments used to hedge cash flows[1]	(0.9)	(0.2)	(0.3)
o/w:			
Cash flow hedges	*(0.9)*	*(0.2)*	*(0.3)*
Tax expense[2]	0.3	0.1	0.1
Other comprehensive income items that can be subsequently recycled in net income	**(0.7)**	**(0.1)**	**(0.2)**
Equity instruments[3]	10.1	0.0	0.0
Actuarial gains and losses on retirement benefit obligations	(1.9)	(0.4)	0.4
Tax expense	0.6	0.2	(0.2)
Other comprehensive income items that cannot be subsequently recycled in net income	**8.7**	**(0.2)**	**0.2**
Total other comprehensive income items recognised directly in equity	**8.1**	**(0.3)**	**(0.0)**
Comprehensive income	**258.5**	**230.4**	**489.2**

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 related to changes in the fair value of financial instruments used to hedge cash flows (effective portion) and hedging costs.*
3) *Fair value of non-consolidated investments through equity, not recycled.*

Balance sheet – IFRS assets

(in € millions)	Notes	30/06/2019	30/06/2018	31/12/2018
Non-current assets				
Concession intangible assets	9	4,668.3	4,732.4	4,702.4
Other intangible assets		0.5	2.0	1.2
Property, plant and equipment related to concession contracts	10	218.8	218.7	215.3
Property, plant and equipment	10	6.5	6.7	6.8
Non-current derivative financial instruments, assets		98.0	49.5	48.7
Total non-current assets		**4,992.1**	**5,009.3**	**4,974.3**
Current assets				
Inventories and work in progress	11	1.7	1.4	1.9
Trade and other receivables	11	114.5	134.6	106.5
Other current operating assets	11	57.1	24.8	50.9
Current tax assets		2.9	8.8	
Current derivative instruments, assets	14	8.8	9.0	17.1
Cash and cash equivalents	14	15.1	9.4	237.6
Total current assets		**200.0**	**188.0**	**414.1**
Total assets		**5,192.1**	**5,197.4**	**5,388.5**

Balance sheet – IFRS equity and liabilities

(in € millions)	Notes	30/06/2019	30/06/2018	31/12/2018
Equity				
Share capital		158.3	158.3	158.3
Other equity instruments		7.0	7.0	7.0
Consolidated reserves		155.0	250.1	153.5
Net income attributable to owners of the parent		250.4	230.7	489.3
Amounts recognised directly in equity	13	6.1	(2.3)	(2.0)
Total equity		**576.8**	**643.8**	**806.0**
Non-current liabilities				
Provisions for employee benefits	18	22.7	19.6	19.7
Bonds	14	3,197.7	3,134.8	3,140.5
Other loans and borrowings	14	455.5	687.5	456.5
Non-current derivative instruments, liabilities		34.1	43.6	39.2
Non-current lease liabilities		3.7		
Other non-current liabilities		3.2	2.8	3.8
Net deferred tax liabilities		141.2	149.7	140.4
Total non-current liabilities		**3,858.2**	**4,038.1**	**3,800.1**
Current liabilities				
Current provisions	11	271.5	246.7	258.4
Trade payables	11	33.0	29.3	39.3
Other current operating liabilities	11	108.6	107.1	115.3
Other current non-operating liabilities		57.3	48.9	58.7
Current tax liabilities				6.3
Current lease liabilities		2.8		
Current derivative instruments, liabilities	14	3.4	2.9	0.8
Current financial debt	14	280.6	80.7	303.5
Total current liabilities		**757.1**	**515.5**	**782.3**
Total equity and liabilities		**5,192.1**	**5,197.4**	**5,388.5**

IFRS cash flows statement

(in € millions)		Notes	1st half 2019	1st half 2018	2018
Consolidated net income for the period (including non-controlling interests)			**250.4**	**230.7**	**489.3**
Depreciation and amortisation		4.2	127.1	122.6	251.4
Net increase/(decrease) in provisions and impairment			4.6	(0.3)	15.5
Share-based payments (IFRS 2) and other restatements		19	(2.6)	(2.5)	(1.6)
Gain (loss) on disposals			0.0	0.1	0.2
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated entities					(8.5)
Cost of net financial debt recognised		5	32.4	42.3	75.8
Current and deferred tax expense recognised		7	118.4	120.7	253.0
Cash flows from/(used in) operations before tax and financing costs			**530.3**	**513.6**	**1,075.1**
Changes in operating working capital requirement and current provisions		11	(17.3)	(11.6)	4.8
Income taxes paid			(125.3)	(130.6)	(257.4)
Net interest paid			(41.8)	(70.4)	(88.6)
Cash flows (used in)/from operating activities	**I**		**345.8**	**301.0**	**733.9**
Purchases of property, plant and equipment and intangible assets			(0.6)	(0.7)	(1.7)
Disposals of property, plant and equipment and intangible assets				1.5	1.5
Operating cash flow			**345.2**	**301.9**	**733.7**
Investments in concession fixed assets (net of grants received)		9 - 10	(88.5)	(73.5)	(157.5)
Free cash flow (after investments)			**256.8**	**228.4**	**576.2**
Disposal of holdings (consolidated and unconsolidated)			10.1		
Other					8.5
Net cash flows (used in) / from investing activities	**II**		**(78.9)**	**(72.7)**	**(149.1)**
Dividends paid to Cofiroute shareholders		13.2	(486.4)	(365.1)	(461.5)
Proceeds from new long-term borrowings		14	26.8	7.0	7.0
Repayments of long-term borrowings		14	(28.5)	(705.5)	(737.2)
Change in cash management assets and other current liabilities				4.0	4.0
Net cash flows (used in) / from financing activities			**(488.0)**	**(1,059.5)**	**(1,187.7)**
Net cash flows from/(used in) financing activities, incl. IFRS 16 impact	**III**		**(489.4)**	**(1,059.5)**	**(1,187.7)**
Change in net cash	**I + II + III**	**14**	**(222.6)**	**(835.1)**	**(602.9)**
Net cash at beginning of period			**237.6**	**840.6**	**840.6**
Net cash and cash equivalents at end of period			**15.1**	**9.4**	**237.6**
Increase/(decrease) in cash management financial assets				(4.0)	(4.0)
(Proceeds from)/repayment of loans			1.7	698.5	730.2
Other changes			8.5	27.9	12.6
Change in net financial debt		**14**	**(212.4)**	**(108.8)**	**135.8**
Net financial debt at beginning of period			(3,637.0)	(3,772.8)	(3,772.8)
Net financial debt at end of period			**(3,849.4)**	**(3,881.6)**	**(3,637.0)**

