holding d'infrastructures de transport S.A.S.

HIT Group

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

Contents

SUMMARY FINANCIAL STATEMENTS

1. *CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*

(in € thousands)	Notes	2016	2015
Operating income		**1,768,187**	**1,733,157**
Revenue	3.2	1,733,837	1,702,190
of which revenue excluding construction		*1,624,433*	*1,595,191*
of which revenue from construction		*109,404*	*106,999*
Other income	3.5	34,351	30,967
Operating expenses		**(1,004,502)**	**(1,065,276)**
Purchases and external expenses	3.3	(202,707)	(217,931)
of which construction costs		*(109,404)*	*(106,999)*
Payroll costs	3.4	(170,051)	(208,690)
Other expense	3.5	1,491	(6,175)
Taxes other than on income	3.6	(244,915)	(226,116)
Depreciation, amortization and provision	3.7	(388,320)	(406,364)
Operating income, net		**763,686**	**667,881**
Interest expense	3.8	(243,760)	(279,807)
Other financial expenses	3.8	(24,955)	(115,745)
Financial income	3.8	14,187	45,897
Income before tax		**509,158**	**318,226**
Income tax	3.9	(127,347)	(139,466)
Share in net income of associates	3.1	4,441	1,051
Net income before non-controlling interests		**386,252**	**179,811**
Non-controlling interests		41	11
Net income attributable to owners of HIT		**386,211**	**179,800**

Basic earnings per share (in euros)	3.10	0.26	0.12
Weighted average number of shares		1,512,267,743	1,512,267,743
Diluted earnings per share (in euros)		0.26	0.12
Weighted average number of shares		1,512,267,743	1,512,267,743

Other components of comprehensive income:

(in € thousands)	2016	2015
Net income	**386,252**	**179,811**
Actuarial gains and losses on post-employment program	(13,440)	2,083
Tax effect	4,627	(717)
Effect of regularization tax rate as of 2020	(370)	
Items not potentially reclassifiable to profit and loss	***(9,183)***	***1,366***
Fair value adjustment on cash flow hedges	(12,302)	2,459
Recycling to “Other financial expenses” of the losses resulting from the unwinding of swaps used as cash flow hedges (see note 3.8)	2,605	6,631
Amortization of the revaluation of the fair value of the interest rate swaps, which occurred on the acquisition date of the Sanef group by HIT, following the sale of these swaps	(1,242)	(1,748)
Tax effect	3,766	(2,528)
Effect of regularization tax rate as of 2020	(2,982)	
Fair value adjustment on cash flow hedges of associates (net of tax)	(559)	851
Items potentially reclassifiable to profit and loss	***(10,714)***	***5,665***
Total income and expenses recognized directly in equity	**(19,896)**	**7,031**
Total income and expenses recognized during the period	**366,356**	**186,842**
Attributable to owners of HIT	366,315	186,831
Non-controlling interests	41	11

2. *CONSOLIDATED STATEMENT OF FINANCIAL POSITION*

ASSETS *(in € Thousands)*	**Notes**	**December 31, 2016**	**December 31, 2015**
Goodwill	3.11	2,820,166	2,820,166
Intangible assets	3.12	4,982,874	5,179,128
Property, plant and equipment	3.13	181,324	184,932
Investments in associates	3.1	54,799	51,192
Non-current financial assets	3.14	17,731	59,656
Total non-current assets		**8,056,895**	**8,295,074**
Inventories		5,764	6,578
Trade and other accounts receivable	3.15	204,692	313,598
Current financial assets	3.14	976	2,880
Tax receivable			
Cash and cash equivalents	3.16	643,696	229,202
Group of assets held for sale	3.12	111,510	
Total current assets		**966,637**	**552,258**
TOTAL ASSETS		**9,023,532**	**8,847,332**

