IFRS INDIVIDUAL FINANCIAL STATEMENTS

2016

IFRS Individual financial statements at 31 December 2016

IFRS INDIVIDUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2016

Income statement

(in € millions)	Notes	2016	2015
Revenue	**3.1**	**1,457.7**	**1,387.3**
o/w:			
Operating revenue		*1,363.6*	*1,306.4*
Revenue – construction of new infrastructure assets under concession		*94.1*	*80.9*
Income from ancillary activities		2.4	3.3
Operating expenses	3.2	(692.5)	(683.3)
Operating income from ordinary activities		**767.6**	**707.3**
Share-based payments (IFRS 2)	20	(1.8)	(1.6)
Other current operating items		19.8	0.0
Current operating income		**785.6**	**705.7**
Other non-current operating items		0.0	7.0
Operating income	**3.2**	**785.6**	**712.7**
Cost of gross financial debt		(102.2)	(111.3)
Financial income from cash management investments		1.2	3.1
Cost of net financial debt	**4**	**(101.0)**	**(108.2)**
Other financial income and expenses	4	(7.8)	(5.2)
Income tax expense	5	(200.0)	(223.4)
o/w impact of non-current changes in deferred tax(*)		*31.1*	-
Net income		**476.8**	**375.9**
Net income per share *(in euros)* **– including non-current changes in deferred tax(*)**	**6**	**117.48**	**92.61**
Net income per share *(in euros)* **– excluding non-current changes in deferred tax(*)**		**109.80**	**92.61**

(*) *Cofiroute deferred taxes at 31 December 2016 have been recalculated in line with the latest changes in legislation, in particular the 2017 Finance Act in France, which provides for a reduction in the income tax rate from 33.33% to 28% for all companies with effect from 2020. The impact on Cofiroute's net income stands at €31.1 million (€7.68 per share).*

Comprehensive income statement

(in € millions)	2016	2015
Net income	**476.8**	**375.9**
Changes in fair value of cash flow and net investment hedging instruments[1]	(0.3)	(0.3)
Currency translation differences	0.0	0.1
Tax expense[2]	0.1	0.1
Other comprehensive income items that can be subsequently recycled in net income	**(0.2)**	**(0.1)**
Actuarial gains and losses on retirement benefit obligations	(1.6)	(0.2)
Tax expense	0.6	0.1
Other comprehensive income items that cannot be subsequently recycled in net income	**(1.1)**	**(0.1)**
Total other comprehensive income items recognised directly in equity	**(1.3)**	**(0.2)**
Comprehensive income	**475.5**	**375.7**

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

Balance sheet – Assets

(in € millions)	Notes	31/12/2016	31/12/2015
Non-current assets			
Concession intangible assets	7	4,757.3	4,863.9
Other intangible assets	8	4.2	0.0
Concession property, plant and equipment	8	342.3	357.6
Property, plant and equipment	8	8.4	15.1
Other non-current financial assets	9	0.0	0.0
Non-current derivative instruments, assets	15 - 17	76.6	85.5
Total non-current assets		**5,188.8**	**5,322.1**
Current assets			
Inventories and work in progress	10	2.1	1.6
Trade and other receivables	10	107.5	80.1
Other current operating assets	10	41.0	41.7
Current derivative instruments, assets	15 - 17	77.8	110.6
Cash management financial assets	15	4.0	4.1
Cash and cash equivalents	15	5.6	1,323.3
Total current assets		**238.0**	**1,561.6**
Total assets		**5,426.8**	**6,883.7**

Balance sheet – Equity and liabilities

(in € millions)	Notes	31/12/2016	31/12/2015
Equity			
Share capital		158.3	158.3
Reserves		(116.4)	2,314.9
Net income for the period		476.8	375.9
Transactions recognised directly in equity		(2.7)	(1.4)
Total equity	**13**	**516.0**	**2,847.6**
Non-current liabilities			
Non-current provisions	11	0.2	0.2
Provisions for employee benefits	19	21.7	18.9
Bonds	15	3,030.3	1,780.4
Other loans and borrowings	15	839.9	895.1
Non-current derivative instruments, liabilities		39.2	0.0
Other non-current liabilities		1.8	0.8
Net deferred tax liabilities	5.3	166.6	209.1
Total non-current liabilities		**4,099.8**	**2,904.4**
Current liabilities			
Current provisions	10.4	238.2	245.7
Trade payables	10.1	28.5	38.9
Payables related to non-current assets		34.8	35.0
Other current operating liabilities	10.1	108.4	92.9
Current tax liabilities		31.3	14.9
Current derivative instruments, liabilities	15 - 17	50.9	74.8
Current financial liabilities	15	318.9	629.6
Total current liabilities		**811.1**	**1,131.6**
Total equity & liabilities		**5,426.8**	**6,883.7**

Cash flow statement

(in € millions)		Notes	2016	2015
Net income for the period			**476.8**	**375.9**
Depreciation and amortisation		3.3	246.7	257.2
Net increase/(decrease) in provisions			(11.7)	5.0
Share-based payments and other restatements		20	(0.4)	(1.9)
Gain on disposals			0.3	(6.5)
Cost of net financial debt recognised		4	101.0	108.2
Current and deferred tax expense recognised		5	200.0	223.4
Cash flows from/(used in) operations before tax and financing costs			**1,012.7**	**961.2**
Changes in operating working capital requirement and current provisions		10	(16.4)	(3.1)
Income taxes paid			(224.9)	(226.8)
Net interest paid		4	(103.8)	(106.4)
Cash flows from/(used in) operating activities	**I**		**667.5**	**624.9**
Purchases of property, plant and equipment and intangible assets			*(1.7)*	*(1.4)*
Proceeds from sales of property, plant and equipment and intangible assets			*0.0*	*0.0*
Operating investments (net of disposals)			(1.7)	(1.4)
Operating cash flow			**665.8**	**623.5**
Investments in concession fixed assets (net of grants received)		7 - 8	(121.1)	(111.0)
Free cash flow (after investments)			**544.7**	**512.5**
unconsolidated entities Disposals of holdings			0.0	11.8
Net impact of changes in consolidation scope			0.0	(4.2)
Net cash flows from/(used in) investing activities	**II**		**(122.7)**	**(104.8)**
Dividends paid to Cofiroute SA shareholders		14	(2,806.2)	0.0
Proceeds from new long-term borrowings		15	1,296.3	0.0
Repayment of long-term borrowings		15	(553.2)	(53.4)
Change in cash management assets and other current liabilities		15 - 16	0.1	7.3
Net cash flows from/(used in) financing activities	**III**		**(2,063.0)**	**(46.1)**
Change in net cash	**I + II + III**	**15 - 16**	**(1,518.2)**	**474.0**
Net cash at beginning of period			**1,323.3**	**849.4**
Net cash and cash equivalents at end of period			**(194.9)**	**1,323.3**
Increase/(decrease) in cash management financial assets			(0.1)	(7.3)
(Issue) repayment of borrowings			(743.1)	53.4
Other changes			2.5	(2.1)
Change in net financial debt		**15**	**(2,258.9)**	**518.0**
Net financial debt at beginning of period			(1,856.3)	(2,374.3)
Net financial debt at end of period			**(4,115.2)**	**(1,856.3)**

Statement of changes in equity

	Equity					
(in € millions)	Share capital	Reserves	Currency translation reserves	Transactions recognised directly in equity	Net income	Total
Equity at 01/01/2015	**158.3**	**1,990.6**	**(0.1)**	**(1.1)**	**337.0**	**2,484.6**
Net income for the period					375.9	375.9
Other comprehensive income items			0.1	(0.3)		(0.2)
Comprehensive income for the period	**0.0**	**0.0**	**0.1**	**(0.3)**	**375.9**	**375.7**
Appropriation of net income and dividend payments		336.3			(336.3)	0.0
Share-based payments		(0.7)				(0.7)
Changes in consolidation scope		0.6			(0.6)	0.0
IFRIC 21 restatements		(11.9)				(11.9)
Equity at 31/12/2015	**158.3**	**2,314.9**	**0.0**	**(1.4)**	**375.9**	**2,847.6**
Net income for the period					476.8	476.8
Other comprehensive income items			0.0	(1.3)		(1.3)
Comprehensive income for the period	**0.0**	**0.0**	**0.0**	**(1.3)**	**476.8**	**475.5**
Appropriation of net income and dividend payments		(2,430.3)			(375.9)	(2,806.2)
Share-based payments		(1.0)				(1.0)
Equity at 31/12/2016	**158.3**	**(116.4)**	**0.0**	**(2.7)**	**476.8**	**516.0**

NOTES TO THE IFRS INDIVIDUAL FINANCIAL STATEMENTS

A. General principles and use of estimates

1. Basis of preparation of the financial statements

As required by European regulation N° 1606/2002 of 19 July 2002, Cofiroute's IFRS individual financial statements for the year ended 31 December 2016 have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2016[1].

