

IFRS INDIVIDUAL FINANCIAL STATEMENTS

2019



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IFRS individual financial statements at 31 December 2019

IFRS income statement

<i>(in € millions)</i>	Notes	2019	2018
Revenue^(*)	4.1	1,479.5	1,441.1
Revenue – construction of new infrastructure assets under concession		159.3	139.9
Total revenue		1,638.8	1,581.1
Income from ancillary activities		1.9	3.6
Operating expenses	4.2	(773.5)	(757.7)
Operating income from ordinary activities		867.2	827.0
Share-based payments (IFRS 2)	20	(3.2)	(2.5)
Other current operating items			(7.6)
Current operating income		864.0	816.8
Operating income	4.2	864.0	816.8
Cost of gross financial debt		(63.5)	(75.8)
Cost of net financial debt	5	(63.5)	(75.8)
Other financial income and expenses	6	(9.5)	1.2
Income tax expense	7	(272.5)	(253.0)
Net income		518.6	489.3
Earnings per share (in €)	8	127.78	120.56

^(*) Excluding revenue – construction of new infrastructure under concession.

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

IFRS comprehensive income statement for the period

<i>(in € millions)</i>	2019	2018
Net income	518.6	489.3
Changes in the fair value of financial instruments used to hedge cash flows ⁽¹⁾	(0.4)	(0.3)
Tax expense ⁽²⁾	0.2	0.1
Other comprehensive income items that can be subsequently recycled in net income	(0.3)	(0.2)
Equity instruments ⁽³⁾	10.1	0.0
Actuarial gains and losses on retirement benefit obligations	(2.2)	0.4
Tax expense	0.4	(0.2)
Other comprehensive income items that cannot be subsequently recycled in net income	8.3	0.2
Total other comprehensive income items recognised directly in equity	8.0	(0.0)
Comprehensive income	526.6	489.2

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

⁽²⁾ Tax effects related to changes in the fair value of financial instruments used to hedge cash flows (effective portion) and hedging costs.

⁽³⁾ Fair value of non-consolidated investments through equity, not recycled.

IFRS Balance sheet – Assets

(in € millions)	Notes	31/12/2019	31/12/2018
Non-current assets			
Concession intangible assets	9	4,647.1	4,702.4
Other intangible assets	10.2	2.9	1.2
Property, plant and equipment related to concession contracts	10.1	211.3	215.3
Property, plant and equipment	10.1	6.1	6.8
Non-current derivative financial instruments, assets	15 - 18	83.1	48.7
Total non-current assets		4,950.4	4,974.3
Current assets			
Inventories and work in progress	11	1.6	1.9
Trade and other receivables	11	110.7	106.5
Other current operating assets	11	53.8	50.9
Current derivative instruments, assets	15 - 18	17.3	17.1
Cash and cash equivalents	15 - 16	17.7	237.6
Total current assets		201.0	414.1
Total assets		5,151.4	5,388.5

IFRS Balance sheet – Equity and liabilities

(in € millions)	Notes	31/12/2019	31/12/2018
Equity			
Share capital	13.1	158.3	158.3
Other equity instruments		7.0	7.0
Consolidated reserves		54.2	153.5
Net income attributable to owners of the parent		518.6	489.3
Amounts recognised directly in equity	13.2	6.0	(2.0)
Total equity		744.1	806.0
Non-current liabilities			
Provisions for employee benefits	19	23.0	19.7
Bonds	15 - 18	3,187.5	3,140.5
Other loans and borrowings	15 - 18	423.2	456.5
Non-current derivative instruments, liabilities	15 - 18	30.9	39.2
Non-current lease liabilities	12	2.7	
Other non-current liabilities		7.8	3.8
Net deferred tax liabilities	7.3	129.7	140.4
Total non-current liabilities		3,805.0	3,800.1
Current liabilities			
Current provisions	11.4	270.0	258.4
Trade payables	11	37.9	39.3
Liabilities for non-current concession assets		63.7	58.7
Other current operating liabilities	11.2	115.1	115.3
Current tax liabilities		8.1	6.3
Current lease liabilities		2.9	
Current derivative instruments, liabilities	15 - 18	1.3	0.8
Current financial debt	15	103.3	303.5
Total current liabilities		602.3	782.3
Total equity and liabilities		5,151.4	5,388.5

IFRS cash flows statement

(in € millions)	Notes	2019	2018
Consolidated net income for the period (including non-controlling interests)		518.6	489.3
Depreciation and amortisation	4 4	257.2	251.4
Net increase/(decrease) in provisions and impairment		11.6	15.5
Share-based payments (IFRS 2) and other restatements	20	(2.7)	(1.6)
Gain (loss) on disposals		0.2	0.2
Impact of present-discounting of non-current receivables and liabilities		(0.9)	
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated entities			(8.5)
Cost of net financial debt recognised	5	63.5	75.8
Financial expenses associated with leases	6	0.0	
Current and deferred tax expense recognised	7	272.5	253.0
Cash flows (used in)/from operations before tax and financing costs		1,120.0	1,075.1
Changes in operating working capital requirement and current provisions	11	(2.2)	4.8
Income taxes paid		(279.8)	(257.4)
Net interest paid		(58.8)	(88.6)
Cash flows (used in)/from operating activities	I	779.3	733.9
Purchases of property, plant and equipment and intangible assets		(4.4)	(1.7)
Disposals of property, plant and equipment and intangible assets		0.0	1.5
Investments in concession fixed assets (net of grants received)	9 - 10	(181.2)	(157.5)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)		10.1	
Other		(0.3)	8.5
Net cash flows (used in)/from investing activities	II	(175.8)	(149.1)
Dividends paid			
- to Cofiroute shareholders	14	(586.6)	(461.5)
- to non-controlling interests of consolidated companies			
Proceeds from new long-term borrowings	15 - 16	26.8	7.0
Repayments of long-term borrowings	15 - 16	(260.7)	(737.2)
Repayment of lease liabilities and associated financial expense		(3.0)	
Change in cash management assets and other current financial liabilities			4.0
Net cash flows from/(used in) financing activities	III	(823.5)	(1,187.7)
Change in net cash	I + II + III	(220.0)	(602.9)
Net cash and cash equivalents at beginning of period		237.6	840.6
Net cash and cash equivalents at end of period		17.7	237.6
Increase/(decrease) in cash management financial assets			(4.0)
(Proceeds from)/repayment of loans		233.9	730.2
Other changes		(5.2)	12.6
Change in net financial debt	15	8.7	135.8
Net financial debt at beginning of period		(3,637.0)	(3,772.8)
Net financial debt at end of period		(3,628.3)	(3,637.0)

IFRS statement of changes in equity

(in € millions)	Equity				Total
	Share capital	Reserves	Transactions recognised directly in equity	Net income	
Equity at 01/01/2018	158.3	166.9	(2.0)	457.1	780.2
Net income for the period				489.3	489.3
Other comprehensive income items			(0.0)		(0.0)
Comprehensive income for the period			(0.0)	489.3	489.2
Appropriation of net income and dividend payments		(4.5)		(457.1)	(461.5)
Share-based payments		(1.9)			(1.9)
Equity at 31/12/2018	158.3	160.5	(2.0)	489.3	806.0
Net income for the period				518.6	518.6
Other comprehensive income items			8.0		8.0
Comprehensive income for the period			8.0	518.6	526.6
Appropriation of net income and dividend payments		(97.3)		(489.3)	(586.6)
Share-based payments		(2.0)			(2.0)
Equity at 31/12/2019	158.3	61.2	6.0	518.6	744.1

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A. General principles and use of estimates

1. Basis of preparation of the financial statements

As required by European regulation No. 1606/2002 of 19 July 2002, Cofiroute's IFRS individual financial statements for the year ended 31 December 2019 have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2019⁽¹⁾.

The accounting policies retained at 31 December 2019 are the same as those used in preparing the IFRS individual financial statements at 31 December 2018, except for the standards and/or amendments to standards described below, adopted by the European Union and mandatories as from 1 January 2019.