EQUITY AND LIABILITIES *(in € Thousands)*	**Notes**	**December 31, 2016**	**December 31, 2015**
Capital stock	3.17	1,512,268	1,512,268
Additional paid-in capital	3.17	73,434	108,796
Reserves and net income		313,498	111,959
Equity attributable to the owners of HIT		**1,899,199**	**1,733,023**
Equity attributable to the non-controlling interests		**273**	**260**
Total equity		**1,899,473**	**1,733,283**
Non-current provisions	3.18	416,900	413,723
Provisions for long-term employment benefits	3.19	67,738	58,006
Non-current financial liabilities	3.20	5,505,916	5,335,643
Deferred tax liabilities		269,081	368,986
Total non-current liabilities		**6,259,635**	**6,176,358**
Current provisions	3.18	81,718	78,111
Current financial liabilities	3.20	362,744	434,851
Trade and other accounts payable	3.21	276,467	377,976
Current tax liabilities		38,264	46,753
Group of liabilities held for sale	3.12	105,231	
Total current liabilities	**-**	**864,424**	**937,691**
TOTAL EQUITY AND LIABILITIES		**9,023,532**	**8,847,332**

3. *CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

(In € thousands)	Capital stock	Additional paid-in capital	Foreign exchange differences	Consolidated reserves and net income	Shareholders' equity	Non-controlling interests	Total Equity
As of January 1, 2016	**1,512,268**	**108,796**		**111,959**	**1,733,023**	**260**	**1,733,283**
Change in capital							
Dividends		(35,362)		(164,638)	(200,000)	(21)	(200,021)
Recognized income and expenses				366,315	366,315	41	366,356
Share-based compensation							
Change in scope							
Others				(138)	(138)	(7)	(145)
As of December 31, 2016	**1,512,268**	**73,434**		**313,498**	**1,899,200**	**273**	**1,899,473**

(In € thousands)	Capital stock	Additional paid-in capital	Foreign exchange differences	Consolidated reserves and net income	Shareholders' equity	Non-controlling interests	Total Equity
As of January 1, 2015	**1,512,268**	**165,720**	**47**	**87,712**	**1,765,747**	**98**	**1,765,845**
Change in capital							
Dividends		(56,924)		(156,076)	(213,000)	(23)	(213,023)
Recognized income and expenses				186,831	186,831	11	186,842
Share-based compensation							
Change in scope			(47)	(7,187)	(7,234)		(7,234)
Others				679	679	174	853
As of December 31, 2015	**1,512,268**	**108,796**		**111,959**	**1,733,023**	**260**	**1,733,283**

4. *CONSOLIDATED STATEMENT OF CASH FLOWS*

(in € thousands)	2016	2015
OPERATING ACTIVITIES		
Operating income, net	**763,686**	**667,881**
Depreciation, amortization and provisions	414,002	418,644
Recoveries of depreciation, amortization and provisions	(13,723)	(4,234)
Disposal gains and losses		(27)
Change in inventories	(815)	3,074
Transferts de charges à répartir		
Change in trade and other accounts receivable	(6,089)	(14,639)
Change in trade and other accounts payable	(19,247)	(37,977)
Taxes paid	(227,145)	(101,669)
	910,670	**931,053**
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(35,973)	(41,916)
Additions to intangible assets	(158,483)	(101,239)
Proceeds from disposals of property, plant and equipment and intangible assets	1,977	899
Additions to non-current financial assets	(30)	(30)
Proceeds from disposal of non-current financial assets		
Net cash held by subsidiaries on acquisition/disposal		(2,415)
Interest income	4,196	2,992
	(188,313)	**(141,709)**
FINANCING ACTIVITIES		
New equity or capital contributions		(964)
Dividends paid to owners of HIT	(200,076)	(170,000)
Dividends paid to non-controlling shareholders	(21)	(23)
New borrowings	439,123	902,095
Reimbursement of borrowings	(304,850)	(1,180,523)
Investment grants (gross)		
Interest expense	(242,038)	(315,922)
Premium paid on Liability Management operation in 2014 and 2015		(92,250)
	(307,862)	**(857,587)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**414,494**	**(68,243)**
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**229,202**	**297,444**
CASH AND CASH EQUIVALENTS – END OF PERIOD	**643,696**	**229,202**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 INFORMATION CONCERNING THE GROUP

1.1. Information concerning HIT, the parent company

HIT was founded on November 2, 2005 with a view to acquiring Sanef's shares within the framework of the call for tenders launched by the French government for the disposal of its holdings in three toll road concession operators.

HIT won the tender and acquired the French government's stake in the Sanef group on February 3, 2006. HIT then launched a standing market order and a mandatory minority buyout, ultimately enabling it to become Sanef's sole shareholder.

The majority shareholder of HIT is the Abertis Group, which is headquartered in Barcelona, Spain. HIT's consolidated financial statements are included in the consolidated financial statements of Abertis.

