



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2018

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STATEMENTS OF FINANCIAL POSITION

1. Condensed consolidated statement of financial position

(€ millions)	30/06/2018	31/12/2017
Non-current assets		
Property, plant and equipment	161.2	165.8
Intangible assets arising from concessions	6,513.5	6,555.0
Other intangible assets	57.9	55.1
Investments in associates	22.2	21.2
Other non-current financial assets	54.3	65.0
Deferred tax assets	0.3	0.0
Other non-current assets	0.0	7.8
Total non-current assets	6,809.5	6,869.9
Current assets		
Inventories	6.4	7.7
Trade and other receivables	145.2	149.7
Current tax receivables	0.0	0.0
Other current assets	226.8	215.9
Cash and cash equivalents	943.7	1,800.9
Total current assets	1,322.1	2,174.1
TOTAL ASSETS	8,131.6	9,044.0

(€ millions)	30/06/2018	31/12/2017
Capital and reserves		
Share capital	33.9	33.9
Consolidated reserves	(1,197.0)	(1,539.4)
Profit (loss) for the period	420.2	705.9
Share of equity attributable to the owners of the company	(742.9)	(799.6)
Non-controlling interests	0.3	0.2
Total equity	(742.7)	(799.3)
Non-current liabilities		
Non-current borrowings	6,354.1	7,503.1
Deferred tax assets	0.0	0.0
Non-current provisions	281.6	279.4
Other non-current liabilities	80.7	84.2
Total non-current liabilities	6,716.4	7,866.6
Current liabilities		
Trade and other payables	128.3	128.6
Borrowings	655.1	242.2
Non-current borrowings due within one year	1,002.0	1,211.8
Current tax liability	36.6	71.7
Current provisions	42.1	41.7
Other current liabilities	293.8	280.7
Total current liabilities	2,157.8	1,976.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,131.6	9,044.0

2. Condensed consolidated income statement and statement of comprehensive income

(€ millions)	1 st half 2018	1 st half 2017
Revenue of which:	1,368.5	1,283.5
- revenue from the operation of infrastructures	1,234.7	1,156.0
- revenue from the construction of infrastructures held under concessions	133.8	127.5
Purchases and external charges	(186.8)	(177.4)
Employee benefit expenses and headcount	(105.0)	(103.6)
Taxes (other than income tax)	(138.7)	(131.7)
Depreciation and amortisation expenses	(203.4)	(196.6)
Provisions	(17.7)	(12.8)
Other operating income (expenses)	0.9	1.0
Operating profit on ordinary activities	717.8	662.4
Other income (expenses) from operations	0.0	0.0
Operating profit	717.8	662.4
Income from cash and cash equivalents	2.7	6.8
Gross finance costs	(78.4)	(96.6)
Net finance costs	(75.7)	(89.8)
Other financial income (expenses)	(1.0)	(0.2)
Share of profit (loss) of associates	0.3	0.5
Income tax expense	(221.0)	(198.9)
Profit (loss) for the period from continuing operations	420.4	374.0
Profit for the period attributable to:	420.4	374.0
- Owners of the company	420.2	373.8
- Non-controlling interests	0.2	0.2
Earnings per share attributable to the owners of the company		
- Basic earnings per share (euros)	3.72	3.31
- Diluted earnings per share (euros)	3.72	3.31

(€ millions)	1 st half 2018	1 st half 2017
Profit (loss) for the period	420.4	374.0
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains and losses on staff benefits	0.0	0.0
Tax on items that will not be reclassified to profit or loss	0.0	0.0
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	0.7	6.8
Total income and expense recognised directly in equity	0.7	6.8
Comprehensive income for the period	421.1	380.8
- Owners of the company	420.9	380.6
- 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 2018

