CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2017

APRR Group - a French limited company (*société anonyme*) with share capital of €33,911,446.80. Dijon Trade and Companies Register no: 016 250 029

Registered office: 36 Rue du Docteur-Schmitt, 21850 Saint-Apollinaire, France - VAT no: FR 33016250029

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1. Condensed consolidated statement of financial position

(€ millions)	30/06/2017	31/12/2016
Non-current assets		
Property, plant and equipment	160.1	163.0
Intangible assets arising from concessions	6,550.0	6,590.6
Other intangible assets	52.0	50.5
Investments in associates	23.1	7.3
Other non-current financial assets	96.7	96.9
Other non-current assets	0.0	0.0
Total non-current assets	6,881.9	6,908.3
Current assets		
Inventories	7.5	8.4
Trade and other receivables	135.8	144.5
Current tax receivables	0.0	0.0
Other current assets	200.9	212.5
Cash and cash equivalents	1,186.1	2,092.6
Total current assets	1,530.3	2,458.1
TOTAL ASSETS	8,412.2	9,366.4

(€ millions)	30/06/2017	31/12/2016
Capital and reserves		
Share capital	33.9	33.9
Consolidated reserves	(1,212.0)	(1,544.0)
Profit (loss) for the period	373.8	670.6
Share of equity attributable to the owners of the company	(804.3)	(839.5)
Non-controlling interests	0.4	0.1
Total equity	(803.9)	(839.4)
Non-current liabilities		
Non-current borrowings	6,814.9	7,435.8
Deferred tax assets	13.6	6.3
Non-current provisions	267.7	262.2
Other non-current liabilities	91.9	92.9
Total non-current liabilities	7,188.2	7,797.2
Current liabilities		
Trade and other payables	99.0	106.3
Borrowings	388.7	544.3
Non-current borrowings due within one year	1,211.8	1,388.9
Current tax liability	31.0	59.8
Current provisions	40.7	40.0
Other current liabilities	256.9	269.3
Total current liabilities	2,028.0	2,408.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,412.2	9,366.4

2. *Condensed consolidated income statement and statement of comprehensive income*

(€ millions)	1st half 2017	1st half 2016
Revenue of which:	1,283.5	1,228.5
- revenue from the operation of infrastructures	1,156.0	1,116.4
- revenue from the construction of infrastructures held under concessions	127.5	112.1
Purchases and external charges	(177.4)	(164.2)
Employee benefit expenses and headcount	(103.6)	(105.8)
Taxes (other than income tax)	(131.7)	(128.2)
Depreciation and amortisation expenses	(196.6)	(197.8)
Provisions	(12.8)	(8.1)
Other operating income (expenses) from ordinary activities	1.0	0.8
Operating profit on ordinary activities	662.4	625.3
Other income (expenses) from operations	0.0	(0.0)
Operating profit	662.4	625.3
Income from cash and cash equivalents	6.8	4.7
Gross finance costs	(96.6)	(122.7)
Net finance costs	(89.8)	(118.0)
Other financial income (expenses)	(0.2)	(2.0)
Share of profit (loss) of associates	0.5	0.3
Income tax expense	(198.9)	(170.4)
Profit (loss) for the period from continuing operations	374.0	335.2
Profit for the period attributable to:	374.0	335.2
- Owners of the company	373.8	335.1
- Non-controlling interests	0.2	0.2
Earnings per share attributable to the owners of the company		
- Basic earnings per share (euros)	3.31	2.96
- Diluted earnings per share (euros)	3.31	2.96

(€ millions)	1st half 2017	1st half 2016
Profit (loss) for the period	374,0	335,2
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains and losses on staff benefits	0,0	(4,8)
Tax on items that will not be reclassified to profit or loss	0,0	1,6
Share of gains and losses of associates that will not be reclassified to profit or loss		
Items that may be reclassified subsequently to profit or loss		
Translation differences		
Re-measurement of derivative hedging instruments		
Tax on items that are or may be reclassified subsequently to profit or loss		
Share of gains and losses of associates that are or may be reclassified subsequently to profit or loss	6,8	1,6
Total income and expense recognised directly in equity	6,8	(1,5)
Comprehensive income for the period	380,8	333,7
- Owners of the company	380,6	333,5
- Non-controlling interests	0,2	0,2