HIT has no assets other than the shares of Sanef.

HIT's headquarters are located at 30, boulevard Gallieni – 92130 Issy-Les-Moulineaux – France.

1.2. Information concerning the Sanef subgroup

The Sanef group holds two concessions granted by the French government, through which it manages the construction and operation of 1,785 kilometers of toll roads, engineering structures and facilities. Of this total, Sanef manages 1,406 kilometers and Sapn manages 379 km. As of December 31, 2016 and December 31, 2015, the group's network in service consisted of 1,773 kilometers.

Since signing an agreement in 2010 with the French Government to make investments for sustainable development, the Sanef and Sapn concessions were set to run until December 31, 2029.

The French Government entered into a highway stimulus plan with the major highway concession-holders totaling €3.2 billion for the whole sector in 2015. This stimulus plan comes as part of the negotiations completed in April 2015 with the signing of a framework agreement between the French Government and the Vinci, APRR-AREA and Sanef (plus Sapn) groups.

The agreement establishes the shared aim of the French Government and the highway concession-holders to continue their contractual arrangement far into the future and to develop it based on the following principles:

1. Expanded investment in infrastructure:
   - i) Direct investments through the Stimulus Plan:
     - a) For Sanef, the Stimulus Plan represents an investment program of about €330 million and a two-year extension of the concession.
     - b) For Sapn, the Stimulus Plan represents an investment program of €260 million and a three year eight month extension of the concession.
   - ii) Indirect investments through:
     - a) the concessionaires' paying the AFITF an Extraordinary Voluntary Contribution (French acronym CVE). The CVE, in the amount of €60 million per year, will be paid by all the highway concessionaires party to the agreement until the end of each

company's concession. The Sanef (Sanef and Sapn) Group's share represents 17% of the total CVE.

b) The creation by Vinci, APRR and the Sanef shareholders of a €200 million fund for the ecological modernization of transportation (French acronym FMET). The contribution to this made by Sanef Group shareholders was €50 million.

2. Stabilizing the contractual relationship with Sanef and Sapn and the economic balance of the concessions:
   i) Inserting a so-called fiscal stability provision by amending Article 32
   ii) Implementation of a measure to cap the profitability of concessions, made by amending Article 36 of the Sanef and Sapn concession agreements.
3. Compensation for the 2013 increase in the State fee for use of public land (*redevance domaniale*) by an additional increase in tolls from 2016 through 2018 and compensation for the toll freeze in 2015 by an additional increase in tolls from 2019 through 2023.
4. Adding to the company sustainability policies of the concessionaires, fostering carpooling, environmentally friendly vehicles and helping young people and/or students.
5. Creating an independent regulatory authority for the highway sector. On October 15, 2015, ARAF became ARAFER (French acronym for rail and road operators regulatory authority) and took over the regulation of the highway sector (i.e. consultation on plans to amend a concession or any other contract if it has an impact on toll rates or the time period of the concession.)

Decree no. 2015-1046 of August 21, 2015, approving the riders to the agreements made between the French Government and Sanef was published on August 23, 2015 in the *Journal Officiel.*

As a result of these riders, the Sanef concession contracts now expire on December 31, 2031 and the Sapn contracts on August 31, 2033.

The primary concession arrangements are similar for both companies, and the attached specifications constitute the fundamental instruments establishing the relationships between the French government as grantor and both companies. In particular, these arrangements set out the terms and conditions for the construction and operation of the toll roads, the applicable financial provisions, the duration of the concession and the terms under which the installations are to be recovered at the end of the concession.

The provisions most likely to influence the outlook of the Group’s operations include:

- the obligation to maintain all engineering structures in a good state of repair and to ensure the continuity of traffic circulation under good safety conditions and in good working order;
- the provisions setting toll rates and the conditions for changes thereto;
- the clauses providing for applicable provisions in the event of regulatory changes of a technical or tax nature applicable to toll road operators. If such a change was liable to seriously compromise the financial equilibrium of the concessions, the French government and the concession operators would agree the compensation to be envisaged by mutual agreement;
- the provisions liable to guarantee that all of the engineering structures of the concession have been placed in a proper state of repair on the date the contract expires;
- the conditions under which the assets are to be turned back over to the French government at the end of concession and the restrictions placed upon the assets;
- the ability of the French government to buy out the concession arrangements in the general interest.