IFRS statement of changes in equity

(in € millions)	Shareholders' equity				
	Share capital	Reserves	Transactions recognised directly in equity	Net income	Total
Equity at 1/1/2018	**158.3**	**166.9**	**(2.0)**	**457.1**	**780.2**
Net income for the period				230.7	230.7
Other comprehensive income items			(0.3)		(0.3)
Comprehensive income for the period			**(0.3)**	**230.7**	**230.4**
Appropriation of net income and dividend payments		92.0		(457.1)	(365.1)
Share-based payment		(1.8)			(1.8)
Equity at 30/06/2018	**158.3**	**257.1**	**(2.3)**	**230.7**	**643.8**
Net income for the period				258.6	258.6
Other comprehensive income items			0.3		0.3
Comprehensive income for the period			**0.3**	**258.6**	**258.8**
Allocation of net income and dividend payments		(96.5)			(96.5)
Share-based payments		(0.1)			(0.1)
Equity at 30/06/2018	**158.3**	**160.5**	**(2.0)**	**489.3**	**806.0**
Net income for the period				250.4	250.4
Other comprehensive income items			8.1		8.1
Comprehensive income for the period			**8.1**	**250.4**	**258.5**
Appropriation of net income and dividend payments		2.9		(489.3)	(486.4)
Share-based payment		(1.4)			(1.4)
Equity at 30/06/2018	**158.3**	**162.0**	**6.1**	**250.4**	**576.8**

Notes to the IFRS condensed half-year individual financial statements

A. Accounting principles, measurement methods and changes in policies

A.1. Accounting principles

The accounting principles used at 30 June 2019 are the same as those used for Cofiroute's financial statements at 31 December 2018, except for the standards and/or amendments adopted by the European Union and mandatory as from 1 January 2019 (see below).

The IFRS condensed half-year individual financial statements of Cofiroute at 30 June 2019 were prepared in accordance with IAS 34 "Interim Financial Reporting" They were approved by the Board of Directors on 25 July 2019. As these are IFRS condensed individual financial statements, they do not include all the information required by IFRS for annual individual financial statements and should therefore be read together with Cofiroute's IFRS financial statements for the year ended 31 December 2018. They refer to the annual IFRS financial statements as of 31 December 2018 presented in the 2018 financial report.

Cofiroute's financial statements are presented in millions of euros, with a decimal. Rounding to the nearest million euros may, under certain hypothetical circumstances, lead to immaterial differences in the totals and sub-totals shown in the tables.

A.1.1. New standards and interpretations applicable from 1 January 2019

The effects of applying IFRS 16 "Leases" starting 1 January 2019 are described in Note A.3.

The other applicable standards and interpretations that were mandatory from 1 January 2019 do not have a significant impact on the consolidated financial statements of Cofiroute at 30 June 2019. They mainly include:

- IFRIC 23 "Uncertainty over income tax treatments";
- amendments to IFRS 9 "Prepayment features with negative compensation";
- amendments to IAS 28 "Long-term interests in associated companies and joint ventures";
- amendments to IAS 19 "Plan amendment, curtailment or settlement";
- annual improvements, 2015-2017 cycle.

IFRIC 23 "Uncertainty over income tax treatments"

IFRIC 23 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 has not identified any impact on opening shareholders' equity at 1 January 2019 following the application of this interpretation. The portion of provisions solely for tax- and employee-related risks is not material in comparison with other hedged risks or the tax expense recognised annually.

A.1.2. Standards and interpretations adopted by the IASB but not applicable at 30 June 2019

Cofiroute has not applied early any of the following standards or interpretations that might affect it, application of which was not mandatory at 1 January 2019:

- amendments to IAS 1 and IAS 8 "Definition of material";
- amendments to IFRS 3 "Definition of a business".

An analysis of the impacts and practical consequences of application of these amendments to standards is currently under way. However, these amendments do not contain any provisions counter to Cofiroute's current accounting practices.

A.2. Measurement rules and methods

A.2.1. Use of estimates

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

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

The individual half-year financial statements for the period have been prepared with reference to the immediate environment, in particular as regards the estimates given below:
- profit or loss recognised on the basis of the stage of completion of the construction and service contracts;
- values used in impairment tests;
- measurement of share-based payment expenses under IFRS 2;
- measurement of retirement benefit obligations;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefits (IAS 19);
- determination of the discount rates and lease periods assumed in valuing the rights-of-use and the associated liabilities for leases (IFRS 16);
- measurement of certain financial instruments at fair value.