The financial statements for the year ended 31 December 2016 have been prepared using the same accounting principles as those used for the consolidated financial statements at 31 December 2015.

The IFRS individual financial statements were approved by the Board of Directors on 3 February 2017 and will be submitted for shareholder approval at the General Meeting on 31 March 2017.

1.1. New standards and interpretations applicable from 1 January 2016

No new standard applies for the first time from 1 January 2016. Only a few amendments of standards are applicable mandatory to financial years opened in 2016:

- Amendments to IAS 1 "Presentation of Other Comprehensive Income Items";
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation";
- Amendments to IAS 19 "Employee Benefits";
- Annual improvements, cycle 2010-2012 and cycle 2012-2014.

The implementation of these amendments has no impact on the Cofiroute 2016 individual financial statements.

1.2. Standards and interpretations adopted by the IASB but not yet applicable on 31 December 2016

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 9 "Financial Instruments";
- IFRS 15 "Revenue from Contracts with Customers";
- IFRS 16 "Leases";
- amendments to IAS 7 "Disclosure initiative";
- amendments to IAS 12 "Recognition of deferred tax assets for unrealised losses";
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- annual improvements, 2014-2016 cycle.

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

2. Use of Estimates

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the amounts reported 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.

[1] *Available at: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.*

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.18. "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 as well;
- level 2: internal model with observable inputs from internal valuation techniques: these techniques use the usual mathematical calculation methods integrating observable market data (forward rates, 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 only to holdings of unlisted shares in Toll Collect, which are measured at 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.

Measurement of share-based payments (IFRS 2 expense)

Cofiroute recognises a share-based payment expense for the granting of stock options (offers to subscribe to or purchase shares), performance share plans and shares to certain employees under 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 the Group are described by plan in Note K.28. "Share-based payments".

B. Key events of the period

Bond issue as part of its EMTN programme

As part of its EMTN programme in September 2016, Cofiroute carried out a bond issue of €1.3 billion divided into two equal shares (€650 million each); one tranche maturing in February 2025 with an annual coupon rate of 0.375% per year, and a second tranche maturing in September 2028, with an annual coupon rate of 0.75%.

This bond issue enables Cofiroute to benefit from favourable market conditions and hence to continue to optimise the cost of its debt while extending its average maturity (see Note G.15. "Information on financial debt").

C. Major components of the income statement

3. Revenue and operating profit

3.1. Revenue

Accounting principles

Cofiroute recognises revenue in accordance with IAS 18 "Revenue" and IAS 11 "Construction Contracts". The method for recognising revenue in respect of concession contracts is explained in Note D. "Concession contracts" hereafter. Revenue includes:

- toll revenue received on road infrastructure operated under concession, fees for commercial facilities and rent income on telecommunications infrastructure facilities and advertising space;
- revenue recognised for the construction of new infrastructure assets under concession according to the percentage of completion method of accounting under IAS 11.

(in € millions)	2016	2015
Toll revenue	1,345.2	1,291.8
Revenue – Other	18.3	14.6
Operating revenue	**1,363.5**	**1,306.4**
Revenue – construction of new infrastructure assets under concession	94.1	80.9
Total revenue	**1,457.7**	**1,387.3**

3.2. Operating income

Accounting principles

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)	2016	2015
Revenue	**1,457.7**	**1,387.3**
o/w:		
Operating revenue	*1,363.5*	*1,306.4*
Revenue – construction of new infrastructure assets under concession	*94.1*	*80.9*
Income from ancillary activities	**2.4**	**3.3**
Construction expenses	(94.1)	(80.9)
Purchases consumed	(8.4)	(10.0)
External services	(77.8)	(75.8)
Taxes	(168.8)	(161.6)
Employment costs	(92.8)	(94.8)
Other operating income and expenses[1]	(0.3)	(0.5)
Depreciation and amortisation	(246.7)	(257.2)
Net provision expense and other	(3.6)	(2.6)
Operating expenses	**(692.5)**	**(683.3)**
Operating income from ordinary activities	**767.6**	**707.3**
% of revenue[2]	*56.3%*	*54.1%*
Share-based payments	(1.8)	(1.6)
Other current operating items	19.8	0.0
Current operating income	**785.6**	**705.7**
Scope effects and gains or losses on disposals of securities	0.0	7.0
Operating income	**785.6**	**712.7**
% of revenue[2]	*57.6%*	*54.6%*

[1] *Capital gains or losses net of disposal of property, plant and equipment and intangible assets.*
[2] *% calculated on the basis of revenue excluding the construction of new concession infrastructure assets.*

Other current operating items notably include the impact of changes in the indexing clauses used in the measurement of provisions for the obligation on the upkeep of the concession assets (see Note G.10.4. "Breakdown of current provisions").

3.3. Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2016	2015
Concession intangible assets	(197.1)	(202.3)
Concession property, plant and equipment	(45.2)	(50.1)
Property, plant and equipment and intangible assets	(4.4)	(4.8)
Depreciation and amortisation	**(246.7)**	**(257.2)**

Depreciation and amortisation for the period relating to the concession intangible assets includes the full-year effects of the motorway stimulus plan launched during the second half of 2015 which extended the duration of the concession contract by 2 years and 6 months for the Cofiroute interurban network.

4. Financial income and expenses

Accounting principles:

The cost of net financial debt includes:

- the cost of gross financial debt, which includes interest expense calculated at the effective interest rate and gains and losses on interest rate derivatives relating to gross debt, whether or not they are designated as hedging instruments for accounting purposes;
- financial income from investments, which includes revenue generated by investments in cash and cash equivalents. Investments in cash and cash equivalents are measured at fair value in the income statement.

Other financial income and expenses mainly comprise discounting income and expenses, capitalised borrowing costs, foreign exchange gains and losses, and changes in the value of derivatives not related to interest-rate and foreign-exchange risk management.

Capitalised borrowing costs relate to the concession works and are incorporated in the value of non-current assets during the construction period. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings funds;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

(in € millions)	2016	2015
Cost of gross financial debt	**(102.2)**	**(111.3)**
Financial income from cash management investments	1.2	3.1
Cost of net financial debt	**(101.0)**	**(108.2)**
Capitalised borrowing costs	0.0	0.0
Discounting costs	(7.8)	(5.3)
Foreign exchange gains and losses	0.0	0.1
Other financial expenses and revenue	**(7.8)**	**(5.2)**

The cost of net financial debt amounted to €101 million in 2016 against €108.2 million in 2015. This decrease of €7.2 million from one year to the next is primarily due to the refinancing to better terms of repayments made in 2015 and 2016 and the lower interest rates on the variable-rate portion of the debt.

Other financial income and expenses came out at a loss of €7.8 million at 31 December 2016, up from a loss of €5.2 million at 31 December 2015.

Other financial expenses include discounting costs, which totalled -€7.8 million at 31 December 2016, up from a loss of €5.3 million at 31 December 2015.

Discounting costs primarily consist of provisions for the obligation to maintain infrastructure assets under concession in good condition, which increased to -€7.5 million at 31 December 2016, up from -€4.9 million at 31 December 2015, and provisions for retirement benefits at -€0.4 million at 31 December 2016 from -€0.4 million 31 December 2015.