3. Condensed consolidated statement of changes in equity

Condensed statement of changes in equity for the six months ended 30 June 2017

(€ millions)	Share capital	Share premium	Reserves	Financial instruments	Other	Attributable to the owners of the company	Non-controlling interests	Total equity
At 01/01/2017	33.9	0.3	(848.1)	(19.0)	(6.7)	(839.5)	0.1	(839.4)
Share-based payments			0.3			0.3		0.3
Dividends paid			(345.9)			(345.9)	(0.2)	(346.1)
Profit (loss) for the period			373.8			373.8	0.2	374.0
Income and expense recognised directly in equity				6.8		6.8		6.8
Net profit (loss) and gains and losses recognised directly in equity	0.0	0.0	373.8	6.8	0.0	380.6	0.0	380.8
Changes in scope and reclassifications			0.3		(0.2)	0.1	0.2	0.3
At 30/06/2017	33.9	0.3	(819.5)	(12.2)	(6.9)	(804.3)	0.4	(803.9)

Condensed statement of changes in equity for the six months ended 30 June 2016

(€ millions)	Share capital	Share premium	Reserves	Financial instruments	Other	Attributable to the owners of the company	Non-controlling interests	Total equity
At 01/01/2016	33.9	0.3	(938.9)	(21.6)	(4.8)	(931.1)	0.1	(930.9)
Share-based payments			0.3			0.3		0.3
Dividends paid			(287.1)			(287.1)	(0.1)	(287.3)
Profit (loss) for the period			335.1			335.1	0.2	335.2
Income and expense recognised directly in equity				1.6	(3.1)	(1.5)		(1.5)
Net profit (loss) and gains and losses recognised directly in equity	*0.0*	*0.0*	*335.1*	*1.6*	*(3.1)*	*333.5*	*0.2*	*333.7*
Changes in scope and reclassifications			*0.3*			0.3	*(0.0)*	0.3
At 30/06/2016	33.9	0.3	(890.4)	(20.0)	(8.0)	(884.1)	0.1	(884.0)

4. Condensed consolidated statement of cash flows

(€ millions)	1st half 2017	1st half 2016
Cash and cash equivalents at 1 January	2,092.6	1,281.2
Profit (loss) for the period	374.0	335.2
Net impact of equity-accounted companies	(0.5)	(0.3)
Depreciation and amortisation expenses and provisions	201.4	197.9
Other adjustments	3.5	3.7
Gains (losses) on disposals	(0.7)	(0.3)
Cash generated by operations	577.7	536.3
Net interest expense	84.5	113.7
Interest paid	(219.0)	(236.8)
Income tax expense	198.9	170.4
Income tax paid	(220.4)	(185.6)
Movement in working capital related to ordinary activities	(6.6)	16.7
Net cash from operating activities (I)	415.1	414.6
Purchases of non-current assets	(147.4)	(130.7)
Non-current financial assets	(10.9)	(2.2)
Total purchases of non-current assets	(158.3)	(132.9)
Proceeds from disposals of non-current assets	0.9	0.7
Net cash used in investing activities (II)	(157.4)	(132.2)
Dividends paid to the shareholders	(346.1)	(287.3)
Repayment of borrowings	(1,418.2)	(951.2)
New borrowings	600.0	838.0
Net cash used in financing activities (III)	(1,164.2)	(400.4)
Net increase (decrease) in cash and cash equivalents (I+II+III)	(906.6)	(118.0)
Cash and cash equivalents at 30 June	1,186.1	1,163.2

Dividends paid in the first half amounted to €345.9 million in total, i.e. €3.06 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

I – Accounting policies

Note 1.1 – Reporting entity

APRR (Autoroutes Paris-Rhin-Rhône - the "Company") is domiciled in France. The interim consolidated financial statements for the six months ended 30 June 2017 comprise the financial statements of the Company and its subsidiaries (referred to collectively as the "Group"). The consolidated financial statements of the Group for the year ended 31 December 2016 are available upon request from the Company's registered office at 36 Rue du Docteur Schmitt, 21850 Saint-Apollinaire, France or from its website at www.aprr.com.