The IFRS individual financial statements were approved by the Board of Directors on 31 January 2020 and will be submitted for shareholder approval at the Shareholders' General Meeting on 20 March 2020.

1.1. New standards and interpretations applied from 1 January 2019

The impacts of applying IFRS 16 "Leases" from 1 January 2019 forward are described in Note A.3. "Change in accounting policy".

The other applicable standards and interpretations that are mandatory from 1 January 2019 do not have a significant impact on the consolidated financial statements of Cofiroute at 31 December 2019. They mainly include:

- IFRIC 23 "Uncertainty Over Income Tax Treatments".
IFRIC 23, which clarifies the rules for recognizing and measuring uncertainties related to income tax, did not have a significant impact on the measurement of Cofiroute's current and deferred taxes as at 1 January 2019;
The 31 December 2018 balance sheet was not restated.
- amendments to IFRS 9 "Prepayment features with negative compensation";
- amendments to IAS 28 "Long-term interests in associated companies and joint ventures";
- amendments to IAS 19 "Plan amendment, curtailment or settlement";
- annual improvements, 2015-2017 cycle.

On 16 January 2020 the European Commission adopted the amendments to IFRS 9 and IFRS 7 "Interest Rate Benchmark Reform". Cofiroute elected early application of these from 1 January 2019.

1.2. Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2019

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 2019:

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

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

⁽¹⁾ Available at: https://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm

2. Use of estimates

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

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

Values used in impairment tests

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

Measurement of provisions

The factors that materially influence provision amounts include:

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

Measurement at fair value

Cofiroute mainly uses fair value in measuring, on a consistent basis, derivative instruments, cash and cash equivalents and cash management financial assets. Fair values of other financial instruments (particularly debt instruments and assets at amortised cost as defined by IFRS9 "Financial instruments") 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 in this way;
- level 2: internal model using observable factors based on internal valuation techniques: these techniques are based on standard mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). Most derivatives (swaps, caps, floors, etc.) traded on markets are measured on the basis of models commonly used by market practitioners in pricing these financial instruments.
Internal valuations of derivatives are checked quarterly for consistency with the valuations sent by counterparties;
- level 3: internal model using non-observable inputs: this model applies in particular to holdings of unlisted shares, which are assessed at their acquisition cost plus transaction costs, in the absence of an active market.

Measurement of retirement benefit obligations

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

Valuation of share-based payments

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

The main actuarial assumptions (volatility, return on shares) used by Cofiroute are described by plan in Note H.20. "Share-based payments".

3. Change in accounting policy

IFRS 16 "Leases"

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

IFRS 16 "Leases" changes the recognition of leases by lessees. It replaces IAS 17 and IFRIC 4, SIC 15 and SIC 27. IFRS 16 imposes a single method for recognition of leases by lessees, impacting the balance sheet in a similar way to the recognition of finance leases until 31 December 2018 under IAS 17.

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

Cofiroute applies the provisions of IFRS 16, described below, to all of its leases relating to underlying assets for which the as-new value is material and/or for which the lease term is greater than twelve months, including any renewal options there may be in the contract.

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

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

Leases categorised as finance leases at 31 December 2018

At the transition date, Cofiroute had no finance leases.

Leases categorised as operating leases at 31 December 2018

Since IFRS 16 took effect, Cofiroute has recognised a lease liability reflecting the sum of lease payments remaining to be paid, discounted at the incremental cost of debt, calculated in the manner explained below, as counterparty to a right-of-use for the underlying asset. Under the simplified method, the amount of right-of-use assets equals the amount of the lease liability recognised (adjusted, in certain instances, for lease payments made in advance or remaining payable).

IFRS 16 does not apply to leases with a term of less than one year or for low-value assets; accordingly, the lease payments remain recognised in the income statement with no impact on Cofiroute's balance sheet.

The lease terms assumed include the firm term of the lease plus any forecast extension periods. Cofiroute has noted the decisions of the IFRS IC of 26 November 2019 on the measurement of lease terms for leases renewable by tacit agreement or without a contractual end date. The IFRS IC confirms that the enforceable period must be determined, by looking not just at the legal aspects but at the broader economics as well.

Cofiroute may need to re-measure the term of some of its leases. However, no significant impacts are expected.

Variable lease payments or services rendered under the contract are not included in determining the amount of the right-of-use assets or lease liabilities. They are recognised in expense when they are incurred.

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

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

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

IFRS Balance sheet at 1 January 2019

Assets

(in € millions)	31/12/2018 published	IFRS 16 Impact	01/01/2019 restated
Non-current assets			
Concession intangible assets	4,702.4		4,702.4
Other intangible assets	1.2		1.2
Property, plant and equipment related to concession contracts	215.3	7.8	223.1
Property, plant and equipment	6.8		6.8
Non-current derivative financial instruments, assets	48.7		48.7
Total non-current assets	4,974.3	7.8	4,982.2
Current assets			
Inventories and work in progress	1.9		1.9
Trade and other receivables	106.5		106.5
Other current operating assets	50.9	(0.1)	50.8
Current derivative instruments, assets	17.1		17.1
Cash and cash equivalents	237.6		237.6
Total current assets	414.1	(0.1)	414.0
Total assets	5,388.5	7.8	5,396.2

Equity and liabilities

(in € millions)	31/12/2018 published	IFRS 16 Impact	01/01/2019 restated
Equity			
Share capital	158.3		158.3
Other equity instruments	7.0		7.0
Consolidated reserves	153.5		153.5
Net income attributable to owners of the parent	489.3		489.3
Amounts recognised directly in equity	(2.0)		(2.0)
Total equity	806.0		806.0
Non-current liabilities			
Provisions for employee benefits	19.7		19.7
Bonds	3,140.5		3,140.5
Other loans and borrowings	456.5		456.5
Non-current derivative instruments, liabilities	39.2		39.2
Non-current lease liabilities		5.0	5.0
Other non-current liabilities	3.8		3.8
Net deferred tax liabilities	140.4		140.4
Total non-current liabilities	3,800.1	5.0	3,805.1
Current liabilities			
Current provisions	258.4		258.4
Trade payables	39.3		39.3
Other current operating liabilities	115.3		115.3
Other current non-operating liabilities	58.7		58.7
Current tax liabilities	6.3		6.3
Current lease liabilities		2.8	2.8
Current derivative instruments, liabilities	0.8		0.8
Current financial debt	303.5		303.5
Total current liabilities	782.3	2.8	785.1
Total equity and liabilities	5,388.5	7.8	5,396.2

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

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

(in € millions)

At 1 January 2019

Lease-related off-balance sheet commitments at 31 December 2018		8.1
Marginal average debt rate		0.8%
Off-balance sheet commitments present-value discounted at 1 January 2019	I	8.0
Commitments on short-term contracts		(0.3)
Commitments on contracts for low-value assets		
Total	II	(0.3)
Liabilities related to IAS 17 finance leases		
Options to renew and other adjustments not shown in off-balance sheet commitments		0.0
Total	III	0.0
Lease liabilities at 1 January 2019	I + II + III	7.8

B. Key events of the period

The social movements that arose in October 2018 surged around the country toward the end of that year upon the announcement by the French government of higher fuel prices as part of its energy transition programme and were extended thereafter to a variety of grievances.

Cofiroute was affected by this movement and, to a lesser extent, these events continued into early 2019.

From the inception of the movement, Cofiroute suffered losses, largely due to the loss of toll receipts.

The trend in the main indicators of the year thus include a "base effect" due to these items from the previous year as well as their continuation into the first months of the year.

In Particular, the traffic recorded over the period was up +1.5%, specifically +1.5% for light vehicles and +1.6% for heavy goods vehicles.

Similarly, EBITDA⁽¹⁾ as a proportion of revenue was 75.7% in 2019 versus 74.6% in 2018.

The operations in the Motorway Stimulus Plan now under way continued at a good pace.

Regarding operations in the Motorway Investment Plan, financing agreements for operations to improve mobility in the regions were established with partner local authorities.