Financial income and expenses break down as follows by category of financial assets and liabilities:

	31/12/2016		
(in € millions)	Cost of net financial debt	Other financial expenses and revenue	Equity
Liabilities at amortised cost	(131.2)		
Assets and liabilities measured at fair value through earnings	1.2		
Derivatives designated as hedges: assets and liabilities	28.0		0.0
Derivatives measured at fair value through earnings: assets and liabilities	1.1		
Discounting costs		(7.8)	
Foreign exchange gains and losses		0.0	
Total financial income and expenses	**(101.0)**	**(7.8)**	**0.0**

	31/12/2015		
(in € millions)	Cost of net financial debt	Other financial expenses and revenue	Equity
Liabilities at amortised cost	(138.1)		
Assets and liabilities measured at fair value through earnings	3.1		
Derivatives designated as hedges: assets and liabilities	26.7		0.0
Derivatives measured at fair value through earnings: assets and liabilities	0.2		
Discounting costs		(5.3)	
Foreign exchange gains and losses		0.1	
Total financial income and expenses	**(108.2)**	**(5.2)**	**0.0**

Gains and losses on derivatives relating to borrowings (derivatives designated as hedging instruments) break down as follows:

(in € millions)	31/12/2016	31/12/2015
Net interest from derivatives designated as fair value hedges	27.7	26.3
Change in value of derivatives designated as fair value hedges	(53.7)	(21.0)
Change in value of the adjustment to hedged financial liabilities at fair value	53.7	21.0
Reserve transferred to income in respect of cash flow hedges	0.3	0.3
of which, the change in fair value of derivative instruments qualifying as cash flow hedges	*0.3*	*0.3*
Ineffective portion of cash flow hedges	0.0	0.0
Gains and losses on derivative instruments allocated to net financial debt	**28.0**	**26.7**

5. 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 climbed to €200 million at 31 December 2016, from €223.4 million at 31 December 2015.

5.1. Breakdown of net tax expense

(in € millions)	2016	2015
Current tax	(241.8)	(229.9)
Deferred tax	41.8	6.6
Total taxes	**(200.0)**	**(223.4)**

Net tax expense for the period reflects:

- tax recorded by Cofiroute, belonging to the VINCI tax 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 28% with effect from 2020 with an impact of €31.1 million).

5.2. Effective tax rate

The effective tax rate fell from 37.28% in 2015 to 34.16% during 2016, excluding the impact of the reduction in the corporate income tax rate. This decrease is predominantly explained by the scrapping in 2016 of the 10.7% increase in the corporate income tax rate in France, which took it to 38% in 2015.

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)	2016	2015
Income before tax	676.8	599.2
Theoretical tax rate in force in France	34.43%	38.00%
Theoretical tax expense	**(233.0)**	**(227.7)**
Permanent differences and other	33.0	4.3
Recognised tax expense	**(200.0)**	**(223.4)**
Effective tax rate	29.55%	37.28%

The permanent differences include in particular the effects stemming from the fact that most components of the share-based payment expense are not tax deductible.

5.3. Breakdown of deferred tax assets and liabilities

		Changes in part at less			
(in € millions)	31/12/2016	Net income	Share capital	Other	31/12/2015
Deferred tax assets					
Retirement benefit obligations	7.4	(0.5)	0.6		7.4
Temporary differences on provisions	11.4	2.0			9.4
Concession intangible assets (capitalised borrowing costs and other)	9.1				9.1
Fair value adjustment on financial instruments	0.7		0.1		0.6
Other	37.3	2.2	0.0	0.0	35.1
Total	**65.9**	**3.7**	**0.7**	**0.0**	**61.6**
Deferred tax liabilities					
Fair value adjustment on financial instruments	0.1	0.0			0.1
Provisions	12.2	(1.1)			13.4
Concession intangible assets (capitalised borrowing costs and other)	206.7	(34.8)			241.5
Tax-regulated depreciation and amortisation	8.7	(0.8)			9.5
Other	4.9	(1.3)		0.0	6.2
Total	**232.6**	**(38.1)**	**0.0**	**0.0**	**270.7**
Net deferred taxes	**(166.6)**	**41.8**	**0.7**	**0.0**	**(209.1)**

Temporary differences mainly relate to concession intangible assets and declined to €206.7 million at 31 December 2016 from €241.5 million at 31 December 2015.

5.4. Unrecognised deferred taxes

Certain deferred tax assets are not recognised because it is deemed unlikely that taxable income will be available. They remained unchanged at €7.3 million at 31 December 2016, unchanged from 31 December 2015, and relate to the impairment of Toll Collect shares.

6. Earnings per share

Accounting principles

Earnings per share before dilution (basic earnings per share) corresponds to the net income, applied to the number of shares for the year.

The Company's share capital is comprised of 4,058,516 shares, unchanged from 2015 and 2016. 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 2016, as in 2015, stood at 4,058,516.

Earnings per share rose to €117.48 in 2016 from €92.61 in 2015.

D. Service Concession Contracts

Accounting principles

At Cofiroute and according to the provisions of IFRIC 12 "Service Concession Arrangements", a concession operator has two business activities:

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

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

In accordance with this model, the concession operator's right to receive toll or other revenue is recognised in the balance sheet under "Concession intangible assets" (see Note D.7.1. "Concession intangible assets").

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

This model has been applied to two Cofiroute concession contracts.

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

7. Concession intangible assets

7.1. Details of intangible assets under concession

(in € millions)	Cost of infrastructure in service(*)	Advances and outstanding amounts	Total
Gross			
At 01/01/2015	**7,926.3**	**106.1**	**8,032.4**
Acquisitions during the period	15.7	65.2	80.9
Disposals during the period	0.0	0.0	0.0
Other movements	67.4	(74.2)	(6.8)
	8,009.4	**97.1**	**8,106.5**
Grants received	(4.8)	0.0	(4.8)
At 31/12/2015	**8,004.6**	**97.1**	**8,101.7**
Acquisitions during the period	16.4	77.8	94.1
Disposals during the period	0.0	0.0	0.0
Other movements	(14.3)	(52.8)	(67.0)
	8,006.7	**122.1**	**8,128.8**
Grants received	0.0	0.0	0.0
At 31/12/2016	**8,006.7**	**122.1**	**8,128.8**
Depreciation			
At 01/01/2015	**(3,035.1)**		**(3,035.1)**
Amortisation during the period	(202.3)		(202.3)
Other movements	(0.4)		(0.4)
At 31/12/2015	**(3,237.8)**		**(3,237.8)**
Amortisation during the period	(197.1)		(197.1)
Other movements	63.4		63.4
At 31/12/2016	**(3,371.5)**		**(3,371.5)**
Net			
At 01/01/2015	**4,891.2**	**106.1**	**4,997.3**
At 31/12/2015	**4,766.7**	**97.1**	**4,863.9**
At 31/12/2016	**4,635.2**	**122.1**	**4,757.3**

(*) *After deduction of grants.*

The increase in intangible assets under concession in gross value corresponds mainly to the €94.1 million of acquisitions made in 2016 (against €80.9 million in 2015). They include assets under construction amounting to €77.8 million in 2016 related primarily to investments under plan No. 3 contract, phase 2 of plan Rider 11 and the motorway stimulus plan.

7.2. Main characteristics of concession contracts

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

2016	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Accounting model
Cofiroute						
Interurban toll motorway network – France (1,100 km of toll motorways)	Pricing regulation as defined in the concession contract. Rate increases subject to the approval of the concession grantor.	Users	None	Infrastructure returned to grantor for no consideration at the end of the contract unless purchased before term by the grantor on the basis of its economic value.	Contract end: 30 June 2034	Intangible asset
A86 Duplex – France (11 km-long toll tunnel)	Pricing regulation as defined in the concession contract. Rate increases subject to the approval of the concession grantor.	Users	None	Infrastructure returned to grantor for no consideration at the end of the contract unless purchased before term by the grantor on the basis of its economic value.	Contract end: end of December 2086	Intangible asset

7.3. Commitments given under concession contracts

Contractual investment and renewal obligations

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.

Cofiroute has a well-defined contractual framework of concession contracts and master contracts, and enjoys good visibility with respect to its outlook.

As at 31 December 2016, the total investment commitment provided for under the concession contracts is €1,010 million compared with €1,163 million in 2015.