Note 1.2 – Statement of compliance

The condensed interim consolidated financial statements were prepared in accordance with IAS 34, "Interim Financial Reporting".

The condensed consolidated financial statements were drawn up under the responsibility of the Board of Directors on 29 August 2017.

Note 1.3 – Accounting policies and methods applied in the condensed interim financial statements and applicable standards

The condensed interim financial statements for the six months ended 30 June 2017 were prepared in accordance with IAS 34, "Interim Financial Reporting". They do not contain all the information required for complete annual financial statements and must be read in conjunction with the Group's financial statements for the year ended 31 December 2016. The financial statements were prepared applying the same accounting policies and methods as for the consolidated financial statements for the year ended 31 December 2016.

A number of new standards adopted by the European Union will be effective for annual periods beginning on or after 1 January 2018. These were not applied early for the preparation of the present consolidated financial statements:

- IFRS 9, "Financial Instruments";
- IFRS 15, "Revenue from Contracts with Customers".

The Group is currently analysing the impacts of the application of these standards.

IFRS 16, "Leases", is one of the standards and amendments not yet adopted by the European Union. It is currently under review and, if adopted, will be applicable as from 2019.

Note 1.4 – Consolidation scope

APRR Group consists of the parent company (APRR), its wholly owned subsidiary AREA Participation which is fully consolidated, its 99.84%-owned subsidiary AREA, which is fully consolidated, and Adelac, a 49.90%-owned associate of APRR that is accounted for using the equity method. It also includes Axxès, a 34.01%-owned associate of APRR (including 6.42% by AREA) that is accounted for using the equity method.

Note 1.5 – Methods used in the preparation of the interim financial statements and the effect of seasonal fluctuations

The features specific to the preparation of the half-year financial statements are as follows.

Revenue corresponds to revenue generated during the first half and expenses are those that have actually been incurred. Statistically, first-half revenue is slightly lower than that in the second half. Revenue generated from the operation of the infrastructures represented 48.0% of full-year revenue in 2016 and 47.7% in 2015.

Depreciation and amortisation, asset impairment and provisions have been determined in accordance with detailed calculations carried out at the balance sheet date, applying the same methods as at the year-end.

In the case of retirement benefits and profit sharing, the amount recognised for the first half of 2017 is 50% of the estimated charge for 2017 as a whole.

II – Notes to the financial statements

Note 2.1 – Net non-current assets

Non-current assets decreased by €42 million in the first half of 2017. This breaks down as follows:

- acquisitions net of disposals amounting to €146 million (compared with €160 million in the first half of 2016);

  and
- depreciation and amortisation charges net of amounts reversed amounting to €188 million (compared with €185 million in the first half of 2016).

Furthermore, from 2017 to 2021, the Group is committed to undertaking work to build and widen motorways and to create new exchanges that are expected to cost €790 million in total.