A.2.2. Measurement at fair value

Cofiroute mainly uses fair value in measuring, on a consistent basis in the balance sheet, derivative instruments, cash and cash equivalents, non-consolidated investments in subsidiaries and affiliates and cash management financial assets. The fair values of other financial instruments (in particular debt instruments and assets at amortised cost, as defined in IFRS 9 "Financial Instruments") are included in Note F.17. "Carrying amount and fair value of financial assets and liabilities by accounting category".

Fair value is the price that would be received from selling an asset or paid to transfer a liability in a normal transaction. It is recorded on the main market of the asset or liability (or the most advantageous in the absence of a main market), i.e. that which offers the largest volume and the best level of activity. The fair value of derivative financial instruments includes a counterparty risk assessment for derivative assets and an own credit risk for derivative liabilities.

Cofiroute uses the following measurement methods to determine these fair values:
- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert future cash flows into a single present value;
- cost-based approaches, which take the physical, technological and economic obsolescence of the measured asset into account.

The following three-level ranking of fair values is used:
- level 1: quoted prices in an active market. Marketable securities and listed bonds are valued in this way;
- level 2: internal model using observable factors based on internal valuation techniques: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). Most derivatives (swaps, caps, floors, etc.) traded on markets are measured on the basis of models commonly used by market practitioners in pricing these financial instruments. Internal valuations of derivatives are checked quarterly for consistency with the valuations sent by counterparties;
- level 3: internal model using non-observable inputs: this model applies in particular to holdings of unlisted shares, which are assessed at their acquisition cost plus transaction costs, in the absence of an active market.

A.2.3. Specific measurement rules and methods applied by Cofiroute in preparing half-year financial statements

Seasonal nature of the business

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

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

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

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

Estimation of the tax expense

The tax expense for the first half-year is determined by applying Cofiroute's effective tax rate estimated for the 2019 financial year (including deferred tax) to income before tax. This rate is, where applicable, adjusted for the tax impact related to non-recurring items for the period.

Retirement benefit obligations

No new comprehensive actuarial calculation is carried out at the close of the IFRS half-year condensed financial statements. The expense for the half-year for retirement benefit obligations is equal to half of the expense calculated for 2019 based on the actuarial assumptions at 31 December 2018. The impacts arising from changes in assumptions relating to post-employment benefits during the first half of 2019 (discount rate) are recognised under "Other comprehensive income items".

A.3. Change in accounting policy

IFRS 16 "Leases"

Cofiroute applied IFRS 16 retrospectively on 1 January 2019 to leases in progress as of the transition date, using the so-called "simplified retrospective" transition method. The 2018 data, presented for purposes of comparison, were not adjusted, in accordance with the transitional provisions of IFRS 16.

IFRS 16 "Leases" changes the recognition of leases by lessees. It replaces IAS 17 and interpretations of IFRIC 4, SIC 15 and SIC 27. IFRS 16 imposes a single recognition method by lessees, impacting the balance sheet similarly to finance leases as they were recognised until 31 December 2018 under IAS 17.

Cofiroute has no significant leasing arrangements as a lessor. The accounting treatment of leasing from the lessor's perspective was not changed by IFRS 16 from the accounting rules applicable until 31 December 2018.

Cofiroute applies the provisions of IFRS 16 described below to all of its leases relating to underlying assets whose value when new is greater than €5,000 and/or whose lease term is greater than 12 months, including any renewal options that may be in the contract.

Nature of the impacts of adopting IFRS 16 on the financial statements at 1 January 2019

The leases that Cofiroute enters into mainly involve transport equipment, real property and certain other equipment. Before IFRS 16 took effect, Cofiroute categorised each of its leases as either finance leases or operating leases. A lease was deemed a finance lease if it transferred nearly all of the risks and rewards of ownership of the asset; otherwise, the lease was deemed an operating lease. Finance leases led to recognition of a fixed asset and an offsetting liability and the lease payments were allocated to repayment of the liability and payment of interest charges. The asset was amortised over the term of the lease or its useful life if it was probable that any purchase option contemplated in the lease would be exercised. With regard to operating leases, no asset was recognised on the balance sheet and a lease expense was recognized on the income statement, on a straight-line basis over the term of the contract. Lease payments made in advance or unpaid were recognised on the balance sheet under working capital requirements.

Leases categorised as finance leases at 31 December 2018

At the transition date, Cofiroute had no finance leases.

Leases categorised as operating leases at 31 December 2018

Since IFRS 16 took effect, Cofiroute has recognised a lease liability reflecting the sum of lease payments remaining to be paid, discounted at the incremental borrowing cost, offsetting a right-of-use for the underlying asset. Using the simplified method, the amount of right-of-use assets equals the amount of the lease liability recognised and, in certain instances, adjusted for lease payments made in advance or remaining payable.

Leases for short terms or for low-value assets remain recognised in profit and loss with no impact on Cofiroute's balance sheet.

The lease terms assumed include the firm periods of the contract plus any expected extension periods. Cofiroute is monitoring the IFRIC discussions about measuring lease terms and, based on the final conclusions reached, may be required to remeasure these terms and revise the impacts of implementing the standard, in accordance with the provisions that may be decided by the international standards board.

Variable lease payments or services rendered under the lease are not included in determining the amount of the right-of-use asset and lease liabilities and are recognized in expense as incurred.

To determine the incremental borrowing cost used to calculate lease liabilities, the weighted average term of payments, country risk and Cofiroute's specific risk were used.

A deferred tax was recognized on the difference between right-of-use assets and lease liabilities covered by IFRS 16.

The effects on Cofiroute's opening balance sheet of the first-time application of IFRS 16 as at 1 January 2019 are presented below.