In the context of the privatization of the Company, the French government announced its desire to modify the concession arrangements awarded to Sanef via amendments to the agreements that were approved by the boards of directors of Sanef and Sapn on April 27 and May 4, 2006, respectively.

Lastly, long-term program agreements (*contrats de plan*) were signed by Sanef Group companies and the French government, defining capital expenditure programs and price policies. The long-term program agreement between Sanef and the French government for the period - 2010-2014 – ended in 2015, while Sapn's agreement is still being negotiated. In connection with the framework agreement relative to the highway investment plan (*Plan d'Investissement Autoroutier*, or *PIA*) signed on January 25, 2017 (see note 3.27) between the French State, Sanef and SAPN, long-term program agreements will round out the amendments to the concession contracts of the two companies. The amendments to Sanef and SAPN's concession contracts and long-term program agreements are set to be signed sometime in 2017.

Sanef's registered office is located at 30 boulevard Gallieni – 92130 Issy-les-Moulineaux – France.

2 ACCOUNTING POLICIES

2.1. Applicable accounting principles

HIT's 2016 consolidated financial statements have been prepared in accordance with the international accounting standards published by the International Accounting Standards Board (IASB), as approved by the European Union on December 31, 2016. The texts published by the IASB and not adopted by the EU are not applicable to the Group.

The following standards and interpretations are applicable with effect from 2016:

- Annual IFRS improvement process (2010-2012 cycle) of December 2013: the amendments included in this annual IFRS improvement process are applicable to the fiscal years beginning on February 1, 2015 and pertain to six standards. These amendments did not have a material impact on the group's consolidated financial statements.
- Annual IFRS improvement process (2012-2014 cycle) of September 2014: the amendments included in this annual IFRS improvement process are applicable to the fiscal years beginning on January 1, 2016 and pertain to four standards. These amendments did not have a material impact on the group's consolidated financial statements.

The group has not elected for early adoption in its interim financial statements of any standards or interpretations whose application is not mandatory in 2016 (their potential impact on the group's financial statements is currently being reviewed).

The preparation of the consolidated financial statements required Management to make certain judgments and to include certain estimates and assumptions. Those estimates and their underlying assumptions were based on past experience and other factors deemed reasonable under the circumstances.

They served as the basis for the judgments that were made, as the information required to determine the carrying amounts of certain assets and liabilities could not be obtained directly from other sources. Actual values may differ from these estimates.

Significant estimates made by the Group relate to the valuation of concession intangible assets in view of a potential impairment, depreciation periods for replaceable assets, the recoverable value of goodwill, provisions (particularly provisions for infrastructure maintenance), and impairment of receivables.

2.2. Approval of the consolidated financial statements

The HIT Group's consolidated financial statements were approved by its Chairman on February 21, 2017.
The Group's shareholders will approve the financial statements at the meeting scheduled in June, 2017.

2.3. Consolidation method

The consolidated financial statements include the financial statements of HIT, its controlled subsidiaries and its associates, established at the end of each reporting period. The financial statements of subsidiaries and associates are prepared for the same period as those of the parent company.

Subsidiaries are fully consolidated when they are controlled by the Group. Such control is established when the Group has the direct or indirect power to make decisions relating to operations and finance in order to obtain full advantages from the subsidiary.

Non-controlling interests are presented on the statement of financial position in a separate category from equity. The share of non-controlling interests in income is presented on a separate line of the statement of comprehensive income.

Companies over which the Group exercises notable influence (“associates”) are consolidated using the equity method. Notable influence is presumed when the Group holds more than 20% of a company’s shares. If this criterion is not met, other criteria – such as whether the Group is represented on the company’s Board of Directors – are considered when deciding whether or not to apply the equity method. The subsidiaries under joint control are also consolidated by the equity method.

Companies that have been newly acquired are consolidated as from the effective date control is acquired. Their assets and liabilities are valued at that date in accordance with the acquisition method used.

2.4. Translation of foreign currencies

In Group companies, transactions in foreign currencies are translated using the exchange rate in effect at the time they occur. Money market assets and liabilities denominated in foreign currencies are translated at the closing exchange rate for the period. Any translation gains and losses are recognized in the statement of comprehensive income as other financial income and expense.