(€ millions)	Share capital	Share premium	Reserves	Financial instruments	Other	Attributable to the owners of the company	Non-controlling interests	Total equity
At 01/01/2018	33.9	0.3	(812.1)	(13.8)	(7.9)	(799.6)	0.2	(799.3)
Share-based payments			0.7			0.7		0.7
Dividends			(365.1)			(365.1)	(0.2)	(365.3)
Profit for the year			420.2			420.2	0.2	420.4
Income and expense recognised directly in equity				0.7		0.7		0.7
Net profit (loss) and gains and losses recognised directly in equity	0.0	0.0	420.2	0.7	0.0	420.9	0.0	421.1
Changes in scope and reclassifications			0.2			0.2		0.2
At 30/06/2018	33.9	0.3	(756.2)	(13.1)	(7.9)	(742.9)	0.3	(742.7)

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			(345.9)			(345.9)	(0.2)	(346.1)
Profit for the year			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)

4. Condensed consolidated statement of cash flows

(€ millions)	1st half 2018	1st half 2017
Cash and cash equivalents at 1 January	1,800.9	2,092.6
Profit (loss) for the period	420.4	374.0
Net impact of equity-accounted companies	(0.3)	(0.5)
Depreciation and amortisation expenses and provisions	204.6	201.4
Other adjustments	5.4	3.5
Gains (losses) on disposals	(0.4)	(0.7)
Cash generated by operations	629.7	577.7
Net interest expense	70.3	84.5
Interest paid	(162.5)	(219.0)
Income tax expense	221.0	198.9
Income tax paid	(248.5)	(220.4)
Movement in working capital related to ordinary activities	(7.2)	(6.6)
Net cash from operating activities (I)	502.7	415.1
Purchases of non-current assets	(148.4)	(147.4)
Non-current financial assets	(1.5)	(10.9)
Total purchases of non-current assets	(149.9)	(158.3)
Proceeds from disposals of non-current assets	10.3	0.9
Net cash used in investing activities (II)	(139.6)	(157.4)
Dividends paid to the shareholders	(365.3)	(346.1)
Repayment of borrowings	(1,360.0)	(1,418.2)
New borrowings	505.0	600.0
Net cash used in financing activities (III)	(1,220.3)	(1,164.2)
Net increase (decrease) in cash and cash equivalents (I+II+III)	(857.2)	(906.6)
Cash and cash equivalents at 30 June	943.7	1,186.1

Dividends paid in the first half amounted to €365.1 million in total, i.e. €3.23 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2018

I – Accounting policies

Note 1.1 – Reporting entity

APRR (the “Company”) is domiciled in France. The interim consolidated financial statements for the six months ended 30 June 2018 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 2017 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 28 August 2018.

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 2018 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 2017. The financial statements were prepared applying the same accounting policies and methods as for the consolidated financial statements for the year ended 31 December 2017.

A number of new standards adopted by the European Union became effective for annual periods beginning on or after 1 January 2018. These were applied for the preparation of the present consolidated financial statements:

IFRS 9, “Financial Instruments”:

This standard introduces new provisions for the classification and measurement of financial assets, based on the company’s business model and the contractual characteristics of the financial assets. IFRS 9 also changes the rules for impairment of financial assets, imposing a model that takes into account expected credit losses.

With regard to trade receivables, the Group opted for the simplification measure offered by IFRS 9 for non-financing receivables, consisting of considering only a single credit loss risk at maturity, estimated over a period of 12 months. The impact on the interim consolidated financial statements is insignificant, resulting in an additional impairment charge of €0.4 million.

Regarding financial liabilities, the first application of IFRS 9 has no impact for the Group. In fact, the analysis conducted in light of the new provisions of IFRS 9 confirmed the treatment of all refinancing operations prior to 1 January 2018 as extinguishment of liabilities.

The provisions of IFRS 9 for hedge accounting do not call into question the existing, effective hedging relationships.

IFRS 15 "Revenue from Contracts with Customers":

This standard provides a new framework for the recognition of revenue and corresponding margin, replacing IAS 11 - Construction Contracts and IAS 18 - Revenue.

The Group's revenue recognition model is not brought into question by the new provisions of IFRS 15. No impact on the method of recognising revenue from concession contracts operated by the Group, based on the IFRIC 12 model, has been identified.

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 Adelaç, 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 47.7% of full-year revenue in 2017 and 48.0% in 2016.