IFRS Balance Sheet at 1 January 2019

Assets

(in € millions)	01/01/2019 published	Impact of IFRS 16	01/01/2019 restated
Non-current assets			
Concession intangible assets	4,702.4		4,702.4
Other property, plant and equipment related to concession contracts	1.2		1.2
Property, plant and equipment related to concession contracts	215.3	7.8	223.1
Property, plant and equipment	6.8		6.8
Non-current derivative financial instruments, assets	48.7		48.7
Total non-current assets	**4,974.3**	**7.8**	**4,982.1**
Current assets			
Inventories and work in progress	1.9		1.9
Trade and other receivables	106.5		106.5
Other current operating assets	50.9	(0.1)	50.8
Current tax assets			
Current derivative instruments, assets	17.1		17.1
Cash and cash equivalents	237.6		237.6
Total current assets	**414.1**	**(0.1)**	**414.0**
Total assets	**5,388.5**	**7.7**	**5,396.2**

Equity and liabilities

(in € millions)	01/01/2019 published	Impact of IFRS 16	01/01/2019 restated
Equity			
Share capital	158.3		158.3
Other equity instruments	7.0		7.0
Consolidated reserves	153.5		153.5
Net income attributable to owners of the parent	489.3		489.3
Amounts recognised directly in equity	(2.0)		(2.0)
Total equity	**806.0**		**806.0**
Non-current liabilities			
Provisions for employee benefits	19.7		19.7
Bonds	3,140.5		3,140.5
Other loans and borrowings	456.5		456.5
Non-current derivative instruments, liabilities	39.2		39.2
Non-current lease liabilities		5.0	5.0
Other non-current liabilities	3.8		3.8
Net deferred tax liabilities	140.4		140.4
Total non-current liabilities	**3,800.1**	**5.0**	**3,805.1**
Current liabilities			
Current provisions	258.4		258.4
Trade payables	39.3		39.3
Other current operating liabilities	115.3		115.3
Other current non-operating liabilities	58.7		58.7
Current tax liabilities	6.3		6.3
Current lease liabilities		2.8	2.8
Current derivative instruments, liabilities	0.8		0.8
Current financial debt	303.5		303.5
Total current liabilities	**782.3**	**2.8**	**785.0**
Total equity and liabilities	**5,388.5**	**7.7**	**5,396.2**

First-time application of IFRS 16 had no impact on Cofiroute's opening equity.

Reconciliation between off-balance sheet lease commitments and IFRS 16 lease liabilities

(in € millions)		At 1 January 2019
Lease-related off-balance sheet commitments at 31 December 2018		**8.1**
Average incremental borrowing cost		0.8%
Off-balance sheet commitments discounted to present value at 1 January 2019	**I**	**8.0**
Commitments on short-term leases		(0.3)
Commitments on leases for low-value assets		
Total	**II**	**(0.3)**
Liabilities related to IAS 17 financing leases		
Options to renew and other adjustments not shown in off-balance sheet commitments		(0.0)
Total	**III**	**(0.0)**
Lease liabilities at 1 January 2019	**I + II + III**	**7.7**

B. Main items in the income statement

B.4. Revenue and operating profit

B.4.1. Revenue

(in € millions)	1st half 2019	1st half 2018	2018
Revenue – Tolls	682.5	669.9	1,422.1
Revenue – Other	9.5	9.4	19.1
Operating revenue	692.1	679.2	1,441.1
Revenue – construction of new infrastructure assets under concession	72.3	63.5	139.9
Total revenue	**764.3**	**742.7**	**1,581.1**

B.4.2. Operating profit

(in € millions)	1st half 2019	1st half 2018	2018
Revenue(*)	**692.1**	**679.2**	**1,441.1**
Revenue – construction of new infrastructure assets under concession	*72.3*	*63.5*	*139.9*
Total revenue	*764.3*	*742.7*	*1,581.1*
Income from ancillary activities	**1.1**	**1.0**	**3.6**
Concession operating companies' construction costs	(72.3)	(63.5)	(139.9)
Purchases consumed	(4.7)	(5.1)	(10.4)
External services	(34.0)	(39.6)	(90.3)
Taxes and levies	(63.0)	(62.7)	(174.1)
Employment costs	(48.0)	(49.3)	(88.4)
Other operating income and expense	(0.0)	(0.1)	(0.2)
Depreciation and amortisation	(127.1)	(122.6)	(251.4)
Net increase in provisions	(9.6)	(6.7)	(2.9)
Operating expenses	**(358.6)**	**(349.6)**	**(757.7)**
Operating income from ordinary activities	**406.8**	**394.1**	**827.0**
Share-based payments (IFRS 2)	(1.4)	(1.0)	(2.5)
Other current operating items			(7.6)
Current operating income	**405.4**	**393.1**	**816.8**
Operating income	**405.4**	**393.1**	**816.8**

(*) *Excluding Revenue - construction of new infrastructure assets under concession.*

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

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

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

B.5. Cost of net financial debt

In the first half of 2019, the cost of net financial debt stood at -€32.4 million, down by €9.9 million compared to the first half of 2018 (-€42.3 million).

This improvement is explained primarily by the redemption of the €600 million bond maturing in April 2018.