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

C. Main income statement items

4. Revenue and operating income

4.1. Revenue

Accounting principles

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

Before the revenue is recognised, under the standard it is mandatory to identify a contract and the various performance obligations contained in the contract. The number of performance obligations depends on the types of contracts and activities. Most Cofiroute contracts only have a single performance obligation.

The fundamental principle of IFRS 15 is that recognition of the revenue generated under contracts with customers must reflect:

- both the rate of achievement of the performance obligations corresponding to the transfer of control of the good or service to a customer;
- and the consideration to which the vendor expects to be entitled in exchange for the activities carried out.

Control of a good or service is the key factor, with transfer thereof being determinant for the recognition of revenue. Control of a good or service may be passed over time (recognition of revenue on the basis of the percentage of completion) or at a point in time (recognition upon completion).

The method for recognising revenue in respect of concession contracts is set out in Note D. “Concession contracts” below. They comprise:

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

(in € millions)	2019	2018
Revenue - Tolls	1,460.1	1,422.1
Revenue - Other	19.4	19.1
Operating revenue	1,479.5	1,441.1
Revenue - construction of new infrastructure assets under concession	159.3	139.9
Total revenue	1,638.8	1,581.1

4.2. Operating income

Accounting principles

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

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

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

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

(in € millions)	2019	2018
Revenue^(*)	1,479.5	1,441.1
Revenue – construction of new infrastructure assets under concession	159.3	139.9
Total revenue	1,638.8	1,581.1
Income from ancillary activities	1.9	3.6
Concession operating companies' construction costs	(159.3)	(139.9)
Purchases consumed	(9.7)	(10.4)
External services	(78.2)	(90.3)
Taxes	(176.5)	(174.1)
Employment costs	(89.1)	(88.4)
Other operating income and expense	(0.1)	(0.2)
Depreciation and amortisation	(257.2)	(251.4)
Net provision expense	(3.5)	(2.9)
Operating expenses	(773.5)	(757.7)
Operating income from ordinary activities	867.2	827.0
Share-based payments (IFRS 2)	(3.2)	(2.5)
Other current operating items		(7.6)
Current operating income	864.0	816.8
Operating income	864.0	816.8

^(*) Excluding revenue – construction of new infrastructure assets under concession.

In 2018, other current operating items notably included the impact of changes in the indexation clauses used in the measurement of provisions for the obligation on the upkeep of the concession assets (see Note E.11.4. "Breakdown of current provisions").

4.3. Employment costs

Employment costs break down as follows:

(in € millions)	2019	2018
Wages and employee benefit expenses - I	(77.0)	(77.0)
of which wages and salaries	(50.9)	(48.9)
of which employer social contributions	(26.1)	(28.2)
Incentive and employee profit-sharing - II	(12.1)	(11.3)
Total I + II	(89.1)	(88.4)

The average workforce in 2019 breaks down as follows:

	2019	2018
Average workforce	1,345	1,360
of which managers	250	243
of which other employees	1,095	1,117

4.4. Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2019	2018
Concession intangible assets	(210.0)	(204.2)
Concession property, plant and equipment	(42.9)	(43.5)
Property, plant and equipment and intangible assets	(4.4)	(3.7)
Depreciation and amortisation	(257.2)	(251.4)

The depreciation of concession property, plant and equipment at 31 December 2019 includes -€2.9 million in depreciation of right-of-use assets, following the application of IFRS 16 "Leases" (see Note A.3. "Change in accounting policy").

5. Cost of net financial debt

Accounting principles

The cost of net financial debt includes:

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

The cost of net financial debt amounted to €63.5 million in 2019, against €75.8 million in 2018. This improvement was primarily due to the combined effect of lower interest rates and lower outstanding amounts.

The cost of net financial debt breaks down as follows:

<i>(in € millions)</i>	2019	2018
Financial liabilities at amortised cost	(87.9)	(100.6)
Financial assets and liabilities at fair value through profit or loss	(0.0)	(0.0)
Derivatives designated as hedges: assets and liabilities	24.8	24.8
Derivatives at fair value through profit and loss: assets and liabilities	(0.4)	0.0
Total cost of net financial debt	(63.5)	(75.8)

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

<i>(in € millions)</i>	2019	2018
Net interest from derivatives designated as fair value hedges	24.6	24.5
Change in value of derivatives designated as fair value hedges	42.8	3.9
Change in value of the adjustment to hedged financial liabilities at fair value	(42.8)	(3.9)
Reserve recycled through profit or loss in respect of 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	24.8	24.8

6. Other financial income and expense

Accounting principles

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

<i>(in € millions)</i>	2019	2018
Discounting costs of provisions for obligation to maintain the condition of concession assets	(10.0)	1.5
Discounting costs of provisions for non-current receivables and liabilities	0.9	
Discounting costs of provisions for retirement benefit obligations	(0.4)	(0.4)
Financial expense related to leases	(0.0)	
Total other financial income and expenses	(9.5)	1.2

7. Income tax expense

Accounting principles

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

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

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

Deferred tax assets and liabilities are not discounted.

Income tax expense amounted to €272.5 million at 31 December 2019, compared to €253.0 million at 31 December 2018.

7.1. Breakdown of net tax expense

<i>(in € millions)</i>	2019	2018
Current tax	(282.7)	(258.7)
Deferred tax	10.2	5.7
TOTAL	(272.5)	(253.0)

Net tax expense for the period reflects:

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

7.2. Effective tax rate

The effective tax rate fell to 34.45% in 2019 from 34.08% in 2018.

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:

<i>(in € millions)</i>	2019	2018
Income before tax	791.1	742.2
Theoretical tax rate in force in France	34.43%	34.43%
Expected theoretical tax expense	(272.4)	(255.6)
Permanent differences and other	(0.1)	2.9
Tax expense recognised	(272.5)	(252.6)
Effective tax rate	34.45%	34.08%

7.3. Breakdown of deferred tax assets and liabilities

(in € millions)	Change				31/12/2018
	31/12/2019	Net income	Equity	Other	
Deferred tax assets					
Retirement benefit obligations	6.1	0.4	0.4		5.3
Non-current concession assets	20.0	0.8			19.1
Temporary differences on provisions	2.6	0.1		2.5	0.0
Fair value adjustment on financial instruments	0.1	(0.0)	0.1		
Finance leases	1.7	1.7			
Other	11.7	0.5	(0.0)	(2.5)	13.7
Total	42.1	3.6	0.4	(0.0)	38.1
Deferred tax liabilities					
Non-current concession assets	(166.3)	5.5			(171.8)
Finance leases	(1.7)	(1.7)			
Fair value adjustment on financial instruments	(1.7)	0.5	0.1		(2.4)
Other	(2.1)	2.3			(4.4)
Total	(171.8)	6.6	0.1		(178.5)
Net deferred tax	(129.7)	10.2	0.5	(0.0)	(140.4)

Net deferred taxes liabilities amounted to €129.7 million (versus €140.4 million in 2018).

8. Earnings per share

Accounting principles

Earnings per share before dilution (basic earnings per share) correspond to net income divided by the number of shares for the year. Cofiroute SA's share capital comprises 4,058,516 shares, unchanged between 2018 and 2019. The Company has not issued any instrument granting rights to shares.

Earnings per share amounted to €127.78 in 2019 (€120.56 in 2018).

D. Concession Contracts

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

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

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

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

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

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

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

9. Concession intangible assets

9.1. Details of intangible assets under concession

(in € millions)	Cost of infrastructure in service ^(*)	Advances and outstanding amounts	Total
Gross			
At 01/01/2018	8,066.1	180.0	8,246.1
Acquisitions during the period	34.7	104.7	139.4
Other movements	86.3	(87.2)	(0.9)
At 31/12/2018	8,187.1	197.5	8,384.6
Acquisitions during the period	25.8	133.5	159.3
Other movements	57.2	(61.9)	(4.7)
At 31/12/2019	8,270.1	269.0	8,539.2
Depreciation and amortisation			
At 01/01/2018	(3,477.9)		(3,477.9)
Depreciation during the period	(204.2)		(204.2)
Other movements	(0.0)		(0.0)
At 31/12/2018	(3,682.2)		(3,682.2)
Depreciation during the period	(210.0)		(210.0)
Other movements	(0.0)		(0.0)
At 31/12/2019	(3,892.1)		(3,892.1)
Net			
At 01/01/2018	4,588.2	180.0	4,768.2
At 31/12/2018	4,504.9	197.5	4,702.4
At 31/12/2019	4,378.0	269.0	4,647.1

^(*) After deduction of grants.