Note 2.2 – Information about financial assets and liabilities

At 30 June 2017	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Cash and cash equivalents								
Marketable securities	487.1							
Cash at bank and in hand	698.9							
Sub-total	**1,186.1**							
Financial liabilities: current and non-current								
Long-term borrowings	6,800.4	6,851.6	0.0	1,005.3	1,155.1	758.1	294.6	3,638.4
Derivative instruments - liabilities	14.6							
Interest payable in respect of non-current financial liabilities		*766.6*	*114.1*	*114.7*	*87.7*	*72.4*	*60.4*	*317.4*
Non-current borrowings	**6,814.9**	**7,618.2**	**114.1**	**1,119.9**	**1,242.9**	**830.5**	**355.0**	**3,955.8**
Long-term borrowings due within 1 year	1,211.8	1,216.4	1,216.4					
Interest payable in respect of non-current borrowings due within 1 year		*57.9*	*57.9*					
Non-current borrowings due within one year	**1,211.8**	**1,274.3**	**1,274.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Current borrowings and other debts	**388.7**	**322.0**	**322.0**					
Total financial liabilities	**8,415.4**	**9,214.4**	**1,710.3**	**1,119.9**	**1,242.9**	**830.5**	**355.0**	**3,955.8**
Net debt	**-7,229.3**							

Capital and interest movements exclude loan issuance costs, issuance premiums and other items not involving the movement of funds.

At 31 December 2016	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Cash and cash equivalents								
Marketable securities	1,684.5							
Cash at bank and in hand	408.1							
Sub-total	**2,092.6**							
Financial liabilities: current and non-current								
Long-term borrowings	7,415.6	7,460.3	0.0	1,215.4	1,080.2	1,080.1	757.6	3,327.0
Derivative instruments - liabilities	20.2							
Interest payable in respect of non-current financial liabilities		*828.5*	*163.9*	*162.5*	*105.1*	*74.9*	*58.3*	*263.6*
Non-current borrowings	**7,435.8**	**8,288.8**	**163.9**	**1,377.9**	**1,185.4**	**1,155.0**	**815.9**	**3,590.7**
Long-term borrowings due within 1 year	1,388.9	1,393.5	1,393.5					
Interest payable in respect of non-current borrowings due within 1 year		*72.3*	*72.3*					
Non-current borrowings due within one year	**1,388.9**	**1,465.8**	**1,465.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Current borrowings and other debts	**544.3**	**353.0**	**353.0**					
Total financial liabilities	**9,369.0**	**10,107.6**	**1,982.7**	**1,377.9**	**1,185.4**	**1,155.0**	**815.9**	**3,590.7**
Net debt	**-7,276.3**							

Capital and interest movements exclude loan issuance costs, issuance premiums and other items not involving the movement of funds.

Capital and interest movements in the table above concern the debt as reported on the balance sheet at 30 June 2017 and 31 December 2016. They do not reflect any early repayments or new loans that may occur in the future.

Interest movements include movements relating to derivative instruments reported as assets and liabilities (i.e. interest rate swaps). They were not discounted to their present value.

Interest movements for variable rate loans are based on interest rates in force on 30 June 2017 and 31 December 2016. Movements for fixed rate loans with an indexed nominal are based on projected annual inflation of 1.50%.

Movements in respect of current borrowings and other debts concern mainly accrued interest payable, which is included in the above interest movement. At 30 June 2017, the balance of €322 million corresponds to outstanding commercial paper issued.

No drawdowns or repayments were made on the €1,800 million revolving credit facility during the first half of 2017.

The CNA loans repaid during the first half of 2017 totalled €387 million compared with €151 million in the first half of 2016.

Euro Medium Term Note (EMTN) programme bond issues repaid during the first half of 2017 totalled €1,000 million compared with €800 million in the first half of 2016.

Two new bond issues, the first an inflation-indexed issue of €100 million and the second a fixed-rate issue of €500 million, were carried out during the first half of 2017.

Under these conditions, the amount remaining available under the EMTN programme came to €2.25 billion at 30 June 2017 taking into account notes issued since the programme's inception.

The outstanding commercial paper programme totalled €322.0 million at 30 June 2017, compared with €353.0 million at 31 December 2016.