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

(in € millions)	1st half 2019	1st half 2018	2018
Financial liabilities at amortised cost	(43.8)	(54.9)	(100.6)
Derivatives and financial liabilities at fair value through profit or loss	(0.0)	(0.0)	(0.0)
Derivatives designated as hedges: assets and liabilities	12.0	13.1	25.4
Derivatives at fair value through profit and loss: assets and liabilities	(0.6)	(0.5)	(0.6)
Total cost of net financial debt	**(32.4)**	**(42.3)**	**(75.8)**

B.6. Other financial expenses and revenue

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)	1st half 2019	1st half 2018	2018
Discounting costs of provisions for obligation to maintain the condition of concession assets	(4.0)	0.7	1.5
Discounting costs of provisions for retirement benefit obligations	(0.2)	(0.1)	(0.4)
Financial expenses relating to leasing	(0.0)		
Total other financial income and expenses	**(4.2)**	**0.6**	**1.2**

Cofiroute recognised the financial expense for leases in accordance with the new provisions of IFRS 16. At 30 June 2019 those financial expenses were not significant.

B.7. Income tax expense

Income tax was -€118.4 million in the first half of 2019 (-€120.7 million in the first half of 2018).

The effective tax rate was 32.1%, down from 34.3% for the first half of 2018. This decrease was due to a reduction in the 2019 corporate income tax rate (including the 3.3% contribution) from 34.43% to 32.02%.

B.8. Earnings per share

The number of shares in the Company, at 4,058,516, was unchanged from the preceding financial years. The Company has not issued any instrument granting rights to shares. Accordingly, the number of shares used to calculate both basic and diluted earnings per share in 2019 and in 2018 is 4,058,516. The earnings per share is presented within the IFRS income statement for the period.

C. Concession contracts

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

- a construction business consisting of its obligations to design, build, and finance new infrastructures that it delivers to the concession grantor: revenue is recognised according to the percentage of completion method of accounting under IFRS 15 with the performance obligations being continually recognised;
- an operating and maintenance activity in respect of concession assets: revenue is recognised in accordance with IFRS 15.

The operator has the right to receive toll (or other revenue) from users for financing and building the infrastructure. If the grantor pays the concession operator on the basis of the extent to which users use the service, with no guarantee of payment amounts (simple "pass through" or "shadow toll" agreement), the Intangible Asset Model applies.

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

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

This model has been applied to the two Cofiroute concession contracts.

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

C.9. Concession intangible assets

C.9.1. Details of concession intangible assets

(in € millions)	Cost of infrastructure in service(*)	Advances and outstanding amounts	Total
Gross			
At 01/01/2018	**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**
Acquisitions during the period	0.6	71.7	72.3
Other movements	33.4	(36.6)	(3.0)
At 30/06/2019	**8,221.1**	**232.6**	**8,453.7**
Depreciation			
At 01/01/2018	**(3,477.9)**		**(3,477.9)**
Acquisitions during the period	(204.2)		(204.2)
Other movements	(0.0)		(0.0)
At 31/12/2018	**(3,682.2)**		**(3,682.2)**
Acquisitions during the period	(103.5)		(103.5)
Other movements	0.2		0.2
At 30/06/2019	**(3,785.5)**		**(3,785.5)**
Net			
At 01/01/2018	**4,588.2**	**180.0**	**4,768.2**
At 31/12/2018	**4,504.9**	**197.5**	**4,702.4**
At 30/06/2019	**4,435.6**	**232.6**	**4,668.3**

(*) *After deduction of grants*

Acquisitions in the first half stood at €72.3 million (€63.7 million in the first half of 2018). They correspond mainly to investments made by Cofiroute under its concession contracts.

Acquisitions of concession intangible assets included assets under construction for an amount of €71.7 million on 30 June 2019 (€59.8 million at 30 June 2018).

C.9.2. Contractual investment and renewal obligations

Contractual obligations related to concession contracts

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

At 30 June 2019, the amount of investment commitments provided for under the service concession contracts was €820.0 million (€837.9 million at 30 June 2018).

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

D.10. Property, plant and equipment

(in € millions)	Concession property, plant & equipment	Land	Plant, equipment, fixtures and fittings	Right-of-use of non-current concession assets	Total
Gross					
At 01/01/2018	**876.7**	**1.3**	**19.8**		**897.8**
Other acquisitions during the period	3.2		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**
At 01/01/2019	**903.9**	**1.5**	**21.4**	**7.8**	**934.6**
Other acquisitions during the period	15.0		0.6		15.6
Disposals during the period	(0.2)				(0.2)
Other movements	3.0	(0.1)	0.1	0.1	3.1
At 30/06/2019	**921.7**	**1.4**	**22.1**	**7.9**	**953.1**
Depreciation, amortisation and impairment					
Au 01/01/2018	**(648.3)**		**(14.0)**		**(662.3)**
Other acquisitions during the period	(43.5)		(2.1)		(45.6)
Disposals during the period	3.1		0.0		3.1
Other movements	(0.0)		(0.0)		(0.0)
Au 31/12/2018	**(688.7)**		**(16.1)**		**(704.8)**
Au 01/01/2019	**(688.7)**		**(16.1)**		**(704.8)**
Other acquisitions during the period	(20.8)		(0.9)	(1.4)	(23.0)
Disposals during the period					
Other movements	0.0		0.0		0.0
At 30/06/2019	**(709.4)**		**(17.0)**	**(1.4)**	**(727.8)**
Net					
At 01/01/2018	**228.5**	**1.3**	**5.8**		**235.6**
At 31/12/2018	**215.3**	**1.5**	**5.3**		**222.0**
At 01/01/2019	**215.3**	**1.5**	**5.3**	**7.8**	**229.9**
At 30/06/2019	**212.3**	**1.4**	**5.0**	**6.5**	**225.3**