E. Other balance items and commitments related to the business

8. Property, plant and equipment and other intangible assets

8.1. 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 fixed assets operating under concession that are not controlled by the grantor but that are 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)	Concession property, plant and equipment	Land	Fixtures and fittings	Plant, equipment and fixtures	Total
Gross					
At 01/01/2015	**808.3**	**1.1**	**10.7**	**36.1**	**856.3**
Acquisitions during the period	27.9	0.0	0.1	1.3	29.3
Disposals during the period	(8.6)	(0.0)	0.0	(0.0)	(8.7)
Other movements	5.9	0.0	0.3	(0.1)	6.0
At 31/12/2015	**833.4**	**1.1**	**11.1**	**37.3**	**882.9**
Acquisitions during the period	27.4	0.0	1.0	0.8	29.1
Disposals during the period	(3.6)	(0.0)	(0.2)	(0.1)	(3.9)
Other movements	5.5	0.3	(21.1)	(8.6)	(24.0)
At 31/12/2016	**862.7**	**1.4**	**(9.2)**	**29.3**	**884.2**
Depreciation					
At 01/01/2015	**(434.3)**		**(3.6)**	**(26.2)**	**(464.1)**
Amortisation during the period	(50.1)		(1.8)	(3.0)	(54.8)
Disposals during the period	8.5		0.0	0.0	8.6
Other movements	0.0		0.0	0.2	0.2
At 31/12/2015	**(475.8)**		**(5.4)**	**(29.0)**	**(510.2)**
Amortisation during the period	(45.2)		(2.6)	(1.9)	(49.6)
Other movements	0.5		20.9	4.8	26.2
At 31/12/2016	**(520.5)**		**12.9**	**(26.0)**	**(533.6)**
Net					
At 01/01/2015	**374.1**	**1.1**	**7.1**	**9.8**	**392.2**
At 31/12/2015	**357.6**	**1.1**	**5.7**	**8.3**	**372.7**
At 31/12/2016	**342.3**	**1.4**	**3.7**	**3.3**	**350.6**

8.2. Other intangible assets

They mainly include software licenses and software. They are stated at acquisition cost less accumulated depreciation and, if any accumulated impairment losses. They are amortised on a straight-line basis over their useful life.
The net value of the other intangible assets amounts to €4.2 million at 31 December 2016. These include software, patents, licences and other intangible assets, representing a gross value of €29.7 million.
Cumulative depreciation recorded at the end of 2016 stands at €25.5 million.

8.3. Impairment of non-financial non-current assets

Impairment tests must be performed on intangible assets and property, plant and equipment under certain circumstances. For current assets under construction, a test is performed at least once a year, and whenever there is an indication that the asset may be impaired. For other fixed assets, a test is performed only when an indication of impairment appears. In accordance with IAS 36, the criteria for assessing the value of impairment losses are either external criteria (e.g. significant changes in market data, etc.) or internal criteria (e.g. significant decrease in revenue, etc.). Assets tested for impairment are grouped within cash-generating units (CGUs), defined as homogenous assets that generate identifiable cash inflows. If a CGU's recoverable amount is lower than its net carrying amount, an impairment loss is recognised under operating income. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is the discounted present value of the future cash flows expected to arise from an asset or CGU. The discount rate is determined for each cash-generating unit, according to its geographical location and the risk profile of its business.

No impairment loss was recorded for 2016.

9. Other non-current financial assets

Available-for-sale assets on 31 December 2016 include the 10% stake in Toll Collect in Germany for €47 million, fully depreciated.

10. Working capital requirement and current provisions

Accounting principles

Trade and other operating receivables are current financial assets. They are initially measured at their fair value, i.e. generally their nominal value, unless they have been significantly discounted. At each period, trade receivables and other operating current assets are measured at amortised cost less impairment losses, taking into account any risks of non-recovery.

An estimate of the probability of non-recovery is made at each balance sheet date and an impairment loss is recognised if necessary. The likelihood of non-recovery is assessed in the light of payment delays and guarantees obtained.

Inventories are recognised at their acquisition cost. They mainly comprise supplies needed to maintain motorways and keep them open for traffic (chloride and fuel). At each closing date, they are measured by the method of weighted average cost (WAC).

10.1. Change in working capital requirement

			2016-2015 changes	
(in € millions)	31/12/2016	31/12/2015	Related to operations	Other changes
Inventories and work in progress (net)	2.1	1.6	0.4	0.0
Trade and other receivables	107.5	80.1	27.4	0.0
Other current operating assets	41.0	41.7	(0.8)	(0.0)
Inventories and operating receivables (I)	**150.6**	**123.5**	**27.0**	**(0.0)**
Trade payables	(28.5)	(38.9)	10.4	0.0
Other current operating liabilities	(107.8)	(91.7)	(16.0)	0.0
Suppliers and other operating payables (II)	**(136.3)**	**(130.6)**	**(5.7)**	**0.0**
Working capital requirement (Before current provisions) (I + II)	**14.3**	**(7.1)**	**21.4**	**(0.0)**
Current provisions	**(238.2)**	**(245.7)**	**(5.0)**	**12.4**
o/w part of less than one year of non-current provisions	*(0.6)*	*0.0*	*(0.0)*	*(0.6)*
Working capital requirement (after current provisions)	**(223.9)**	**(252.7)**	**16.4**	**12.4**

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.

10.2. Current operating assets and liabilities

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

		Maturity				
		Within 1 year				
(in € millions)	31/12/2016	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years
Inventories and work in progress (net)	2.1	2.1				
Trade and other receivables	107.5	107.5				
Other current operating assets	41.0	34.7	0.2	0.4	2.7	3.0
Inventories and operating receivables (I)	**150.6**	**144.3**	**0.2**	**0.4**	**2.7**	**3.0**
Trade payables	(28.5)	(28.5)				
Other current operating liabilities	(107.8)	(96.6)	(11.2)			
Suppliers and other operating payables (II)	**(136.3)**	**(125.1)**	**(11.2)**	**0.0**	**0.0**	**0.0**
Working capital requirement (Before current provisions) (I + II)	**14.3**	**19.2**	**(11.0)**	**0.4**	**2.7**	**3.0**

10.3. Trade receivables

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

(in € millions)	31/12/2016	31/12/2015
Trade receivables invoiced	24.8	23.3
Impairment of trade receivables	(8.5)	(10.1)
Net trade receivables	**16.3**	**13.2**

On 31 December 2016 the breakdown of trade receivables and impairment is as follows:

		Within 1 year			
(in € millions)	31/12/2016	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years
Trade receivables invoiced	24.8	22.0	0.1	0.1	2.6
Impairment of trade receivables	(8.5)	(1.1)	(0.6)	(2.3)	(4.5)

10.4. 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 expenses".

In 2016 and 2015, current provisions recognised as liabilities in the balance sheet changed in the following manner:

(in € millions)	Opening	Additions	Provisions used	Other reversals not used	Other	Change in the part at less than one year of non-current provisions	Closing
01/01/2015	**220.9**	**51.0**	**(22.1)**	**(7.9)**	**0.0**	**(2.2)**	**239.8**
Provisions for site restoration	0.3		(0.2)				0.1
Obligation to maintain the condition of concession intangible assets	234.8	29.9	(23.1)	(0.6)			241.0
Other liabilities	4.5	2.2	(2.2)				4.5
Reclassification of the part at less than one year of non-current provisions	0.2					(0.2)	0.0
31/12/2015	**239.8**	**32.2**	**(25.5)**	**(0.6)**	**0.0**	**(0.2)**	**245.7**
Provisions for site restoration	0.1			(0.1)			0.0
Obligation to maintain the condition of concession intangible assets	241.0	17.9	(0.1)	(5.4)	(19.9)		233.6
Other liabilities	4.5	3.8	(1.3)	(2.3)			4.6
Reclassification of the part at less than one year of non-current provisions	0.0						0.0
31/12/2016	**245.7**	**21.7**	**(1.5)**	**(7.8)**	**(19.9)**	**0.0**	**238.2**

Current provisions (including due within one year of non-current provisions) are directly related to the operating cycle. The above provisions amount to €238.2 million as at 31 December 2016 (compared with €245.7 million at 31 December 2015) and mainly relate to provisions for the obligation to maintain the condition of concession. They mostly consist of provisions for the obligation to maintain infrastructure assets under concession in good condition.

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 €233.6 million at 31 December 2016, up from €241 million at 31 December 2015.

11. Non-current provisions

Non-current provisions (€0.2 million) are recognised when, at the balance sheet date, Cofiroute has a legal or constructive present obligation to a third party arising from a past event. whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and whenever the amount of the obligation can be reliably measured. These provisions are measured at their discounted value, corresponding to the best estimate of the use of resources required to settle the obligation.

The part of provisions that are not directly related to the operating cycle is reported under "Current provisions".

12. Other contractual obligations and commitments given and received

The commitments given and received by Cofiroute under concession contracts are included in Note D.7.3. to the consolidated financial statements.