The increase in intangible assets under concession in gross value corresponds mainly to the €159.3 million of acquisitions made in 2019 (against €139.4 million in 2018). They include fixed assets in progress of €133.5 million in 2019 related mainly to the continuation of phase-two improvements to the interurban network (ERI 2) and implementation of the motorway stimulus plan signed in 2015.

9.2. Main characteristics of concession contracts

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

2019	Control and regulation of prices by concession grantor	Source of payments	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Accounting mode
Cofiroute						
Inter-urban toll motorway network - France (1,100 km of toll motorways)	Pricing regulation as defined in the concession contract. Price increases subject to agreement by grantor.	Users	None	Infrastructure returned to grantor for no consideration at the end of the contract unless purchased by the grantor on the basis of its economic value.	Contract end: 30 June 2034	Intangible asset
A86 Duplex - France (11-km toll tunnel)	Pricing regulation as defined in the concession contract. Price increases subject to agreement by grantor.	Users	None	Infrastructure returned to grantor for no consideration at the end of the contract unless purchased by the grantor on the basis of its economic value.	Contract end: end of December 2086	Intangible asset

9.3. Commitments given under concession contracts

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

As at 31 December 2019, the total investment commitment provided for under the concession contracts was €762.2 million compared with €869.2 million in 2018.

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

10. Property, plant and equipment and other intangible assets

10.1. Property, plant and equipment

Accounting principles

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

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

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

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

(in € millions)	Concession operating fixed assets	Land	Plant, equipment, fixtures and fittings	Right-of-use of concession fixed assets	Total
Gross					
At 01/01/2018	876.7	1.3	19.8		897.8
Acquisitions during the period	3.2		1.5		4.7
Disposals during the period	(3.1)	(0.0)	(0.0)		(3.2)
Other movements	27.1	0.2	0.1		27.5
At 31/12/2018 as reported	903.9	1.5	21.4		926.8
At 01/01/2019 restated for IFRS 16	903.9	1.5	21.4	7.8	934.6
Acquisitions during the period	28.6		2.1		30.7
Disposals during the period	(3.4)	(0.0)	(1.9)		(5.3)
Other movements	1.9	(0.0)	0.4	0.7	3.0
At 31/12/2019	931.1	1.4	22.0	8.5	963.0
Depreciation, amortisation and impairment					
At 01/01/2018	(648.3)		(14.0)		(662.3)
Depreciation during the period	(43.5)		(2.1)		(45.6)
Disposals during the period	3.1		0.0		3.1
Other movements	(0.0)		(0.0)		(0.0)
At 31/12/2018 as reported	(688.7)		(16.1)		(704.8)
At 01/01/2019 restated for IFRS 16	(688.7)		(16.1)		(704.8)
Depreciation during the period	(40.0)		(2.9)	(2.9)	(45.8)
Disposals during the period	3.3		1.9		5.1
Other movements	(0.0)		(0.2)		(0.2)
At 31/12/2019	(725.4)		(17.4)	(2.9)	(745.7)
Net					
At 01/01/2018	228.5	1.3	5.8		235.6
At 31/12/2018 as reported	215.3	1.5	5.3		222.0
At 01/01/2019 restated for IFRS 16	215.3	1.5	5.3	7.8	229.9
At 31/12/2019	205.7	1.4	4.6	5.6	217.4

Rights to use concession property, plant and equipment refer mainly to office buildings and vehicles.

10.2. Other intangible assets

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

The net value of the other intangible assets amounted to €2.9 million at 31 December 2019. These include software, patents, licenses and other intangible assets, representing a gross value of €22.4 million.

Cumulative amortisation recorded at the end of 2019 stood at €19.5 million.

10.3. Impairment of non-financial non-current assets

Accounting principles

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

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

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

Cofiroute did not find any material impairment of its tangible or intangible non-current assets in 2019 or 2018.

11. Working capital requirement and current provisions

Accounting principles

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

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

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

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

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

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

11.1. Change in working capital requirement

(in € millions)	31/12/2019	31/12/2018	Change	
			Change in operating WCR	Other changes
Inventories and work in progress (net)	1.6	1.9	(0.4)	0.0
Trade and other receivables	110.7	106.5	4.3	(0.2)
Other current operating assets	53.8	50.9	2.8	0.1
Inventories and operating receivables (I)	166.0	159.4	6.7	(0.0)
Trade payables	(37.9)	(39.3)	1.4	(0.0)
Other current operating liabilities	(114.1)	(114.8)	(4.2)	4.9
Trade and other operating payables (II)	(152.0)	(154.1)	(2.8)	4.9
Working capital requirement (excluding current provisions) (I + II)	14.1	5.3	3.9	4.9
Current provisions	(270.0)	(258.4)	(1.7)	(10.0)
<i>of which part at less than one year of non-current provisions</i>	<i>0.0</i>	<i>(0.5)</i>	<i>0.0</i>	<i>0.5</i>
Working capital requirement (including current provisions)	(256.0)	(253.1)	2.2	(5.1)

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.

11.2. Current operating assets and liabilities

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

(in € millions)	31/12/2019	Maturity				
		< 1 year			From 1 to 5 years	> 5 years
		1 to 3 months	3 to 6 months	6 to 12 months		
Inventories and work in progress (net)	1.6	1.6				
Trade and other receivables	110.7	110.7				
Other current operating assets	53.8	30.8	11.8		11.2	
Inventories and operating receivables	I 166.0	143.0	11.8		11.2	
Trade payables	(37.9)	(37.9)				
Other current operating liabilities	(114.1)	(106.0)	(0.1)	(2.9)	(1.6)	(3.6)
Trade and other operating payables	II (152.0)	(143.8)	(0.1)	(2.9)	(1.6)	(3.6)
Working capital requirement (connected with operations)	I + II 14.1	(0.8)	11.7	(2.9)	9.6	(3.6)

11.3 Breakdown of trade receivables

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

(in € millions)	31/12/2019	31/12/2018
Trade receivables invoiced	20.1	21.3
Allowances against trade receivables	(10.1)	(9.6)
Trade receivables, net	10.1	11.7

At 31 December 2019, trade receivables between six and twelve months past due amounted to €0.1 million (€0.3 million at 31 December 2018). Trade receivables more than one year past due amounted to €2.5 million (€2.6 million at 31 December 2018) and were impaired in the amount of €2.1 million (€2.1 million at 31 December 2018).

11.4. Breakdown of current provisions

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

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

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

In 2019 and 2018, current provisions recognised as liabilities on the balance sheet changed in the following manner:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Change in scope and miscellaneous	Closing
01/01/2018	238.2	33.7	(22.2)	(8.8)	0.2	241.0
Obligation to maintain the condition of concession assets	240.0	30.4	(23.4)	(5.7)	16.2	257.5
Other current liabilities	1.0	0.0	(0.1)	(0.1)		0.9
31/12/2018	241.0	30.5	(23.5)	(5.8)	16.2	258.4
Obligation to maintain the condition of concession assets	257.5	46.1	(26.0)	(8.2)		269.4
Other current liabilities	0.9	0.1	(0.4)			0.6
31/12/2019	258.4	46.2	(26.4)	(8.2)		270.0

Current provisions relate directly to the operating cycle. The above provisions amounted to €270.0 million at 31 December 2019 (compared with €258.4 million at 31 December 2018) and mainly relate to provisions for the obligation to maintain the condition of concession assets.