The subsidiaries and equity investments located outside of the eurozone use their local currency as operating currency and this currency is used for the majority of their transactions. Their statements of financial position are translated using the exchange rate in effect at the end of the reporting period, while their statements of comprehensive income are translated using the average annual exchange rate. Any gains or losses that may result from the translation of the financial statements of these subsidiaries and affiliates are recognized in consolidated equity under “Cumulative translation adjustments.” Goodwill on these subsidiaries is recognized in the local functional currency.

2.5. Segment data

The Group is not obliged to provide segment data, as defined in IFRS 8. However, some indicators presenting separately the concessions, the other activities (basically telematics) and the holding activity are presented in note 3.26.

2.6. Goodwill

Goodwill represents the difference between the acquisition price (including ancillary costs incurred before the application of the revised IFRS 3) of the shares of companies that are controlled by the Group and the Group’s share in the fair value of their net assets at the date control is acquired. It corresponds to non-identifiable items within the acquired companies. In accordance with IFRS 3 *Business Combinations*, goodwill is not amortized.

The Group has a period of 12 months from the date of acquisition to finalize the accounting for any business combinations.

Goodwill is tested for impairment as soon as there is an indication of a loss of value, and at least once per year. For this test, goodwill is allocated at the cash-generating unit level, representing the smallest groups of assets generating autonomous cash flows, compared to the total cash flows of the Group.

2.7. Intangible assets

2.7.1. Intangible assets held under concession arrangements

In accordance with IFRIC 12, intangible assets held under concession arrangements represent the contractual right to use the public service infrastructure made available by the government and to charge users of the public service. The infrastructure must be returned to the government without charge at the end of the concession period.

The concession covers all land, engineering structures and facilities required for the construction, maintenance and operation of each toll road or section of toll road, including on- and off-ramps, out-buildings and other facilities used to provide services to toll road users or designed to optimize toll road operations. Assets may include either original infrastructure or complementary investments on toll roads in service.

On initial recognition, the assets are measured based on the fair value of the construction or improvement work performed on the infrastructure with a contra-entry in profit or loss, corresponding to the revenue recognized for the services performed for the government granting the concession. In practice, fair value is equal to the cost of construction work entrusted to third parties and recognized in other external expenses. Intangible assets held under concession arrangements are amortized over the life of the concession (expiring in December 2031 for Sanef and in August 2033 for Sapn, the Group's principal concessions.) at a pace that reflects the consumption of economic benefits expected from the intangible right conceded (on a straight-line basis for mature concessions and based on traffic forecasts for new concessions).

As the arrangement between the French Government and Sanef and Sapn had been made final (see Note 1.1), it was decided to recognize the CVE (extraordinary voluntary contribution) as an intangible asset of the concessions by applying IFRIC 12 (in that the CVE was judged to be a supplemental right to operate the public service infrastructure opened up for concession by the State) with an offsetting provision in liabilities.

2.7.2. Other intangible assets

The remaining intangible assets consist mainly of software purchased by the Group. They are recognized at cost and are amortized on a straight-line basis over a period of three to five years, depending on their useful life.

Currently, development expenses are mainly charged to the statement of comprehensive income in the period during which they are incurred, as they do not meet the requirements for capitalization

2.8. Property, plant and equipment

Following the adoption of IFRIC 12, only the replaceable assets that are not controlled by the grantor, such as toll booth equipment, signage, remote transmission and video-surveillance systems, computer equipment, vehicles, machinery and tools are classified as “property, plant and equipment” in the HIT Group financial statements. They are depreciated on a straight-line basis over their useful life.

Useful lives	**Number of years**
Equipment and tools	5 to 8 years
Computer hardware	3
Vehicles	5
Facilities	8

2.10 *Financial instruments*

The measurement and recognition of financial assets and liabilities are defined by IAS 39 *Financial Instruments: Recognition and Measurement.*

2.9.1. Non-derivative financial assets

When first recorded on the statement of financial position, financial assets are stated at fair value plus transaction costs.

At the date of acquisition, and depending on the purpose of the acquisition, HIT classifies the financial asset in one of the three accounting categories of financial assets defined by IAS 39. This classification then determines the measurement method applied to the financial asset in future periods: amortized cost or fair value.