D.11. Working capital requirement and current provisions

D.11.1. Change in working capital requirement

(in € millions)		30/06/2019	31/12/2018	Changes	
				Changes in operating WCR	Other changes
Inventories and work in progress (net)		1.7	1.9	(0.3)	0.0
Trade and other receivables		114.5	106.5	8.1	(0.1)
Other current operating assets		57.1	50.9	6.1	0.0
Inventories and operating receivables	**(I)**	**173.2**	**159.4**	**13.9**	**(0.1)**
Trade payables		(33.0)	(39.3)	6.3	0.0
Other current operating liabilities		(108.6)	(114.8)	6.2	0.0
Trade and other operating payables	**(II)**	**(141.6)**	**(154.1)**	**12.5**	**0.0**
Working capital requirements (excluding current provisions)	**(I + II)**	**31.6**	**5.3**	**26.4**	**(0.1)**
Current provisions		(271.5)	(258.4)	(9.1)	(4.0)
o/w part at less than one year of non-current provisions		*0.0*	*(0.5)*	*0.0*	*0.5*
Working capital requirement (including current provisions)		**(239.9)**	**(253.1)**	**17.3**	**(4.1)**

D.11.2. Breakdown of current provisions

During the first half of 2019 and full year 2018, current provisions recognised as liabilities in the balance sheet changed as follows:

(in € millions)	Opening	Allocations	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Closing
01/01/2018	**238.2**	**33.7**	**(22.2)**	**(8.8)**	**0.2**	**241.0**
Obligation to maintain the condition of concession assets	240.0	30.4	(23.4)	(5.7)	16.2	257.5
Other current 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**
Obligation to maintain the condition of concession assets	257.5	13.1				270.6
Other current liabilities	0.9		(0.0)			0.8
30/06/2019	**258.4**	**13.1**	**(0.0)**			**271.5**

Current provisions relate directly to the operating cycle. The above provisions amounted to €271.5 million at 30 June 2019 (compared with €258.4 million at 31 December 2018) 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 €270.6 million at 30 June 2019 (up from €257.5 million at 31 December 2018).

D.12. Lease liabilities

The impact of lease liabilities on the opening balance sheet is detailed in Note A.3.

They stood at €6.5 million at 30 June 2019, including €5.4 million for real property leases and €1.1 million for moveable property leases. During the period, the liability rose by €0.1 million and €1.4 million was repaid.

E. Equity

E.13. Information related to equity

E.13.1. Transactions recognised directly in equity

(in € millions)	1st half 2019	1st half 2018
Cash flow hedges and net investment hedges		
Reserve at start of period	0.7	0.9
Other changes in fair value for the period	(0.8)	
Items recognised in P&L	(0.1)	(0.3)
Gross reserve before tax effect at balance sheet date (items that can be recycled in the income statement)	**(0.3)**	**0.7**
Associated tax effect	0.0	(0.2)
Reserve net of tax (Items that can be recycled in the income statement)	**(0.2)**	**0.4**
Equity instruments		
Reserve at start of period[1]		
Changes in fair value for the period[2]	10.1	
Gross reserve before tax effect at balance sheet date	**10.1**	
Actuarial gains and losses on retirement benefit obligations		
Reserve at start of period	(2.5)	(2.6)
Actuarial gains and losses recognised in the period	(1.9)	0.4
Associated tax effect	0.6	(0.2)
Reserve net of taxes at closing	**(3.8)**	**(2.5)**
Total reserve net of tax (items not recyclable through profit or loss)	**6.3**	**(2.5)**
Total transactions recognised directly in equity	**6.1**	**(2.0)**

[1] *At 31 December 2018, amounts were restated in accordance with the first-time application at 1 January 2018 of IFRS 9 "Financial instruments".*
[2] *Change in the value of investments at fair value through equity having been sold.*

E.13.2. Dividends

The balance of the 2018 dividend was paid in March 2019 and amounted to €486.4 million.

F. Financing and financial risk management

F.14. Information on net financial debt

F.14.1. Net financial debt

At 30 June 2019, Cofiroute's net financial debt stood at -€3,849.4 million, up by €212.4 million compared to 31 December 2018.

Net financial debt breaks down as follows:

		30/06/2019			31/12/2018		
Analyse by accounting category	*(in € millions)*	**Non Current**	**Current [1]**	**Total**	**Non Current**	**Current [1]**	**Total**
Analyse by accounting category	Bonds	(3,197.7)	(23.5)	(3,221.2)	(3,140.5)	(46.2)	(3,186.6)
	Other bank loans and other financial debt	(455.5)	(257.1)	(712.7)	(456.5)	(257.4)	(713.9)
	Long-term financial debt[2]	**(3,653.3)**	**(280.6)**	**(3,933.8)**	**(3,597.0)**	**(303.5)**	**(3,900.5)**
	Other current financial liabilities		0.0	0.0			
	Bank overdrafts						
	I – Gross financial debt	**(3,653.3)**	**(280.6)**	**(3,933.8)**	**(3,597.0)**	**(303.5)**	**(3,900.5)**
	o/w impact of fair value hedges	*(64.7)*	*0.0*	*(64.7)*	*9.5*		*9.5*
Financial assets at amortised cost	Collateralised loans and financial receivables						
	Financial current account assets						
Financial assets measured through profit or loss	Cash management financial assets			0.0			
	Cash equivalents		3.3	3.3		227.4	227.4
	Cash		11.8	11.8		10.3	10.3
	II – Financial assets	**0.0**	**15.1**	**15.1**	**0.0**	**237.7**	**237.7**
Derivatives	Derivative instruments – liabilities	(34.1)	(3.4)	(37.5)	(39.2)	(0.8)	(40.0)
	Derivative instruments – assets	98.0	8.8	106.8	48.7	17.1	65.9
	III – Derivative financial instruments	**63.9**	**5.4**	**69.3**	**9.5**	**16.3**	**25.9**
	Net financial debt (I + II + III)	**(3,589.4)**	**(260.1)**	**(3,849.4)**	**(3,587.5)**	**(49.5)**	**(3,637.0)**

[1] *Current portion including accrued interest not yet due.*
[2] *Including 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 instruments not designated as hedges are presented under current derivative instrument assets or current derivative instrument liabilities regardless of their maturity.