Other contractual obligations

Operating lease commitments totalled €12.1 million at 31 December 2016 and mostly related to real estate rental contracts. These commitments break down by maturity in the following manner:

(in € millions)	31/12/2016	Within 1 year	Between 1 and 5 years	> 5 years
Operating leases	12.1	5.3	6.8	0.0

F. Equity

13. Information related to equity

13.1. Share capital

The Company's share capital is comprised of 4,058,516 shares, unchanged from 2016 and 2015. The Company has not issued any instrument granting rights to shares.

13.2. Distributable reserves and statutory reserve

At 31 December 2016, Cofiroute's distributable reserves amounted to €2,480,5 million, up from €2,096,4 million at 31 December 2015, while its statutory reserve remained unchanged at €15.8 million.

13.3. Transactions recognised directly in equity

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

(in € millions)	31/12/2016	31/12/2015
Cash flow hedges		
Reserve at beginning of period	1.6	1.9
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 at balance sheet date	**1.3**	**1.6**
Gross reserve before tax at balance sheet date (recyclable items in the income statement)	**1.3**	**1.6**
Associated tax effect	(0.4)	(0.5)
Reserve net of tax (recyclable items in the income statement)	**0.8**	**1.0**
Actuarial gains and losses on retirement benefit obligations		
Reserve at beginning of period	(3.7)	(3.6)
Actuarial gains and losses recognised in the period	(1.6)	(0.2)
Gross reserve before tax at balance sheet date	**(5.4)**	**(3.7)**
Gross reserve before tax at balance sheet date (non-recyclable items in the income statement)	**(5.4)**	**(3.7)**
Associated tax effect	1.8	1.3
Reserve net of tax (non-recyclable items in the income statement)	**(3.5)**	**(2.5)**
Total items recognised directly in equity		
Gross reserve before tax effect at balance sheet date	(4.1)	(2.2)
Associated tax effect	1.4	0.7
Reserve net of tax	**(2.7)**	**(1.4)**

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 17.1.3. "Description of cash flow hedges".

14. Dividends

An interim dividend of €2,806.2 million was paid in relation to the distribution of retained earnings and a proportion of the net income for the period.

The total amount of the dividend that will be paid out for 2016 will be submitted for approval at the Ordinary General Shareholders' Meeting.

G. Financing and financial risk management

15. 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 instruments designated as hedging instruments is reported under "Other current financial liabilities".

At 31 December 2016, net financial debt, as defined by the Group, increased by €2,258.9 million from 31 December 2015 to €4,115.2 million.

Net financial debt breaks down as follows:

		31/12/2016					31/12/2015				
(in € millions)		Non-Current	Ref.	Current[*]	Ref.	Total	Non-Current	Ref.	Current[*]	Ref.	Total
Financial instruments recognised at amortised cost	Bonds	(3,030.3)	(1)	(58.4)	(3)	(3,088.7)	(1,780.4)	(1)	(569.6)	(3)	(2,350.0)
	Other bank loans and other financial liabilities	(839.9)	(2)	(60.0)	(3)	(899.9)	(895.1)	(2)	(59.9)	(3)	(955.0)
	Long-term financial liabilities	**(3,870.2)**		**(118.4)**		**(3,988.6)**	**(2,675.5)**		**(629.6)**		**(3,305.0)**
	Other current financial liabilities			(200.5)	(3)	(200.5)					
	Bank overdrafts										
	I – Gross financial liabilities	**(3,870.2)**		**(318.9)**	**(3)**	**(4,189.1)**	**(2,675.5)**		**(629.6)**		**(3,305.0)**
	o/w impact of fair value hedges	(37.4)		0.0		*(37.4)*	(85.5)		(5.6)		*(91.1)*
Financial assets measured at fair value through earnings	Cash management financial assets - not cash equivalents			4.0	(4)	4.0			4.1	(4)	4.1
	Cash equivalents								1,313.8	(5)	1,313.8
	Cash			5.6	(5)	5.6			9.6	(5)	9.6
	II – Financial assets	**0.0**		**9.6**		**9.6**	**0.0**		**1,327.4**		**1,327.4**
Derivatives	Derivative financial instruments – liabilities	(39.2)	(7)	(50.9)	(8)	(90.1)	0.0	(7)	(74.8)	(8)	(74.8)
	Derivative financial instruments – assets	76.6	(6)	77.8	(9)	154.5	85.5	(6)	110.6	(9)	196.1
	III – Derivative instruments	**37.4**		**26.9**		**64.3**	**85.5**		**35.9**		**121.3**
	Net financial debt (I + II + III)	**(3,832.8)**		**(81.8)**		**(4,115.2)**	**(2,590.0)**		**733.7**		**(1,856.3)**

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

Reconciliation of net financial debt with balance sheet items:

(in € millions)	Ref.	31/12/2016	31/12/2015
Non-current bonds	(1)	(3,030.3)	(1,780.4)
Other non-current financial liabilities	(2)	(839.9)	(895.1)
Current financial liabilities	(3)	(318.9)	(629.6)
Cash management financial assets	(4)	4.0	4.1
Cash and cash equivalents	(5)	5.6	1,323.3
Non-current derivative instruments, assets	(6)	76.6	85.5
Non-current derivative instruments, liabilities	(7)	(39.2)	0.0
Current derivative instruments, liabilities	(8)	(50.9)	(74.8)
Current derivative instruments, assets	(9)	77.8	110.6
Net financial debt		**(4,115.2)**	**(1,856.3)**

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

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

15.1. Breakdown of long-term financial liabilities

At 31 December 2016, long-term financial liabilities recognised in the balance sheet stood at €3,988.6 million, an increase of €683.6 million compared to 31 December 2015.

This increase in long-term financial liabilities is principally due to:

- new financing for the amount of €1.3 billion from a bond issue as part of its EMTN programme (Euro Medium Term Notes), divided into two equal shares (€650 million each); one tranche maturing in February 2025, with an annual coupon rate of 0.375% and a second tranche maturing in September 2028, with an annual coupon rate of 0.75%;
- with repayments for the amount of €552.7 million.

Long-term financial liabilities at 31 December 2016 showed the following characteristics:

	31 December 2016						31/12/2015	
(in € millions)	Currency	Contractual interest rate	Maturity	Nominal amount outstanding	Value in the balance sheet	o/w accrued interest not yet due	Nominal amount outstanding	Value in the balance sheet
Bonds								
2001 bond issue	EUR	5.875%	08 October 2016	0.0	0.0	0.0	300.0	310.1
2001 bearer bond issue	EUR	5.875%	08 October 2016	0.0	0.0	0.0	200.0	203.6
2003 bond issue	EUR	5.250%	30 April 2018	600.0	625.7	21.2	600.0	628.8
2006 bond issue	EUR	5.000%	24 May 2021	750.0	840.8	22.8	750.0	845.3
2006 bearer bond issue	EUR	5.000%	24 May 2021	350.0	352.1	10.6	350.0	350.3
2016 bond issue	EUR	0.750%	09 September 2028	650.0	614.4	1.5	0.0	0.0
2016 bond issue	EUR	0.375%	07 February 2025	650.0	644.5	0.8	0.0	0.0
May 2011 Company Savings Plan	EUR	4.500%	03 May 2016	0.0	0.0	0.0	1.1	1.1
May 2012 Company Savings Plan	EUR	4.750%	03 May 2017	1.1	1.2	0.0	1.1	1.2
May 2013 Company Savings Plan	EUR	4.250%	04 May 2018	8.8	9.3	0.2	8.8	9.5
May 2021 Company Savings Plan	EUR	3.250%	01 May 2021	0.6	0.7	0.0	0.0	0.0
Other bank loans and other financial liabilities								
EIB March 2002	EUR	EIB RATE	13 March to 27 March	55.0	55.0	0.0	60.0	60.0
EIB December 2002	EUR	EUR 3M + 0.121%	December-13 to December-27	36.7	36.7	0.0	40.0	40.0
EIB March 2003	EUR	5.080%	26 March 2018	75.0	82.6	2.9	75.0	86.1
EIB December 2004	EUR	EIB RATE	15 December 2019	200.0	200.0	0.0	200.0	200.0
EIB December 2005	EUR	4.115%	December-12 to December-25	133.6	134.1	0.5	145.8	146.3
EIB December 2006	EUR	4.370%	December-13 to December-29	38.2	38.3	0.1	41.2	41.3
EIB June 2007	EUR	4.380%	June-14 to June-29	170.6	174.4	3.8	183.8	187.9
EIB November 2008	EUR	EUR 3M + 0.324%	November-13 to November-28	187.5	179.8	0.0	203.1	194.7
Credit facility	EUR	0.105%	15 May 2021		(1.0)	0.1		(1.3)
Long-term financial liabilities				**3,907.2**	**3,988.6**	**64.6**	**3,159.9**	**3,305.0**