Held-to-maturity investments include solely securities with fixed or determinable cash flows and maturities, other than loans and receivables that are purchased with the intention of keeping them until their maturity. These are stated at amortized cost using the effective interest rate method. The net income/loss on held-to-maturity investments will reflect either interest income or impairment. The Group does not currently hold any financial assets belonging to this category.

Loans and receivables are non-derivative financial instruments with fixed or determinable cash flows that are not quoted in a regulated market. These assets are stated at amortized cost using the effective interest rate. This category includes trade receivables, receivables from affiliates, guarantee deposits, financial advances, guarantees and other loans and receivables. Loans and receivables are recognized net of any provisions for impairment due to default risk. Net gains and losses on loans and receivables reflect either interest income or impairment losses.

Available-for-sale assets are stated at fair value, and any change in fair value is recognized directly in equity. This category primarily includes non-consolidated affiliates. These assets are recognized on the statement of financial position at cost, in the absence of an active market. Net gains or losses on available-for-sale assets recognized in income and expenses include dividends, impairment losses and capital gains and losses.

Financial assets at fair value through profit or loss include financial assets and liabilities held for trading which the Group intends, from the date of purchase, to sell or trade within the short term and financial assets that are, on initial recognition, designated as under the fair value option. The HIT Group is not meant to own and does not own any financial assets held for trading. They are measured at fair value, with changes in fair value recognized through profit or loss in the statement of comprehensive income. Financial assets at fair value through income, designated as such on option, include cash and cash equivalents. The net income or loss on these assets at fair value includes interest income, changes in fair value and capital gains and losses.

Cash includes amounts held in bank current accounts. Cash equivalents are highly liquid investments, maturing in less than three months that do not present any material risk of loss of value. Cash equivalents are included in the category of financial assets at fair value through profit or loss.

2.9.2. Non-derivative financial liabilities

Financial liabilities include borrowings, trade accounts payable and other payables related to operations.

With the exception of financial liabilities measured at fair value through profit or loss, loans and other interest-bearing financial liabilities are stated at amortized cost using the effective interest rate method, which includes a yield-to-maturity based amortization of transaction costs directly linked to the issuance of the financial liability. Given their short maturity, trade and other accounts payable are stated at cost, as the amortized cost method using the effective interest rate method provides very similar results.

2.9.3. Derivatives

Derivative instruments are stated on the statement of financial position at their positive or negative fair value.

Any derivatives put in place in connection with the Group's interest rate management strategy but that do not qualify as hedging instruments, or where the Group has not elected to use hedge accounting, are stated on the statement of financial position at fair value, with changes in fair value through profit or loss.

In cases where these instruments qualify as fair value hedges, changes in fair value are recognized through profit and loss. A change in the fair value that goes against the hedged position, resulting from the risk that is covered, is recognized through profit or loss with a contra entry on the statement of financial position. Given the types of derivative instruments used by the Group, this accounting method has no material impact on the statement of comprehensive income.

Changes in the fair value of derivative instruments that do not qualify as hedging instruments are recognized through profit or loss.

Cash flow hedges are hedges of exposure to fluctuations in cash flows attributable to a particular risk associated with an asset or liability or a planned transaction which would affect reported net income. When derivative instruments qualify as cash flow hedges, any change in the fair value of the effective portion is recognized directly in equity, while any change in the fair value of the ineffective portion is recognized through profit or loss.

2.10. Inventories

Inventories consist in fuel, and salt. They are stated at weighted average cost and written down to their net realizable value if it is lower.

2.11. Trade and other accounts receivable

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost. Trade receivables are recognized in the short term on the basis of their face value, as discounting has no significant impact.

Impairment of trade receivables is recognized when there is objective evidence of the Group's inability to collect all or a portion of the amounts due.

2.12. Recognition of income taxes

Taxes include both current income tax expense and deferred taxes.

Tax receivables and payables generated during the year are classified as current assets or liabilities.

Deferred taxes are recognized on all temporary differences between the carrying amount of assets and liabilities and their tax basis. This method consists of calculating deferred taxes using the tax rates expected to apply when the temporary differences reverse, if such tax rates have been enacted. Deferred tax assets are recognized only when it is probable that they will be recovered in the future. Deferred tax assets and liabilities are offset against one another, regardless of when they are expected to reverse, where they concern entities in the tax group. Deferred taxes are not discounted to their present value and are recognized on the statement of financial position as non-current assets and liabilities.