The change in net financial debt breaks down as follows:

				"Non-cash" changes					
(in € millions)	**Opening**	**Cash flows**	**Ref.**	**Changes in consolidation scope**	**Translation effect**	**Changes in fair value**	**Other Changes**	**Ref.**	**Closing**
Bonds	**(3,140.5)**		**(3)**			**(55.2)**	**(2.1)**	**(4)**	**(3,197.7)**
Other loans and borrowings	**(456.5)**	**(20.0)**	**(3)**				**21.0**	**(4)**	**(455.5)**
Current financial debt	(303.5)	(42.4)					65.3		(280.6)
o/w non-current portion of long-term debt	*(260.7)*	*28.5*	*(3)*				*(21.5)*	*(4)*	*(253.7)*
o/w original current financial liabilities	*0.0*	*(6.8)*	*(3)*					*(1)*	*(6.8)*
o/w accrued interest not yet due on bank debt	*(42.8)*	*(64.0)*	*(4)*				*86.8*	*(4)*	*(20.1)*
o/w overdraft	*0.0*							*(4)*	*0.0*
Cash management financial assets	**0.0**	**0.0**	**(2)**					**(4)**	**0.0**
Cash and cash equivalents	**237.6**	**(222.6)**	**(1)**					**(1)**	**15.1**
Derivative financial instruments - net	**25.9**	**22.2**				**53.8**	**(32.6)**		**69.3**
o/w fair value of derivatives	*9.8*	*0.0*	*(2)*			*53.8*		*(4)*	*63.6*
o/w accrued interest not yet due on derivatives	*16.1*	*22.2*	*(4)*				*(32.6)*	*(4)*	*5.8*
Net financial debt	**(3,637.0)**	**(262.7)**	**(5)**	**0.0**	**0.0**	**(1.4)**	**51.6**	**(5)**	**(3,849.4)**

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

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

(in € millions)	Réf.	30/06/2019
Change in net cash	(1)	(222.6)
Change in cash management assets and other current financial debt	(2)	
(Issue) repayment of borrowings	(3)	1.7
Other changes	(4)	8.5
Change in net financial debt	**(5)**	**(212.4)**

Payment schedule for financial debt

At 30 June 2019, the average maturity of Cofiroute's long-term financial debt was 5.3 years (5.7 years at 31 December 2018).

F.14.2. Credit ratings and financial covenants

Credit rating

At 30 June 2019, Cofiroute had the following credit rating from Standard & Poor's:

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

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.

F.15. Information on net cash under management and available resources

At 30 June 2019, Cofiroute had a total of €1,095.1 million of available resources, including €15.1 million in cash and €1,080 million of unused VINCI internal credit line (see Note 15.2.).

F.15.1 Net cash under management

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

(in € millions)	30/06/2019	31/12/2018
Cash equivalents	3.3	227.4
Balance of cash current accounts	*3.3*	*227.4*
Term deposits	*0.0*	*0.0*
Cash	11.8	10.3
Current financial debt	0.0	0.0
Net cash	**15.1**	**237.7**
Cash management financial assets	0.0	0.0
Term accounts	0.0	0.0
Net cash under management	**15.1**	**237.7**

The investment vehicles available to 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 conducted to limit risks to capital and are monitored through a performance and risk control system.

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

At 30 June 2019, total cash under management amounted to €15.1 million.

F.15.2. Other available resources

Revolving credit facilities

Cofiroute has an internal revolving credit line with VINCI of €1,100 million maturing in 2023.

The amounts authorised and used and the maturity of the VINCI credit facility at 30 June 2019 are presented in the following table.

(in € millions)	Used at 30/06/2019	Authorised at 30/06/2019	Maturity within 1 year	Maturity 1 to 5 years	Maturity more than 5 years
VINCI credit facility	20.0	1,100.0		1,100.0	
Total	**20.0**	**1,100.0**		**1,100.0**	

F.16. Information on financial risk management

Exposure to financial risks at 30 June 2019 remained unchanged compared to that at 31 December 2018 as described in Note G.18. to the 2018 financial report.

F.17. Carrying amount and fair value of financial assets and liabilities by accounting category

The method of measuring the fair value of financial assets and liabilities did not change in the first half of 2019.