15.2. 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 2016, breaks down as follows:

	31/12/2016							
(in € millions)	Value in the balance sheet	Capital and interest cash flows	≤ 3 months	> 3 months ≤ 6 months	> 6 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years
Bonds								
Share capital	(3,088.7)	(3,010.6)	0.0	(1.1)	0.0	(608.9)	(1,100.6)	(1,300.0)
Interest payments cash flow		(417.9)	(1.0)	(86.9)	(4.9)	(94.2)	(187.0)	(43.9)
Other bank loans and other financial liabilities								
Share capital	(899.9)	(896.7)	(5.0)	(16.5)	(31.2)	(128.2)	(362.7)	(353.1)
Interest payments cash flow		(100.9)	(3.8)	(7.5)	(7.2)	(17.3)	(32.8)	(32.3)
Sub total: long-term financial liabilities	**(3,988.6)**	**(4,426.1)**	**(9.8)**	**(112.0)**	**(43.3)**	**(848.5)**	**(1,683.2)**	**(1,729.3)**
Other current financial liabilities	(200.5)	(200.5)	(200.5)					
I – Financial liabilities	**(4,189.1)**	**(4,626.6)**	**(210.4)**	**(112.0)**	**(43.3)**	**(848.5)**	**(1,683.2)**	**(1,729.3)**
Cash management financial assets	4.0	4.0	4.0					
Cash equivalents	0.0	0.0	0.0					
Cash	5.6	5.6	5.6					
II – Financial assets	**9.6**	**9.6**	**9.6**					
Derivative Financial Instruments – Liabilities	(90.1)	(5.3)	0.9	(26.8)	4.2	(22.5)	12.2	26.8
Derivative Financial Instruments – Assets	154.5	155.0	1.4	54.2	(4.7)	51.8	52.3	0.0
III – Derivative financial instruments	**64.3**	**149.7**	**2.2**	**27.4**	**(0.4)**	**29.3**	**64.5**	**26.8**
Net financial debt (I + II + III)	**(4,115.2)**	**(4,467.3)**	**(198.5)**	**(84.6)**	**(43.7)**	**(819.3)**	**(1,618.6)**	**(1,702.5)**
Trade accounts payable	(63.3)	(63.3)	(63.3)					

At 31 December 2016, the average maturity of Cofiroute's long-term financial liabilities was up to 5.9 years from 4.1 years at 31 December 2015.

15.3. Financing agreements

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

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

15.4. Credit rating

At 31 December 2016, the Group was rated by Standard & Poor's as follows:

- long-term: A- outlook stable.

16. Information regarding the net cash under management 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 include money market UCITS and certificates of deposit starting with a maturity of less than three months. 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 2016, the Group had a total of €509.6 million of available resources, including €9.6 million in net cash managed and €500 million made up of confirmed and unused medium-term bank credit lines.

16.1. Breakdown of net cash under management

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

(in € millions)	31/12/2016	31/12/2015
Cash equivalents	**0.0**	**1,313.8**
Balance of cash management current accounts	*0.0*	*311.7*
Term deposits	*0.0*	*1,002.0*
Cash	**5.6**	**9.6**
Net cash	**5.6**	**1,323.3**
Cash management financial assets	**4.0**	**4.1**
Term accounts	*4.0*	*4.1*
Net cash under management	**9.6**	**1,327.4**

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

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

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

At 31 December 2016, the Group had total outstandings of €9.6 million in cash under management.

16.2. Bank credit facilities

Cofiroute has a revolving credit line of €500 million with a maturity that was extended to May 2021.

17. Information on financial risk management

Accounting principles

The Group 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 criteria set out in IAS 39 are met:

- the hedging relationship is formally designated and documented at inception;
- the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively from the outset and at each reporting.

Changes in fair value from one period to another are recognised differently depending on whether they are classified as:

- 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). Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

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 taken to the income statement under the same line item as the hedged item — i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise — when the hedged cash flow affects the income statement.

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.

Management rules

Given the high level of its net financial debt and associated financial income, the Group has set up a system to manage and monitor its various financial risks, and principally interest rate risk; Cofiroute's IFRS net debt is entirely denominated in euros.

The Group's Finance Department is generally in charge of managing and limiting these financial risks, in accordance with the management policies approved by the Audit Committee and the guidelines issued by the Treasury and Finance Committees.

The Treasury Committee is responsible for identifying, assessing and hedging financial risks. Furthermore, the Group uses the information system of its parent company, VINCI.

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

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

		31/12/2016	31/12/2015
(in € millions)	Notes	Fair value(*)	Fair value(*)
Interest rate derivatives: Fair value hedging	17.1.2	55.6	109.8
Interest rate derivatives: Cash flow hedges	17.1.3	0.0	0.0
Interest rate derivatives: Not designated as hedging instruments	17.1.4	7.9	11.9
Other derivatives		0.8	(0.3)
Interest rate derivatives		**64.3**	**121.3**

(*) *The fair value includes unpaid accrued interest amounting to €20.9 million at 31/12/2016 and €21.3 million at 31/12/2015.*

17.1. Interest rate risk management

Interest rate risk is managed with two time scales: a long-term time scale, aiming to ensure and optimise the concession's financial equilibrium, and a short-term time scale, aiming to optimise the average cost of debt within the budget according to the situation prevailing 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 EBITDA), proportion at a fixed rate will be all the greater the higher the level of debt is.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps, the start of which may be deferred. These derivatives may be designated as hedges for accounting purposes or not, in accordance with IFRS, but in any event they provide economic hedges.

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

The table below shows the breakdown at 31 December 2016 of long-term debt between fixed rate, capped floating rate or inflation-linked debt, and the part at floating rate before and after taking hedging derivative financial instruments into account:

	Split 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 31/12/2016	**3,416.2**	**88%**	**3.41%**				**479.2**	**12%**	**0.01%**	**3,988.6**	**2.99%**
Total at 31/12/2015	2,651.3	84%	5.12%				503.1	16%	0.22%	3,305.0	4.34%

	Split 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 31/12/2016	**2,046.6**	**53%**	**3.76%**				**1,848.8**	**47%**	**0.53%**	**3,988.6**	**2.23%**
Total at 31/12/2015	1,929.2	61%	4.95%				1,225.2	39%	1.01%	3,305.0	3.42%

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

Sensitivity to interest rate risk

The Group's income statement is exposed to fluctuations in interest rates arising from:

- cash flows related to floating-rate financial instruments;
- 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 supposing that the amount of financial liabilities and derivatives at 31 December 2016 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.

	31/12/2016			
	Net income		Equity	
	Impact of sensitivity calculation		Impact of sensitivity calculation	
(in € millions)	+25 bp	-25 bp	+25 bp	-25 bp
Floating-rate liabilities after hedging	(5.1)	5.1		
Floating-rate assets after hedging	0.0	0.0		
Derivatives not designated as hedges	0.0	0.0		
Derivatives designated as cash flow hedges			0.0	0.0
Total	**(5.1)**	**5.1**	**0.0**	**0.0**

17.1.2. Description of fair value hedges

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

	31/12/2016					
(in € millions)	≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	Notional	Fair value
Receive fixed/pay floating interest rate swaps		75.0	500.0	800.0	1,375.0	55.6
Interest rate options (caps, floors, collars)						0.0
Interest rate derivatives: fair value hedges	**0.0**	**75.0**	**500.0**	**800.0**	**1,375.0**	**55.6**

	31/12/2015					
(in € millions)	≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	Notional	Fair value
Receive fixed/pay floating interest rate swaps	150.0		75.0	500.0	725.0	109.8
Interest rate options (caps, floors, collars)						0.0
Interest rate derivatives: fair value hedges	**150.0**	**0.0**	**75.0**	**500.0**	**725.0**	**109.8**

These transactions mainly hedge the Group's fixed-rate bond issuance.