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 2018 is 50% of the estimated charge for 2018 as a whole.

II – Notes to the financial statements

Note 2.1 – Net non-current assets

Non-current assets decreased by €43 million in the first half of 2018. This breaks down as follows:

- acquisitions net of disposals amounting to €154 million (compared with €146 million in the first half of 2017);
- and
- depreciation and amortisation charges net of amounts reversed amounting to €197 million (compared with €188 million in the first half of 2017).

Furthermore, from 2018 to 2022, the Group is committed to undertaking work to build and widen motorways and to create new exchanges that are expected to cost €738 million in total.

Note 2.2 – Information about financial assets and liabilities

At 30 June 2018	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	308.7							
Cash at bank and in hand	635.0							
Sub-total	943.7							
Financial liabilities: current and non-current								
Long-term borrowings	6,345.3	6,398.8	0.0	1,005.1	758.9	294.9	110.0	4,230.0
Derivative instruments - liabilities	8.8							
<i>Interest payable in respect of non-current financial liabilities</i>		779.7	97.9	97.5	82.2	70.7	64.8	366.5
Non-current borrowings	6,354.1	7,178.5	97.9	1,102.6	841.1	365.6	174.8	4,596.5
Long-term borrowings due within 1 year	1,002.0	1,006.6	1,006.6					
<i>Interest payable in respect of non-current borrowings due within 1 year</i>		26.3	26.3					
Non-current borrowings due within one year	1,002.0	1,032.9	1,032.9	0.0	0.0	0.0	0.0	0.0
Current borrowings and other debts	655.1	600.0	600.0					
Total financial liabilities	8,011.1	8,811.4	1,730.8	1,102.6	841.1	365.6	174.8	4,596.5
Net debt	-7,067.4							

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

At 31 December 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	626.8							
Cash at bank and in hand	1,174.1							
Sub-total	1,800.9							
Financial liabilities: current and non-current								
Long-term borrowings	7,489.6	7,547.3	0.0	1,080.2	1,080.2	758.3	399.8	4,228.8
Derivative instruments - liabilities	13.5							
<i>Interest payable in respect of non-current financial liabilities</i>		924.3	123.4	123.9	93.8	82.4	70.5	430.3
Non-current borrowings	7,503.1	8,471.6	123.4	1,204.2	1,174.0	840.7	470.3	4,659.1
Long-term borrowings due within 1 year	1,211.8	1,216.6	1,216.6					
<i>Interest payable in respect of non-current borrowings due within 1 year</i>		57.9	57.9					
Non-current borrowings due within one year	1,211.8	1,274.5	1,274.5	0.0	0.0	0.0	0.0	0.0
Current borrowings and other debts	242.2	95.0	95.0					
Total financial liabilities	8,957.1	9,841.1	1,492.9	1,204.2	1,174.0	840.7	470.3	4,659.1
Net debt	-7,156.2							

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 2018 and 31 December 2017. 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 2018 and 31 December 2017. 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 2018, the balance of €600 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 2018.

The CNA loans repaid during the first half of 2018 totalled €710 million compared with €387 million in the first half of 2017.

Euro Medium Term Note (EMTN) programme bond issues repaid during the first half of 2018 totalled €500 million compared with €1,000 million in the first half of 2017.

Two loans from the EIB, totalling €150 million, were also repaid during this half year.

No new bond issues were carried out during the first half of 2018.

Under these conditions, the amount remaining available under the EMTN programme came to €2.05 billion at 30 June 2018 taking into account notes issued since the programme's inception.

The outstanding commercial paper programme totalled €600 million at 30 June 2018, compared with €95 million at 31 December 2017.