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

	30/06/2019										
	Accounting categories							Fair value			
Balance sheet headings and classes of instruments	**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
Equity instruments							0.0				0.0
Financial assets at amortised cost and financial receivables (PPP)							0.0				0.0
I – Non-current financial assets							**0.0**				**0.0**
II – Derivative instruments – assets	**(0.4)**	**107.2**					**106.8**		**106.8**		**106.8**
Cash management financial assets – not cash equivalents							0.0		0.0		0.0
Financial current account assets							0.0	0.0			0.0
Cash equivalents			3.3				3.3	3.3			3.3
Cash			11.8				11.8	11.8			11.8
III – Current financial assets			**15.1**				**15.1**	**15.1**	**0.0**	**0.0**	**15.1**
Total assets	**(0.4)**	**107.2**	**15.1**	**0.0**	**0.0**	**0.0**	**121.9**	**15.1**	**106.8**	**0.0**	**121.9**
Bonds						(3,221.2)	(3,221.2)	(3,447.6)	(6.8)		(3,454.4)
Other bank loans and other financial debt						(712.7)	(712.7)		(717.8)		(717.8)
Borrowings relating to finance leases											
IV – Long-term financial debt						**(3,933.8)**	**(3,933.8)**	**(3,447.6)**	**(724.6)**		**(4,172.2)**
V – Derivative liabilities		**(37.5)**					**(37.5)**		**(37.5)**		**(37.5)**
Other current financial liabilities							0.0	0.0			0.0
Financial current account liabilities											
Bank overdrafts											
VI – Current financial liabilities							**0.0**	**0.0**			**0.0**
Total liabilities	**0.0**	**(37.5)**	**0.0**	**0.0**	**0.0**	**(3,933.8)**	**(3,971.3)**	**(3,447.6)**	**(762.1)**	**0.0**	**(4,209.7)**
Total	**(0.4)**	**69.7**	**15.1**	**0.0**	**0.0**	**(3,933.8)**	**(3,849.4)**	**(3,432.5)**	**(655.3)**	**0.0**	**(4,087.8)**

The following table shows the carrying amount and fair value of financial assets and liabilities as published at 31 December 2018 under the categories defined by IAS 9:

	31/12/2018										
	Accounting categories							Fair value			
Balance sheet headings and classes of instruments	**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**
Equity instruments							0.0				0.0
Financial assets at amortised cost and financial receivables (PPP)							0.0				0.0
I – Non-current financial assets							**0.0**				**0.0**
II – Derivative 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							0.0				0.0
Cash equivalents			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)
Borrowings relating to finance leases											
IV – Long-term financial debt						**(3,900.5)**	**(3,900.5)**	**(3,225.8)**	**(726.6)**		**(3,952.4)**
V – Derivative liabilities	**0.4**	**(40.4)**					**(40.0)**		**(40.0)**		**(40.0)**
Other current financial liabilities							0.0	0.0			0.0
Financial current account liabilities											
Bank overdrafts											
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)**
Total	**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)**

G. Employee benefits and share-based payments

G.18. Provisions for employee benefits

In € millions	1st half 2019	2018
Provisions for retirement benefit obligations	22.6	19.7
Other non-current provisions	0.1	0.0
Total non-current provisions at more than one year	**22.7**	**19.7**

Provisions for retirement benefit obligations

Provisions for retirement benefits stood at €22.6 million at 30 June 2019.

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

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

The expense recognised in the first half of 2019 for retirement benefit obligations is half the forecast expense for 2019, determined on the basis of actuarial assumptions as of 31 December 2018.

The impacts arising from changes in assumptions relating to post-employment benefits (discount rate) during the first half of 2019 are recognised in other comprehensive income.

G.19. Share-based payments

Cofiroute employees are eligible for a VINCI Group savings plan and some of them have been awarded free share plans by the parent company VINCI. The overall expense recognised at 30 June 2019 for share-based payments was -€1.4 million, including -€0.5 million in respect of the VINCI Group savings plan.

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Plan in accordance with the authorisations granted to it by the General Shareholders' Meeting.

In France, VINCI performs capital increases reserved for employees three times a year, with a subscription price including a 5% discount on the average stock market price over the 20 trading days preceding the day on which the Board of Directors sets the subscription price.

The subscribers receive an employer's matching contribution limited to €3,500 per person and per year. These benefits granted to the Group's employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:
- length of subscription period: four months;
- length of lock-up period: five years.

H. Other notes

H.20. Transactions with related parties

Transactions with related parties include:

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

There was no significant change in the nature of transactions with parties related to the VINCI Group in the first half of 2019 compared to 31 December 2018.

I. Post-balance sheet events

I.21. Payment of an interim dividend

The Board of Directors met on 25 July 2019 and approved the condensed half-year IFRS individual financial statements at 30 June 2019. It decided to pay an interim dividend in respect of 2019 of €24.69 per share in August 2019.

I.22. Significant events since 30 June 2019

Between 30 June 2019 and the approval of the condensed half-year IFRS individual financial statements by the Board of Directors on 25 July 2019, Cofiroute did not experience any event that merits being included in "Significant events since 30 June 2019".

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

Period from 1 January 2019 to 30 June 2019

COFIROUTE
12-14 rue Louis Blériot
92506 Rueil Malmaison Cedex

To the Shareholders,

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

- carried out a limited review of the accompanying condensed half-year IFRS individual financial statements of Cofiroute for the period from 1 January 2019 to 30 June 2019;
- examined information provided in the half-year management report.

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

Conclusion on the financial statements

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

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

Without qualifying the conclusion expressed above, we draw attention to Note A.3. "Change in Accounting Policies" of the notes to the condensed IFRS individual financial statements, which lays out the change in accounting methods applied as of 1 January 2019 relating to IFRS 16 "Leases".

Specific verifications

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

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

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit
	A department of KPMG SA
Bertrand Baloche	**Karine Dupré**

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

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

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

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

"I certify that, to the best of my knowledge, the condensed half-year IFRS individual financial statements presented in the half-year financial report have been prepared in compliance with applicable accounting standards, that they give a true and fair view of the assets, liabilities, financial position and earnings of Cofiroute and that the half-year management report (shown on pp. 3 to 7) presents a true and fair view of the key events over the first six months of the year and their impact on the half-year financial statements, the principal transactions between the related parties, and a description of the principal risks and uncertainties for the remaining six months of the year".

Marc Bouron

Chief Executive Officer

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