Provisions for the obligation to maintain infrastructure assets under concession in good condition mainly relate to spending on road-surface repairs (surfacing, restructuring of slow lanes, etc.), engineering structures, hydraulic structures and specific equipment for the A86 motorway Duplex. These provisions totalled €269.4 million at 31 December 2019, up from €257.5 million at 31 December 2018.

12. Lease liabilities

At the start date of the lease, the liability is measured at the discounted value of the payments remaining due to the lessor, i.e.:

- the fixed payments, less sums received from the lessor as incentives to sign the lease;
- the variable payments, which vary with an index or a rate, with the understanding that future payments are calculated based on the level of the index or rate at the start date of the lease;
- payments to be made by the lessee as part of a residual value guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise it; and
- the penalties to be paid should the lease termination option be exercised, if the term of the lease was determined on the assumption that the lessee would exercise that option.

The lease liability is remeasured in the following situations: when there is a change in the lease term; when there is a change in the reasonably certain (or otherwise) likelihood of an option being exercised; when the residual value guarantee are re-estimated; or when the rates or indices used to determine lease payments are revised at the time of lease adjustments.

Application of IFRS 16 "Leases" as at 1 January 2019 caused Cofiroute to recognise a lease liability at the transition date in the amount of €7.8 million.

At 31 December 2019, lease liabilities amounted to €5.6 million, of which €2.7 million relating to the portion greater than one year and €2.9 million to the portion less than one year.

The net change recorded for the period just ended of -€2.2 million breaks down as follows:

- new lease liabilities since 1 January 2019: +€0.8 million;
- repayments of lease liabilities during the period: -€3.0 million.

Schedule of non-current lease liability

<i>(in € millions)</i>	Non-current lease liability	between 1 and 2 years	between 2 and 5 years	> 5 years
Lease liabilities on real property	2.2	2.2		
Lease liabilities on moveable assets	0.6	0.4	0.2	
31/12/2019	2.7	2.5	0.2	0.0

F. Equity

13. Information related to equity

13.1. Share capital

Cofiroute SA's share capital comprises 4,058,516 shares, unchanged between 2019 and 2018. The Company has not issued any instrument granting rights to shares.

13.2. Transactions recognised directly in equity

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

(in € millions)	31/12/2019	31/12/2018
Cash flow hedges net investment hedges		
Reserve at start of period ⁽¹⁾	0.7	0.9
Other changes in fair value for the period	(0.2)	
Items recognised in the income statement	(0.3)	(0.3)
Gross reserve before tax effect at balance sheet date (items that can be recycled in the income statement)	0.2	0.7
Associated tax effect	(0.1)	(0.2)
Reserve net of tax (items that can be recycled in the income statement)	0.1	0.4
Equity instruments		
Reserve at start of period ⁽¹⁾		
Changes in fair value for the period ⁽²⁾	10.1	
Gross reserve before tax effect at balance sheet date	10.1	
Actuarial gains and losses on retirement benefit obligations		
Reserve at start of period	(2.5)	(2.6)
Actuarial gains and losses recognised in the period	(2.2)	0.4
Associated tax effect	0.4	(0.2)
Reserve net of tax at balance sheet date	(4.3)	(2.5)
Total reserve net of tax (items not recyclable in the income statement)	5.8	(2.5)
Total transactions recognised directly in equity	6.0	(2.0)

⁽¹⁾ Amounts were restated in accordance with the first-time application at 1 January 2018 of IFRS 9 "Financial instruments".

⁽²⁾ Change in value of disposed equity investments measured at fair value through equity.

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 G.17.1.3. "Description of cash flow hedges".

14. Dividends

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

An interim dividend on the year was paid in August 2019 in the amount of €100.2 million.

The total amount of the dividend that will be paid out for 2019 will be submitted for approval at the Shareholders' Ordinary General Meeting of 20 March 2020 (see Note J).

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, the interest expense is measured actuarially and reported under "cost of gross financial debt".

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

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

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

At 31 December 2019, net financial debt, as defined by Cofiroute, fell by €8.7 million from 31 December 2018 to -€3,628.3 million.

Net financial debt breaks down as follows:

Analysis by accounting category	(in € millions)	31/12/2019			31/12/2018		
		Non-Current	Current ⁽¹⁾	Total	Non-Current	Current ⁽¹⁾	Total
Financial liabilities measured at amortised cost	Bonds	(3,187.5)	(45.7)	(3,233.3)	(3,140.5)	(46.2)	(3,186.6)
	Other bank loans and other financial debt	(423.2)	(57.6)	(480.8)	(456.5)	(257.4)	(713.9)
	Long-term financial debt⁽²⁾	(3,610.8)	(103.3)	(3,714.1)	(3,597.0)	(303.5)	(3,900.5)
	Other current financial liabilities						
	Bank overdrafts						
	I - Gross financial debt	(3,610.8)	(103.3)	(3,714.1)	(3,597.0)	(303.5)	(3,900.5)
	of which impact of fair value hedges	(52.3)	0.0	(52.3)	(9.5)		(9.5)
Financial assets measured at fair value through profit and loss	Cash management financial assets			0.0			
	Cash equivalents		10.1	10.1		227.4	227.4
	Cash		7.6	7.6		10.3	10.3
	II - Financial assets	0.0	17.7	17.7	0.0	237.6	237.6
Derivatives	Derivative instruments – liabilities	(30.9)	(1.3)	(32.2)	(39.2)	(0.8)	(40.0)
	Derivative instruments – assets	83.1	17.3	100.4	48.7	17.1	65.9
	III - Derivative financial instruments	52.2	16.0	68.2	9.5	16.3	25.9
Net financial debt (I + II + III)		(3,558.6)	(69.6)	(3,628.3)	(3,587.5)	(49.5)	(3,637.0)

⁽¹⁾ Current part including accrued interest not yet due.

⁽²⁾ Including the part at less than one year.

Derivative financial instruments (assets/liabilities) eligible for hedge accounting are presented in the balance sheet, depending on their maturity, under non-current derivative instruments (assets/liabilities) for the part over one year and under current derivative instruments (assets/liabilities) for the part at less than one year.

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

The change in net financial debt breaks down as follows:

(in € millions)	Opening	Cash flows	Ref.	"Non cash" changes					Ref.	Closing
				Changes in consolidation scope	Translation effect	Changes in fair value	Other Changes	Total "non cash"		
Bonds	(3,140.5)		(3)			(42.8)	(4.2)	(47.1)	(4)	(3,187.5)
Other loans and borrowings	(456.5)	(20.0)	(3)				53.3	53.3	(4)	(423.2)
Current financial debt	(303.5)	253.9					(53.7)	(53.7)		(103.3)
of which non-current portion of long-term debt	(260.7)	260.7	(3)				(54.2)	(54.2)	(4)	(54.2)
of which current financial debt at origin	0.0	(6.8)	(3)					0.0	(1)	(6.8)
of which accrued interest not yet due	(42.8)						0.6	0.6	(4)	(42.3)
of which overdraft	0.0							0.0	(4)	0.0
Cash management financial assets	0.0	0.0	(2)					0.0	(4)	0.0
Cash and cash equivalents	237.6	(220.0)	(1)					0.0	(1)	17.7
Derivative financial instruments - net	25.9	0.0				42.2	0.1	42.3		68.2
of which FV of derivatives	9.8	0.0	(2)			42.2		42.2	(4)	52.0
of which accrued interest not matured on derivative financial instruments	16.1						0.1	0.1	(4)	16.2
Net financial debt	(3,637.0)	13.9	(5)	0.0	0.0	(0.6)	(4.5)	(5.2)	(5)	(3,628.3)

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

(in € millions)	Ref.	31/12/2019
Change in net cash	(1)	(220.0)
Change in cash management assets and other current financial debt	(2)	
(Issue) repayment of borrowings	(3)	233.9
Other changes	(4)	(5.2)
Change in net financial debt	(5)	8.7

15.1. Breakdown of long-term financial debt

At 31 December 2019, long-term financial debt recognised in the balance sheet stood at €3,714.1 million, a decrease of €186.4 million compared to 31 December 2018. This is mainly attributable to the repayment of €260.7 million of debt.