(€ millions)	Carrying value 30/06/2017	Fair value 30/06/2017	Carrying value 31/12/2016	Fair value 31/12/2016
Financial assets:				
Cash and cash equivalents and marketable securities	1,186.1	1,186.1	2,092.6	2,092.6
Loans	6.2	6.2	6.2	6.2
Interest rate swaps	2.7	2.7	5.4	5.4
Other financial assets	87.8	87.8	85.3	85.3
Trade and other receivables	135.8	135.8	144.5	144.5
Other current assets	200.9	200.9	212.5	212.5
Financial liabilities:				
Variable rate loans	1,626.6	1,661.6	1,625.6	1,675.0
Fixed rate loans with indexed nominal	153.9	172.4	52.7	65.0
Fixed rate loans	6,206.1	6,571.5	7,100.8	7,566.7
Interest rate swaps	14.6	14.6	20.2	20.2
Other financial liabilities	414.2	414.2	569.7	569.7
Trade and other payables	99.0	99.0	106.3	106.3
Other non-current liabilities	91.9	91.9	92.9	92.9
Other current liabilities	256.9	256.9	269.3	269.3

The fair value of derivative instruments corresponds to the mark-to-market value communicated by the various counterparties.

(€ millions)	Six months ended 30 June 2017			Six months ended 31 December 2016		
	Fair value hierarchy level			Fair value hierarchy level		
	level 1:	level 2:	level 3:	level 1:	level 2:	level 3:
Financial assets measured at fair value						
Cash and cash equivalents and marketable securities	1,186.1			2,092.6		
Interest rate swaps		2.7			5.4	
Unlisted participating interests			23.1			2.4
Total financial assets measured at fair value	**1,186.1**	**2.7**	**23.1**	**2,092.6**	**5.4**	**2.4**
Financial liabilities:						
Fixed-rate loans measured at fair value						
Notional		*75.0*			*75.0*	
Revalued		*1.4*			*2.4*	
Interest rate swaps		14.6			20.2	
Total financial liabilities measured at fair value	**-**	**91.0**	**-**	**-**	**97.6**	**-**

Level 1: quotation on an active market

Level 2: internal model using observable inputs

Level 3: internal model using unobservable inputs

(€ millions)	Notional amount by maturity at 30 June 2017				o/w derivatives qualifying as fair value hedges		o/w derivatives qualifying as autonomous	
	2 018	2 020	Total	Fair value	Notional	Fair value	Notional	Fair value
Interest rate swaps								
Interest rate swap, pay variable/receive 3.38%	75,0	-	**75,0**	2,7	75,0	2,7	-	-
Interest rate swap, pay variable/receive variable	58,4	-	**58,4**	-	-	-	58,4	-
Interest rate swap, pay variable/receive variable	75,0	-	**75,0**	(0,2)	-	-	75,0	(0,2)
Interest rate swap, pay variable/receive variable	75,0	-	**75,0**	(1,5)	-	-	75,0	(1,5)
Interest rate swap, pay 4.5%/receive variable	-	91,6	**91,6**	(12,8)	-	-	91,6	(12,8)
Total financial assets measured at fair value	**283,4**	**91,6**	**375,0**	**(11,8)**	**75,0**	**2,7**	**300,0**	**(14,6)**

At 30 June 2017, the portfolio of derivative instruments held by the APRR Group consisted of a residual group of five derivative contracts, including one swap receiving a fixed rate and paying a variable rate, which was designated as a fair value hedge (with a nominal value of €75 million, maturing in 2018), and three options entered into partly to mitigate exposure to higher interest rates and one swap paying a fixed rate and receiving a variable rate (arising from the exercise of a swaption having matured in April 2010), which are treated as autonomous instruments for accounting purposes. These were entered into in the second half of 2005 as part of a variable rate programme scaled back to €300 million at 30 June 2010, matched to the following loans:

- €208.4 million against the 4.50% CNA loan maturing on 28 March 2018; and
- €91.6 million until April 2020, corresponding to a portion of the debt equivalent to the 4.50% CNA loan that matured on 25 April 2010.

The Group's currency, interest rate and liquidity risk exposures are substantially the same as detailed in the 2016 annual consolidated financial statements.