17.1.3. Description of cash flow hedges

The Group's exposure to risks of fluctuation in future interest flows results from floating-rate debt payments as at 31 December 2016.

The Group has set up interest-rate swaps in order to fix interest payments 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. As there is no intrinsic value, the change in the fair value of caps is entirely recognised in the income statement.

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:

		Reversal to the income statement			
(in € millions)	Amount recognised under equity	≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years
Unwound interest rate derivatives designated as cash flow hedges	1.3	0.3	0.3	0.7	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	**1.3**	**0.3**	**0.3**	**0.7**	**0.0**

17.1.4. Derivatives not designated as hedging instruments

At the closing date, these transactions had the following characteristics:

	31/12/2016					
(in € millions)	≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	Notional	Fair value
Interest rate swap		1,200.0			1,200.0	7.9
Interest rate options (caps, floors, collars)					0.0	0.0
Interest rate derivatives: not designated as hedging instruments	**0.0**	**1,200.0**	**0.0**	**0.0**	**1,200.0**	**7.9**

	31/12/2015					
(in € millions)	≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	Notional	Fair value
Interest rate swap			1,200.0		1,200.0	11.9
Interest rate options (caps, floors, collars)					0.0	0.0
Interest rate derivatives: not designated as hedging instruments	**0.0**	**0.0**	**1,200.0**	**0.0**	**1,200.0**	**11.9**

Transactions not designated as hedges at 31 December 2016 are mirror swaps that do not generate significant risk of changes in fair value in the income statement.

17.2. Exchange rate risk

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

17.3. 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

Cofiroute has set up procedures to keep counterparty risk on trade receivables in check. For instance, there is no concentration of credit with any single customer accounting for more than 0.5% of revenue (revenue in excess of €5 million) apart from contracts with badge issuers. Cofiroute considers this risk to be minimal. The breakdown of trade receivables is provided in Note "Trade receivables analysis".

Financial instruments (cash 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 lines of risk by counterparty defined according to their credit ratings, as determined 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 IFRS 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 the Group 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 2016, a €0,3 million adjustment was recognised under counterparty risk.

Netting agreements

At 31 December 2016 and in accordance with the provisions of IAS 32, the Group's financial assets and liabilities (including derivative instruments) are not netted in the balance sheet.

However, the Group has netting agreements for some of its derivative instruments. 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 the Group's net exposure stemming from these netting agreements:

(in € millions)	31/12/2016 Fair value of derivatives recognised on the balance sheet(*)	31/12/2016 Impact of netting agreements	31/12/2016 Total	31/12/2015 Fair value of derivatives recognised on the balance sheet(*)	31/12/2015 Impact of netting agreements	31/12/2015 Total
Derivative financial instruments – assets	153.5	(46.7)	**106.8**	196.1	(68.3)	**127.8**
Derivative financial instruments – liabilities	(89.2)	46.7	**(42.5)**	(74.8)	68.3	**(6.5)**
Net derivative instruments	**64.3**	**0.0**	**64.3**	**121.3**	**0.0**	**121.3**

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

The Group's financial derivative instruments, traded over the counter, are not associated with any collateralisation process.

18. Carrying amount and fair value by accounting category

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

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

	31/12/2015										
	Accounting categories							FV			
(in € millions)	Financial instruments through income statement	Derivatives designated as cover	Assets measured at fair value (FV option)	Financial assets available for sale	Loans and receivables	Liabilities at amortised cost	Total net carrying amount of class	Level 1 Quoted prices	Level 2 Internal model using observable inputs	Level 3 Internal model using non-observable inputs	Fair value of class
Investments in unlisted companies				0.0			**0.0**			0.0	**0.0**
I – Non-current financial assets				**0.0**			**0.0**			**0.0**	**0.0**
II – Derivative instruments, assets	**86.3**	**109.8**					**196.1**		**196.1**		**196.1**
III – Trade receivables					**85.9**		**85.9**		**85.9**		**85.9**
Cash management financial assets - not cash equivalents			4.1				**4.1**	4.1			**4.1**
Cash equivalents			1,313.8				**1,313.8**	1,313.8			**1,313.8**
Cash			9.6				**9.6**	9.6			**9.6**
IV – Current financial assets			**1,327.4**				**1,327.4**	**1,327.4**			**1,327.4**
Total assets	**86.3**	**109.8**	**1,327.4**	**0.0**	**85.9**	**0.0**	**1,609.4**	**1,327.4**	**282.0**	**0.0**	**1,609.4**
Bonds						(2,350.0)	**(2,350.0)**	(2,581.0)	(11.4)		**(2,592.4)**
Other bank loans and other financial liabilities						(955.0)	**(955.0)**		(956.5)		**(956.5)**
V – Non-current financial liabilities						**(3,305.0)**	**(3,305.0)**	**(2,581.0)**	**(967.9)**		**(3,548.9)**
VI – Derivative financial instruments, liabilities	**(74.8)**						**(74.8)**		**(74.8)**		**(74.8)**
VII – Trade payables						**(73.9)**	**(73.9)**		**(73.9)**		**(73.9)**
Other current financial liabilities							**0.0**				**0.0**
VI – Current financial liabilities							**0.0**				**0.0**
Total liabilities	**(74.8)**	**0.0**	**0.0**	**0.0**	**0.0**	**(3,378.9)**	**(3,453.6)**	**(2,581.0)**	**(1,116.5)**	**0.0**	**(3,697.5)**
Carrying amount of categories	**11.6**	**109.8**	**1,327.4**	**0.0**	**85.9**	**(3,378.9)**	**(1,844.2)**	**(1,253.6)**	**(834.6)**	**0.0**	**(2,088.1)**

In 2016, the criteria used to measure the fair value of financial assets and liabilities remained unchanged.

H. Employee benefits and share-based payments

19. Provisions for employee benefits

As at 31 December 2016, provisions for employee benefits due in more than one year is as follows:

(in € millions)	Notes	31/12/2016	31/12/2015
Provisions for retirement benefit obligations		19.7	16.4
Provisions for other employee benefits		2.0	2.5
Provisions for employee benefits		**21.7**	**18.9**

19.1. 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 part of provisions for retirement benefit obligations that matures within less than one year is shown under "Other current non-operating liabilities".

Provisions for retirement benefits amounted to €19.9 million at 31 December 2016, including €19.7 million for the part that matures in more than one year, up from €16.8 million at 31 December 2015, including €16.4 million for the part 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	2016	2015
Discount rate	1.20%	2.10%
Inflation rate	1.60%	1.80%
Rate of salary increases	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)	31/12/2016	31/12/2015
Actuarial liability from retirement benefit obligations	**25.2**	**23.0**
Fair value of hedging assets	(5.4)	(6.2)
Deficit (or surplus)	**19.9**	**16.8**
Provision recognised under liabilities on the balance sheet	**19.9**	**16.8**

Changes in actuarial liabilities and plan assets for the period

(in € millions)	31/12/2016	31/12/2015
Actuarial liability from retirement benefit obligations		
At the beginning of the period	**23.0**	**21.7**
o/w obligations covered by plan assets	6.2	6.5
Current service cost	0.9	1.0
Actuarial debt discount cost	0.5	0.5
Past service cost (plan changes and curtailments)	0.0	0.0
Actuarial gains and losses recognised in other comprehensive income items(*)	1.7	0.2
o/w impact of changes in demographic assumptions	*0.0*	*0.0*
o/w impact of changes in financial assumptions	*2.0*	*0.5*
o/w experience gains and losses	*(0.3)*	*(0.3)*
Benefits paid to beneficiaries	(0.8)	(0.2)
Disposals of companies and other assets	(0.1)	(0.2)
At the end of the period	**25.2**	**23.0**
o/w obligations covered by plan assets	5.4	6.2

(in € millions)	31/12/2016	31/12/2015
Plan assets		
At the beginning of the period	**6.2**	**6.5**
Interest income during the period	0.1	0.1
Actuarial gains and losses recognised in other comprehensive income items(*)	0.1	0.1
Benefits paid to beneficiaries	(1.0)	(0.5)
Contributions paid to funds by the employer	0.0	0.0
Disposals of companies and other assets	0.0	0.0
At the end of the period	**5.4**	**6.2**

(*) *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 actuarial liability.*

For 2017, the Company estimates €0.7 million payments in retirement benefit obligations, comprised solely of benefits paid to retired employees.