Long-term financial debt at 31 December 2019 showed the following characteristics:

(in € millions)	31 December 2019						31 December 2018	
	Currency	Contractual interest rate	Maturity	Capital outstanding	Carrying amount	of which accrued interest not yet due	Capital outstanding	Carrying amount
Bonds I				3,156.8	3,233.3	38.9	3,157.0	3,186.6
2006 Bond issue	EUR	5.000%	May-21	750.0	796.0	22.7	750.0	810.7
2006 Bond tap issue	EUR	5.000%	May-21	350.0	357.7	10.6	350.0	355.7
2016 bond issue	EUR	0.750%	September-28	650.0	660.9	1.5	650.0	619.2
2016 bond issue	EUR	0.375%	February-25	650.0	652.2	2.2	650.0	647.7
2017 bond issue	EUR	1.125%	October-27	750.0	759.6	1.8	750.0	746.2
May 2019 Company Savings Plan	EUR	TMOP	May-21	6.8	6.8	0.0		
May 2018 Company Savings Plan							7.0	7.1
Other bank loans and borrowings II				482.1	480.8	3.3	715.8	713.9
EIB March 2002	EUR	EUR3M +0.31%	March-13 to March-27	40.0	40.0	0.0	45.0	45.0
EIB December 2002	EUR	EUR3M +0.467%	June-13 to June-27	26.7	26.7	0.0	30.0	30.0
EIB December 2004							200.0	200.0
EIB December 2005	EUR	4.115%	December-12 to December-25	94.2	94.5	0.3	107.9	108.2
EIB December 2006	EUR	4.370%	December-13 to December-29	29.4	29.5	0.1	32.4	32.4
EIB June 2007	EUR	4.380%	June-14 to June-29	131.3	134.2	2.9	144.4	147.6
EIB November 2008	EUR	EUR3M +0.324%	November-13 to November-28	140.6	136.0	0.0	156.3	150.6
VINCI credit facility ^(*)	EUR	EURIBOR +0.45%	November-23	20.0	20.0			
Long-term financial debt (I + II)				3,638.9	3,714.1	42.3	3,872.8	3,900.5

^(*) Internal credit facility with VINCI (see Note G.16.2).

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 2019, breaks down as follows:

(in € millions)	31/12/2019					
	Carrying amount	Capital and interest cash flows ^(*)	< 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years
Bonds						
Capital	(3,233.3)	(3,156.8)	(6.8)	(1,100.0)		(2,050.0)
Interest cash flows		(236.0)	(70.8)	(70.8)	(47.3)	(47.3)
Other bank loans and other financial debt						
Capital	(480.8)	(482.1)	(74.2)	(54.8)	(168.0)	(185.1)
Interest cash flows		(52.8)	(10.9)	(9.6)	(20.9)	(11.3)
Sub-total: Long-term financial debt	(3,714.1)	(3,927.7)	(162.7)	(1,235.2)	(236.2)	(2,293.6)
I - Financial debt	(3,714.1)	(3,927.7)	(162.7)	(1,235.2)	(236.2)	(2,293.6)
Cash equivalents	10.1	10.1	10.1			
Cash	7.6	7.6	7.6			
II - Financial assets	17.7	17.7	17.7			
Derivative instruments – liabilities	(32.2)	108.2	13.0	13.2	39.6	42.5
Derivative instruments – assets	100.4	(6.8)	12.0	15.6	(17.2)	(17.2)
III - Derivative financial instruments	68.2	101.4	25.0	28.8	22.3	25.3
Net financial debt (I + II + III)	(3,628.3)	(3,808.7)	(120.1)	(1,206.4)	(213.9)	(2,268.3)

^(*) Regarding derivative financial instruments, the amounts equal only interest cash flows.

At 31 December 2019, the average maturity of Cofiroute's long-term financial debt was 5.1 years

15.3. Financial covenants

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

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

15.4. Credit rating

At 31 December 2019, Cofiroute had the following financial ratings from Standard & Poor's:

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

16. Information on net cash managed and available resources**Accounting principles**

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

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

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

As at 31 December 2019, Cofiroute's available resources amounted to €1,097.7 million, breaking down as €17.7 million in net cash under management and €1,080 million in an undrawn internal line of credit with VINCI (see Note G.16.2.).

16.1. Breakdown of net cash under management

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

(in € millions)	31/12/2019	31/12/2018
Cash and cash equivalents	10.1	227.4
Cash	7.6	10.3
Net cash	17.7	237.6
Cash management financial assets	0.0	0.0
Net cash under management	17.7	237.6

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

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

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

At 31 December 2019, the Group had total assets of €17.7 million in cash under management.

16.2. Revolving credit facilities

Of the €1,100 million internal credit facility with VINCI, €20 million has been used.

The amounts authorised and used and the maturity of the VINCI credit facility at 31 December 2019 are presented in the following table:

(in € millions)	Used at 31/12/2019	Authorised at 31/12/2019	Maturity		
			within 1 year	1 to 5 years	more than 5 years
VINCI credit facility	20.0	1,100.0		1,100.0	
Total	20.0	1,100.0		1,100.0	

17. Information on financial risk management**Management rules**

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

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

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

Accounting principles

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

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

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

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

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

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

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

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

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

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

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

(in € millions)	Notes	31/12/2019			31/12/2018		
		Assets	Equity and liabilities	Fair value ^(*)	Assets	Equity and liabilities	Fair value ^(*)
Interest-rate derivatives: fair value hedges	17.1.2	100.6	(32.0)	68.6	66.1	(40.4)	25.7
Interest-rate derivatives: cash flow hedges	17.1.3		(0.2)	(0.2)			
Interest-rate derivatives: not designated as hedges	17.1.4			0.0			
Other derivatives		(0.2)		(0.2)	(0.2)	0.4	0.2
Interest rate derivatives		100.4	(32.2)	68.2	65.9	(40.0)	25.9

^(*) The fair value includes accrued interest amounting to €16.2 million at 31/12/2019 and €16.1 million at 31/12/2018

17.1. Interest rate risk management

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

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

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

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

The table below shows the breakdown at 31 December 2019 of long-term debt between fixed-rate debt, floating-rate debt, and capped floating-rate or inflation-linked debt, before and after taking account of hedging derivative financial instruments:

(in € millions)	Breakdown between fixed and floating rate before hedging									
	Fixed rate			Inflation			Floating rate			Total
	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt Rate
Total at 31/12/2019	3,411.6	94%	2.39%				227.3	6%	0.01%	3,638.9 2.25%
Total at 31/12/2018	3,422.5	89%	2.56%				431.3	11%	0.02%	3,900.5 2.27%

(in € millions)	Breakdown between fixed and floating rate after hedging									
	Fixed rate			Inflation			Floating rate			Total
	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt Rate
Total at 31/12/2019	1,861.6	51%	2.60%				1,777.3	49%	0.45%	3,638.9 1.55%
Total at 31/12/2018	1,879.1	49%	2.81%				1,974.7	51%	0.53%	3,900.5 1.64%

Sensitivity to interest rate risk

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

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

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

The following analysis was carried out by assuming that the amount of financial debt and derivatives at 31 December 2019 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.

(in € millions)	31/12/2019			
	Impact of the sensitivity calculation			
	Net income		Equity	
	+25 bps	-25 bps	+25 bps	-25 bps
Floating-rate debt after hedging (accounting basis)	(4.5)	4.5		
Floating-rate assets after hedging	0.0	(0.0)		
Derivatives not designated as hedges				
Derivatives designated as cash flow hedges			1.3	(1.3)
Total	(4.5)	4.5	1.3	(1.3)

17.1.2. Description of fair value hedges

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

(in € millions)	Receive fixed/pay floating interest rate swaps					
	Fair value	Notional	< 1 year	between 1 and 2 years	between 2 and 5 years	> 5 years
At 31/12/2019	68.6	1,550.00		500.00		1,050.00
At 31/12/2018	25.7	1,550.00			500.00	1,050.00

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

17.1.3. Description of cash flow hedges

Cofiroute's exposure to risks of fluctuation in future interest flows results from floating-rate debt payments as at 31 December 2019.