(€ millions)	Carrying value 30/06/2018	Fair value 30/06/2018	Carrying value 31/12/2017	Fair value 31/12/2017
Financial assets:				
Cash and cash equivalents and marketable securities	943.7	943.7	1,800.9	1,800.9
Loans	6.2	6.2	6.7	6.7
Interest rate swaps	0.0	0.0	2.6	2.6
Other financial assets	48.1	48.1	55.7	55.7
Trade and other receivables	145.2	145.2	149.7	149.7
Other current assets	226.8	226.8	215.9	215.9
Financial liabilities:				
Variable rate loans	1,270.2	1,283.1	1,627.6	1,657.5
Fixed rate loans with indexed nominal	156.0	173.5	154.2	173.3
Fixed rate loans	5,896.4	6,224.2	6,894.6	7,242.9
Interest rate swaps	8.8	8.8	13.5	13.5
Other financial liabilities	679.7	679.7	267.2	267.2
Trade and other payables	128.3	128.3	128.6	128.6
Other non-current liabilities	80.7	80.7	84.2	84.2
Other current liabilities	293.8	293.8	280.7	280.7

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

(€ millions)	Six months ended 30 June 2018			Six months ended 31 December 2017		
	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	943.7			1,800.9		
Interest rate swaps		0.0			2.6	
Unlisted participating interests			2.5			2.5
Total financial assets measured at fair value	943.7	-	2.5	1,800.9	2.6	2.5
Financial liabilities:						
Fixed-rate loans measured at fair value						
<i>Notional</i>		0.0			75.0	
<i>Revalued</i>		0.0			0.4	
Interest rate swaps		8.8			13.5	
Total financial liabilities measured at fair value	-	8.8	-	-	88.8	-

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 2018		o/w derivatives qualifying as fair value hedges		o/w derivatives qualifying as autonomous	
	2 020	Fair value	Notional	Fair value	Notional	Fair value
Interest rate swaps						
Interest rate swap, pay 4,5% / receive variable	91,6	(8,8)	-	-	91,6	(8,8)
Total financial assets measured at fair value	91,6	(8,8)	0,0	0,0	91,6	(8,8)

At 30 June 2018, the APRR Group's derivatives portfolio consisted of a swap paying a fixed rate and receiving a variable rate resulting from the exercise of a swaption maturing in April 2010, treated as a stand-alone instrument with a nominal value of €91.6 million and a maturity of 2020.

Four other derivative contracts entered into in 2005, with a nominal amount of €208.4 million backed by the CNA 4.50% line maturing on 28 March 2018 (including one swap receiving a fixed rate and paying a variable rate, which was designated as a fair value hedge, and three options entered into partly to mitigate exposure to higher interest rates treated as stand-alone instruments) matured in the first half of 2018.

The Group's currency, interest rate and liquidity risk exposures are substantially the same as detailed in the 2017 annual consolidated financial statements.

Note 2.3 – Provisions

	01/01/2018	Additional provisions in the period	Provisions utilised	Provisions reversed	Other	30/06/2018
Provision for retirement indemnities	45.1	1.5	(0.8)			45.9
Provision for long-service medals	1.1					1.1
Provision for maintaining infrastructures in condition	233.2	20.7	(19.0)		(0.3)	234.6
Non-current provisions	279.4	22.3	(19.8)	0.0	(0.3)	281.6
Provision for retirement indemnities	1.4				0.0	1.4
Provision for long-service medals	0.2					0.2
Provision for maintaining infrastructures in condition	39.2				0.3	39.5
Other provisions for liabilities and charges	1.0	0.4	(0.3)			1.0
Current provisions	41.7	0.4	(0.3)	0.0	0.3	42.1

	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

Note 2.4 Investments in associates

Investments in associates consist of the Group's shareholding in Adelaç, 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	0.3
Share of items of other comprehensive income of associates recognised	0.7	0.0
Group's share of the capital and reserves of associates	8.9	13.3
Share of losses of associates not recognised	19.7	0.0
Share of items of other comprehensive income of associates not recognised	(19.7)	0.0
Carrying amount of investment	8.9	13.3
Market capitalisation	-	-

In the case of Adelaç, the cumulative unrecognised shares totalled €21.7 million at 31 December 2017.

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 2018

Signed work contracts not executed totalled €263 million at 30 June 2018 compared with €266 million at 30 June 2017 and €192 million at 31 December 2017.

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

There are no significant developments to report.

Note 2.8 – Events after the balance sheet date

None since 30 June 2018.