Note 2.3 – Provisions

	01/01/2017	Additional provisions in the period	Provisions utilised	Provisions reversed	Other	30/06/2017
Provision for retirement indemnities	45.5	1.1	(1.4)	0.0	(0.5)	44.6
Provision for long-service medals	0.8					0.8
Provision for maintaining infrastructures in condition	215.9	16.5	(9.7)		(0.4)	222.3
Non-current provisions	262.2	17.6	(11.1)	0.0	(0.9)	267.7
Provision for retirement indemnities	1.0				0.5	1.5
Provision for long-service medals	0.2					0.2
Provision for maintaining infrastructures in condition	37.4				0.4	37.8
Other provisions for liabilities and charges	1.4	0.2	(0.3)	(0.1)		1.1
Current provisions	40.0	0.2	(0.3)	(0.1)	0.9	40.7

	01/01/2016	Additional provisions in the period	Provisions utilised	Provisions reversed	Other	30/06/2016
Provision for retirement indemnities	41.2	1.6	(0.4)	0.0	4.8	47.2
Provision for long-service medals	0.9					0.9
Provision for maintaining infrastructures in condition	220.5	10.5	(10.3)		(2.9)	217.8
Non-current provisions	262.6	12.1	(10.7)	0.0	1.9	265.9
Provision for retirement indemnities	0.6					0.6
Provision for long-service medals	0.2					0.2
Provision for maintaining infrastructures in condition	31.6				2.9	34.5
Other provisions for liabilities and charges	1.2	0.4	(0.3)	(0.0)		1.3
Current provisions	33.6	0.4	(0.3)	(0.0)	2.9	36.7

Note 2.4 – Investments in associates

Investments in associates consist of the Group's shareholding in Adelac, the concession holder for a 19-kilometre section of the A41 motorway between Villy le Pelloux-Saint Martin-Bellevue and Saint-Julien-en-Genevois, and Axxès, which markets and manages toll subscriptions for heavy goods vehicles.

Key financial data for associates are summarised in the table below:

(€ millions)	ADELAC	AXXES
Country	France	France
Percentage owned	49.90%	34.01%
Share of profit (losses) of associates recognised	0.0	0.5
Share of items of other comprehensive income of associates recognised	6.8	0.0
Group's share of the capital and reserves of associates	9.8	13.3
Share of losses of associates not recognised	21.3	0.0
Share of items of other comprehensive income of associates not recognised	(21.3)	0.0
Carrying amount of investment	9.8	13.3
Market capitalisation	-	-

In the case of Adelac, the cumulative unrecognised shares totalled €22.0 million at 31 December 2016.

Other items of comprehensive income are related to changes in the fair value of interest-rate hedging instruments, which are treated in a similar way as the APRR group.

Note 2.5 – Off-balance sheet commitments at 30 June 2017

Signed work contracts not executed totalled €266 million at 30 June 2017 compared with €226 million at 30 June 2016 and €198 million at 31 December 2016.

Note 2.6 – Related parties

Financière Eiffarie recharged to APRR its share of the costs and expenses of the Financière Eiffarie employees working for APRR.

The Eiffage Group performs works-related services on behalf of the APRR Group in the context of an ordinary client-supplier relationship after a competitive bidding process.

Note 2.7 – Significant events during the six-month period

In January, the State and APPR and AREA signed a memorandum of understanding concerning a new motorway investment plan with a value of close to €220 million.

This investment plan, financed by an additional tariff increase covering the years 2019 to 2021, comprises around 15 projects, some of which will be carried out in association with local authorities.

These investments will enable the Group to speed up the development and modernisation of the network, particularly in the fields of environmental protection, customer service and access to rural areas.

Draft amendments were submitted for an advisory opinion to ARAFER, the French rail regulatory authority, in March 2017. The opinion was delivered on 14 June 2017.

Note 2.8 – Events after the balance sheet date

None since 30 June 2017.