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

In this regard, Cofiroute uses the methods permitted by the amendment to IFRS 7 and IFRS 9 "Interest Rate Benchmark Reform", which allows the effects of the reform of rates to be not taken into account in assessing whether the interest flows hedged are highly probable. This results in interest rate swaps remaining accounted for as cash flow hedges.

At 31 December 2019, details of the instruments designated as cash flow hedges were as follows:

	31/12/2019					
(in € millions)	Fair value	Notional	< 1 year	between 1 and 2 years	between 2 and 5 years	> 5 years
Receive floating/pay fixed interest-rate swap	(0.2)	500.0		500.0		
Total interest rate derivatives designated as cash flow hedges	(0.2)	500.0		500.0		
<i>of which hedging of contractual cash flows</i>	<i>(0.2)</i>	<i>500.0</i>		<i>500.0</i>		
<i>of which hedging of highly probable projected cash flows</i>						

The amounts recorded in equity correspond to qualified products derived from settled and unsettled cash flow hedges. The following table shows the periods when Cofiroute expects the amounts recorded in equity at 31 December 2019 for the instruments designated as cash flow hedges to have an impact on profit or loss:

(in € millions)	Amount recognised under equity	Amount recycled in profit or loss			
		< 1 year	between 1 and 2 years	between 2 and 5 years	> 5 years
Total interest rate derivatives designated as cash flow hedges	0.2	0.1	0.1	0.0	0.0
of which hedging of contractual cash flows	(0.2)	(0.2)	0.0	0.0	0.0
of which hedging of highly probable cash flows	0.4	0.3	0.1	0.0	0.0

17.1.4. Derivatives not designated as hedging instruments

At 31 December 2019, Cofiroute does not hold any instruments that do not qualify from an accounting viewpoint as hedges.

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

Regarding its exposure to trade receivables risk, Cofiroute considers that the concentration of credit risk related to trade receivables is limited because of the large number of customers and the fact that they are geographically widespread. No customer accounts for more than 10% of Cofiroute's revenue. The breakdown of trade receivables is provided in Note E.11.3. "Breakdown of trade receivables".

Financial instruments (investments and derivatives)

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

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

The measurement of the fair value of financial derivative instruments carried by Cofiroute includes a counterparty risk component for the derivative instruments carried as assets and an "own risk" for the derivative instruments carried as liabilities. Credit risk is measured by drawing on the mathematical models usually drawn upon by market players. At 31 December 2019, adjustments recognised for counterparty risk and own credit risk are not material.

Netting agreements

At 31 December 2019 and in accordance with IAS 32, Cofiroute's financial assets and liabilities (including derivatives) are not offset in the balance sheet, except in cases where Cofiroute has offsetting arrangements. In the event of default by the Group or by financial institutions with which it holds contracts, these agreements provide for netting between the fair values of assets and liabilities arising from derivative financial instruments presented in the IFRS statement of financial position.

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

(in € millions)	31/12/2019			31/12/2018		
	Fair value of derivatives recognised on the balance sheet ^(*)	Impact of netting agreements	Total	Fair value of derivatives recognised on the balance sheet ^(*)	Impact of netting agreements	Total
Derivative instruments – assets	100.4	(0.2)	100.2	65.9	(4.0)	61.9
Derivative instruments – liabilities	(32.2)	0.2	(32.0)	(40.0)	4.0	(36.0)
Derivative financial instruments - net	68.2	0.0	68.2	25.8	0.0	25.9

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

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

In 2019, the criteria used to measure the fair value of financial assets and liabilities remained unchanged.

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

Balance sheet headings and instrument classes	31/12/2019							Fair value		
	Accounting categories									
	Derivatives at fair value through profit and loss	Derivatives classifiable as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through equity	Financial assets at amortised cost	Financial liabilities at amortised cost	Total net carrying amount on the balance sheet	Level 1 Quoted prices and cash	Level 2 Internal model using observable inputs	Level 3 Internal model using non-observable inputs
I - Non-current financial assets							0.0			0.0
II - Derivative financial instruments – assets	(0.2)	100.6					100.4		100.4	100.4
Cash equivalents			10.1				10.1	10.1		10.1
Cash			7.6				7.6	7.6		7.6
III - Current financial assets			17.7				17.7	17.7	0.0	0.0
Total assets	(0.2)	100.6	17.7	0.0	0.0	0.0	118.0	17.7	100.4	118.0
Bonds						(3,233.3)	(3,233.3)	(3,348.2)	(6.8)	(3,355.0)
Other bank loans and other financial liabilities						(480.8)	(480.8)		(485.5)	(485.5)
IV - Long-term financial debt						(3,714.1)	(3,714.1)	(3,348.2)	(492.3)	(3,840.4)
V - Derivative financial instruments – liabilities		(32.2)					(32.2)		(32.2)	(32.2)
Other current financial liabilities							0.0	0.0		0.0
VI - Current financial liabilities							0.0	0.0		0.0
Total liabilities	0.0	(32.2)	0.0	0.0	0.0	(3,714.1)	(3,746.3)	(3,348.2)	(524.5)	0.0
Total	(0.2)	68.4	17.7	0.0	0.0	(3,714.1)	(3,628.3)	(3,330.5)	(424.1)	0.0

The following table shows the carrying amount and fair value of financial assets and liabilities as published at 31 December 2018 using the categories defined by IAS 39:

Balance sheet headings and Instrument classes	31/12/2018									
	Accounting categories							Fair value		
	Derivatives at fair value through profit and loss	Derivatives classifiable as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through equity	Financial assets at amortised cost	Financial liabilities at amortised cost	Total net carrying amount on the balance sheet the Class	Level 1 Quoted prices and cash	Level 2 Internal model using observable inputs	Level 3 Internal model using non-observable inputs
I - Non-current financial assets							0.0			0.0
II - Derivative financial instruments – assets	(0.2)	66.1					65.9		65.9	65.9
Cash management financial assets – not cash equivalents							0.0		0.0	0.0
Cash equivalents			227.4				227.4	227.4		227.4
Cash			10.3				10.3	10.3		10.3
III - Current financial assets			237.6				237.6	237.6	0.0	0.0
Total assets	(0.2)	66.1	237.6	0.0	0.0	0.0	303.5	237.6	65.9	0.0
Bonds						(3,186.6)	(3,186.6)	(3,225.8)	(7.1)	(3,232.9)
Other bank loans and other financial liabilities						(713.9)	(713.9)		(719.5)	(719.5)
IV - Long-term financial debt						(3,900.5)	(3,900.5)	(3,225.8)	(726.6)	(3,952.4)
V - Derivative financial instruments – liabilities	0.4	(40.4)					(40.0)		(40.0)	(40.0)
Other current financial liabilities							0.0	0.0		0.0
VI - Current financial liabilities							0.0	0.0		0.0
Total liabilities	0.4	(40.4)	0.0	0.0	0.0	(3,900.5)	(3,940.5)	(3,225.8)	(766.6)	0.0
Total	0.2	25.7	237.6	0.0	0.0	(3,900.5)	(3,637.0)	(2,988.1)	(700.8)	0.0

H. Employee benefits and share-based payments

19. Provisions for employee benefits

As at 31 December 2019, provisions for employee benefits due in more than one year broke down as follows:

(in € millions)	31/12/2019	31/12/2018
Provisions for retirement benefit obligations	22.5	19.7
Other non-current provisions	0.5	0.0
Total non-current provisions at more than one year	23.0	19.7

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

Provisions for retirement benefits amounted to €23.2 million at 31 December 2019, including €22.5 million maturing in more than one year, compared to €20.1 million at 31 December 2018, including €19.7 million maturing in more than one year.