Change in provisions for retirement benefit obligations during the period

(in € millions)	31/12/2016	31/12/2015
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
At the beginning of the period	**16.9**	**15.3**
Total charge recognised with respect to retirement benefit obligations	1.2	1.1
Actuarial gains and losses recognised in other comprehensive income items	1.6	0.2
Benefits paid to beneficiaries	0.2	0.3
Contributions paid to funds by the employer	0.0	0.0
Disposals of companies and other assets	0.0	0.0
At the end of the period	**19.9**	**16.9**

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

(in € millions)	2016	2015
Current service cost	(0.9)	(1.0)
Actuarial debt discount cost	(0.5)	(0.5)
Interest income during the period	0.1	0.1
Impact of plan settlements and other	0.1	0.2
Total	**(1.2)**	**(1.1)**

The Company contributes to basic government pension plans. This expense is recognised in the amount of the contributions required by government bodies. Basic government pension plans are treated as defined-contribution plans.

The amount of retirement benefit contributions recognised as an expense in the period under defined-contribution plans (excluding basic government plans) fell to €4.7 million at 31 December 2016 from €4.8 million at 31 December 2015. This sum comprises the contributions paid to the CRICA and ANEP providence funds.

Breakdown of plan assets by type of vehicle

	31/12/2016	31/12/2015
	Euro zone	Euro zone
Equities	6%	7%
Bonds	86%	84%
Real estate	8%	9%
Total split of plan assets	100%	100%
Plan assets *(in € millions)*	**5.4**	**6.2**
Coverage rate of actuarial debt *(as %)*	**21%**	**27%**

19.2. Other employee benefits

In 2016 and 2015, provisions for other employee benefits recognised on the balance sheet break down as follows:

(in € millions)	Opening	Additions	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Closing
01/01/2015	**1.9**	**0.0**	**(1.4)**	**0.0**	**0.0**	**2.5**	**3.0**
Other employee benefits	4.5		(1.0)	(0.3)			3.2
Reclassification of the part at less than one year of non-current provisions	(1.5)					0.8	(0.7)
31/12/2015	**3.0**	**0.0**	**(1.0)**	**(0.3)**	**0.0**	**0.8**	**2.5**
Other employee benefits	3.2		(0.3)	(0.4)			2.5
Reclassification of the part at less than one year of non-current provisions	(0.7)					0.3	(0.4)
31/12/2016	**2.5**	**0.0**	**(0.3)**	**(0.4)**	**0.0**	**0.3**	**2.0**

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

At 31 December 2016, the amount of provisions for the early retirement agreement amounted to €1.1 million (including €0.4 million in less than a year).

20. Share-based payments

Accounting principles

Cofiroute Group employees may be granted stock options or 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 share subscription plans, the VINCI group Savings Plans and performance share plans are defined by IFRS 2 "Share-based Payment". The granting of share options, 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 VINCI. 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 share option plans, performance share plans and Group savings plans are implemented as decided by VINCI SA's Board of Directors after their approval by the General Shareholders' Meeting, and are not, in general, systematically renewed. Moreover, their measurement is not directly related to the business lines' operating activities. Consequently, the Group 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.

Stock options

Under some of these plans, the stock options granted vest when performance-based objectives are met. The fair value of the options is determined at the grant date, by using the Monte-Carlo valuation model. Where applicable, the model includes the impact of the market performance condition. The Monte-Carlo model enables a larger number of scenarios to be modelled, in particular by factoring in assumptions about how beneficiaries behave into the valuation, on the basis of historical observations.

No new stock option plans were introduced in 2016 or in 2015.

No expenses relating to stock options were recorded in 2016.

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.

The VINCI Board of Directors meeting on 19 April 2016 decided to set up a new long-term incentive plan which consists in awarding a conditional allocation of performance shares to certain employees. The performance shares will be awarded only at the end of a three-year vesting period. These are conditional upon the individual's continued employment with the Group until the end of the vesting period, and subject to 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. In France, three times a year, VINCI issues new shares reserved for employees with a subscription price that includes a discount on the average VINCI stock market price over the 20 trading days preceding the authorisation by the Board of Directors. This discount is considered a benefit granted to the employees. Its fair value is determined using the "Monte-Carlo" valuation model at the date on which the Board of Directors sets the subscription price. As certain restrictions apply to shares granted under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes into account the five-year lock-up period that applies to these shares (barring specific cases).

Cofiroute recognises these employee benefits as an expense over the vesting period, offset by a corresponding increase in IFRS equity.

Subscribers benefit from an employer's contribution capped at €2,500 per person per year. The benefits granted in this way to Cofiroute employees are recognised in the income statement 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 estimated number of securities subscribed at the end of the subscription period is calculated in accordance with the linear regression method, based on historical observations on the 2006-2015 plans, taking into account a lock-up cost of FCPE 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 aggregate expense recognised at 31 December 2016 in respect of share-based payments amounted to €1.8 million, of which €0.6 million for the Group Savings Plan (€1.6 million in 2015, of which €0.8 million for the Group Savings Plan).

I. Other notes

21. 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).

21.1. 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 VINCI SA and the companies that it controls to persons who, at the balance sheet date are (or, during the period, have been), members of the Group's governing bodies and Executive Committee. The corresponding amounts have been recognised and expensed in 2016 and 2015 as follows:

	Members of governing bodies and the Executive Committee	
(in € millions)	2016	2015
Remuneration	1.1	1.1
Employer's social charges	0.5	0.5
Post-employment benefits	0.0	0.0
Severance payments	0.0	0.0
Share-based payments	0.6	0.4
Provisions for retirement benefit obligations	0.2	0.1

(*) *This amount is determined in accordance with IFRS 2 and the terms and conditions described in Note H.20. "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.19.1. "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.

21.2. Transactions with the VINCI group

Transactions in 2016 and 2015 between Cofiroute and the VINCI group break down as follows:

VINCI *(in € millions)*	2016	2015
Construction expenses	(29.4)	(42.6)
Trade receivables	5.4	6.3
Dividend payments	2,806.2	0.0
Trade suppliers	18.0	29.8
Revenue and other ancillary revenue	0.5	1.5
Advance payments to subcontractors	0.0	0.0
Financial income and expenses	1.2	3.0
Other external expenses	(26.8)	(19.3)

22. Workforce

The headcount at 31 December 2016 broke down as follows:

	31/12/2016	31/12/2015
Engineers and managers	228	237
Office staff, workers and supervisory staff	1,228	1256
Total	**1456**	**1493**

23. Statutory Auditors' fees

Statutory Auditors' fees totalled €215 thousand in 2016, up from €160 thousand in 2015.

They comprised €93 thousand for Deloitte & Associés, including €68 thousand for the statutory audit, and €121 thousand for KPMG — of which €68 thousand for the statutory audit.

J. Post-balance sheet events

Rates

Toll rates on the A86 Duplex increased on 1 January 2017 pursuant to the Interministerial Decree of 22 December 2016. The rate schedule for the interurban network was submitted to the concession grantor for approval on 17 December 2016, in light of the toll rate increases as of 1 February 2017. The schedule calls for a 0.57% increase for class 1, 0.8% for class 2, 1.8% for class 3, 0.6% for class 4 and 0.6% for class 5.

Motorway investment plan

On 26 January 2017, VINCI Autoroutes signed a €432 million motorway investment plan with the government, of which €125 million is for Cofiroute. This plan sets out work to be done to improve territorial mobility. These projects are co-funded by the local authorities affected and by VINCI Autoroutes companies through increases in additional annual tolls of between 0.161% and 0.258% during 2019, 2020 and 2021 for the VINCI Autoroutes companies. Subject to the opinion of the French Rail and Road Activities Authority, ARAFER, and the subsequent publication of the relevant Council of State decrees, the first construction operations could commence in late 2017.

K. Disputes

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 2016

Cofiroute
Limited Liability Company
Registered office: 12-14 rue Louis Blériot – CS30035 - 92506 Rueil Malmaison Cedex
Share capital: €158,282

Dear Mr Chairman,

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 2016, 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 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 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 a true and fair view of the Company's financial position, assets and liabilities and results for the year ended 31 December 2016, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

Paris La Défense and Neuilly-sur-Seine, 3 February 2017.

KPMG Audit Department of KPMG SA **Xavier Fournet**	Deloitte & Associés **Frédérique SOULIARD**

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