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

- obligations borne directly by Cofiroute, covered by provisions recognised in the IFRS balance sheet. These comprise 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	31/12/2019	31/12/2018
Discount rate	0.60%	1.70%
Inflation rate	1.60%	1.60%
Rate of salary increases (excl. inflation)	1.00%	1.00%

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

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

Reconciliation of obligations and provisions recorded in the balance sheet

(in € millions)	31/12/2019	31/12/2018
Actuarial liability from retirement benefit obligations	26.8	24.0
Fair value of hedging assets	(3.6)	(3.9)
Deficit (or surplus)	23.2	20.1
Provision recognised as liabilities in the balance sheet	23.2	20.1

Changes in actuarial liabilities and plan assets for the period

(in € millions)	31/12/2019	31/12/2018
Actuarial liability from retirement benefit obligations		
Balance at the start of the period	24.0	24.1
of which obligations covered by plan assets	3.9	4.7
Cost of services rendered during the period	0.8	0.9
Actuarial debt discount cost	0.4	0.4
Past service cost (plan changes and curtailments)	0.0	0.0
Actuarial gains and losses recognised in other comprehensive income ^(*)	2.2	(0.3)
of which impact of changes in demographic assumptions	0.0	0.0
of which impact of changes in financial assumptions	3.0	0.1
of which experience gains and losses	(0.8)	(0.5)
Benefits paid to beneficiaries	(0.6)	(0.8)
Disposals of companies and other	(0.0)	(0.2)
At the end of the period	26.8	24.0
of which obligations covered by plan assets	3.6	3.9

^(*) Actuarial losses and gains refer primarily to changes in financial assumptions, notably the discount rate.

(in € millions)	31/12/2019	31/12/2018
Plan assets		
Balance at the start of the period	3.9	4.7
Interest income during the period	0.1	0.1
Actuarial gains and losses recognised in other comprehensive income ^(*)	0.0	0.0
Benefits paid to beneficiaries	(0.4)	(0.9)
At the end of the period	3.6	3.9

^(*) Actuarial losses and gains refer primarily to changes in financial assumptions, notably the discount rate.

Change in provisions for retirement benefit obligations during the period

(in € millions)	31/12/2019	31/12/2018
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
Balance at the start of the period	20.1	19.3
Total expense recognised with respect to retirement benefit obligations	1.1	1.0
Actuarial gains and losses recognised in other comprehensive income items	2.2	(0.4)
Benefits paid to beneficiaries	(0.2)	0.1
At the end of the period	23.2	20.1

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

(in € millions)	31/12/2019	31/12/2018
Cost of services rendered during the period	(0.8)	(0.9)
Actuarial debt discount cost	(0.4)	(0.4)
Interest income during the period	0.1	0.1
Impact of plan settlements and other	0.1	0.2
Total	(1.1)	(1.0)

Breakdown of plan assets by type of vehicle

	31/12/2019	31/12/2018
	Eurozone	Eurozone
Equities	6%	7%
Bonds	87%	85%
Real estate	7%	8%
Total split of plan assets	100%	100%
Plan assets (in € millions)	3.6	3.9
Coverage rate of actuarial debt (as %)	13%	16%

19.2. Other employee benefits

Provisions for other employee benefits mainly comprise the provision for long-service awards (€0.8 million at 31 December 2019) and the provisions for Agreements on Early Retirement for Employees ("CATS"). These provisions are measured at the discounted value of future benefits.

20. Share-based payments**Accounting principles**

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

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

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

Performance share plans

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

VINCI's Board of Directors' meeting held on 5 February 2019 decided to allocate definitively to the recipients who fulfilled the criterion of current employment in the Group, 97.27% of the performance shares in the 2016 Plan.

VINCI's Board of Directors' meeting held on 17 April 2019 decided to implement a new performance share plan that consists of granting certain employees a conditional performance share award. These shares will only be allocated definitively after a vesting period of three years. To qualify, the beneficiary must be employed by the Group until the end of the vesting period and meet the performance conditions.

VINCI Group savings plan

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

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

The number of shares estimated as subscribed at the end of the subscription period is calculated using linear regression based on historical observations of the 2006-2018 plans, taking into account a cost for the unavailability of mutual fund shares.

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

Moreover, in 2019 VINCI paid all employees in France who had been working at the company for at least three months as of 15 December 2019 a unilateral employer's contribution of €400 through the Group savings plan. This new contribution comes in addition to the conventional contribution for employees of €3,500 and brings the total maximum contribution to €3,900 per person.

The overall expense recognised at 31 December 2019 for share-based payments was €3.2 million (vs. €2.5 million in 2018), of which €0.5 million represented the 2019 unilateral employer contribution.

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 Cofiroute to persons who, at the balance sheet date are (or, have been, during the year), members of Cofiroute's governing bodies and Executive Committee. The corresponding amounts have been recognised and expensed in 2018 and 2019 as follows:

(in € millions)	Members of supervisory bodies and Executive Committee	
	2019	2018
Remuneration	1.2	1.2
Employer's social charges	0.6	0.6
Post-employment benefits	0.0	0.0
Severance payments	0.1	0.0
Share-based payments ^(*)	0.9	0.9
Provisions for retirement benefit obligations	0.3	0.4

^(*) 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 2019 and 2018 between Cofiroute and the VINCI Group break down as follows:

VINCI (in € millions)	2019	2018
Construction expenses	(23.8)	(33.3)
Revenue and other ancillary revenue	1.7	1.7
Other external expenses	(40.9)	(15.2)
Financial income and expenses	(0.0)	(0.0)
Trade receivables	3.7	3.7
Trade payables	12.2	15.8
Liabilities for non-current concession assets	2.8	10.3
Dividend payments	586.6	461.5

22. Statutory Auditors' fees

Statutory Auditors' fees totalled €156 thousand for 2019, down slightly from 2018.

They consisted of €105 thousand for PwC (of which €95 thousand for the statutory audit and €10 thousand for other assignments invoiced in 2019) and €51 thousand for KPMG (of which €40 thousand for the statutory audit and €11 thousand for other assignments invoiced in 2019).

J. Post-balance sheet events

Rates

Toll rates on the A86 Duplex increased on 1 January 2020 pursuant to the Interministerial Decree of 26 December 2019.

Toll rates for the interurban network will increase on 1 February 2020 pursuant to the Concessions Contract and the Contract Plan. The average rise in the rate per kilometre is +0.71%.

Appropriation of 2019 net income

The Board of Directors finalised the individual IFRS financial statements for the year ended 31 December 2019 on 31 January 2020. These financial statements will only become definitive when approved by the Shareholders' General Meeting. A proposal will be made to the Shareholders' Ordinary General Meeting of 20 March 2020 for a dividend of €136.12 per share for this year, which, given the interim dividend already paid in August 2019 (€24.69 per share), would bring the balance of the dividend payable to €111.43 per share, to be paid no later than 30 March 2020.

K. Notes on litigation

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

Report of the Statutory Auditors on the IFRS individual financial statements

Cofiroute
12, rue Louis Blériot
92506 Rueil-Malmaison Cedex

To the Chairman of the Board of Directors,

In our capacity as Statutory Auditors for the company Cofiroute and further to your request, we have performed an audit of the Cofiroute IFRS individual financial statements for the year ended 31 December 2019, as attached hereto.

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

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

In our opinion, the IFRS individual financial statements provide, in all material respects, a true and fair view of the Company's financial position, assets and liabilities and results for the year ended 31 December 2019, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Without casting any doubt on the opinion expressed above, we draw your attention to Note A.3. "Change in accounting policy" in the notes to the IFRS individual financial statements, which relate the change in accounting policy with regard to the application as from 1 January 2019 of IFRS 16 "Leases".

Neuilly-sur-Seine and Paris-La Défense, 31 January 2020

The Statutory Auditors

PricewaterhouseCoopers Audit

Bertrand Baloché

KPMG Audit

Department of KPMG SA

Karine Dupré

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Head office
12, rue Louis Blériot
CS 30035
92506 Rueil-Malmaison Cedex
France
Tel.: 33 (0)1 55 94 70 00
www.vinci-autoroutes.com