2.13. Equity

All costs directly attributable to the capital increases are deducted from additional paid-in capital.

Dividend distributions to HIT shareholders are recognized as a liability in the financial statements of the Group on the date the dividends are approved by the shareholders.

2.14. Share-based payment

Employee compensation in the form of equity instruments is recognized as an expense, with a contra entry to additional paid-in capital. In accordance with IFRS 2 *Share-based Payment*, they are stated at fair value of the instruments granted and the expense is spread over the vesting period.

2.15. Interest expenses

The interest expenses generated during the building of conceded engineering structures are included in the building cost of these structures.

2.16. Current and non-current provisions

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recognized when the Group has an obligation to a third party arising from a past event and it is probable that an outflow of resources will be required to fulfill this obligation.

Non-current provisions mainly correspond to the contractual obligation to maintain or restore the infrastructure (excluding any improvements) as well as the CVE. These provisions are measured based on the Group's best estimate of the future expenditure required to renew toll road surfaces and maintain engineering structures and are set aside as the infrastructure is used. The provision for the CVE consists of projected future payments. They are discounted using a discount rate representing the time value of money. The impact of discounting non-current provisions is recognized in "Other financial expenses".

2.17. Employee defined benefit obligations

Salaried employees of the HIT Group receive lump-sum termination benefits which are paid to those employees who are actively employed by HIT when they retire. Furthermore, employees who retire before 2017 from the subsidiary Sapn are entitled to partial coverage of their healthcare insurance premium contribution. A supplemental defined benefit retirement plan for the HIT Group's managers was introduced in 2005, and this plan was terminated at end-2016.

Prior to retirement, employees are paid defined benefits by the Group in the form of long service awards.

These defined benefit obligations are recorded on the statement of financial position and measured using the projected unit credit method, based on estimated future salaries, which are used to calculate benefits. Expenses recognized during the year include current service costs during the year presented in payroll costs, with the financial cost corresponding to the reversal of the discounting of the actuarial obligation classified as an operating expense. The expected return on the hedge assets is charged against this financial cost.

Actuarial gains and losses resulting from post-employment obligations are recognized in "other comprehensive income". Actuarial gains and losses on other long-term benefits are recognized immediately through profit or loss.

2.18. Revenue recognition

Revenues mainly consist of toll receipts and are recognized as the corresponding services are provided.

In accordance with IFRIC 12, the HIT Group recognizes in "Revenue" an amount corresponding to the fair value of the construction and improvement work performed for the grantor of the concession, with a contra-entry in intangible assets (see note 2.8). Fair value is equal to the cost of construction work subcontracted to third parties and recognized in "Purchases and external expenses". In accordance with IAS 11, revenue and construction costs are recognized by reference to the stage of completion of the contract.

Long-term contracts for services provided by the Group are recorded according to IAS 18 *Revenue* based on the stage of completion of the services.

2.19. Financial income and expenses

Interest expense includes interest payable on borrowings, calculated using the amortized cost method at the effective interest rate.

The result on hedging derivatives includes changes in fair value and all flows exchanged.

Other financial income and expenses includes revenues from loans and receivables, calculated using the amortized cost method at the effective interest rate, as well as gains on investments of cash and cash equivalents, impairment of financial assets, dividends and foreign exchange gains and losses.

2.20. Measuring the fair value of financial instruments

The fair value of all financial assets and liabilities is determined at the end of the financial period and is recognized either directly in the financial statements or in the notes to the financial statements. The fair value is the amount for which an asset could be exchanged or for which a liability could be extinguished between informed, consenting parties at arm’s length.

Most derivative instruments (swaps, caps, collars, etc.) are traded in over-the-counter markets for which there are no quoted prices. As a result, they are measured on the basis of models commonly used by the players involved to measure such financial instruments, using the market conditions existing at the end of the reporting period.

The following valuation techniques, all classified as level 2 of the categories of fair values under IFRS 7, are used to determine the fair value of derivative instruments:

- Interest rate swaps are measured by discounting all future contractual cash flows;
- Options are measured using valuation models (e.g. Black & Scholes) that are based on quotes published on an active market and/or on listings obtained from independent financial institutions;
- Currency and interest rate derivative instruments are measured by discounting the differential in interest payments.

The fair value of listed loans is the market value at the closing date, while the fair value of unlisted loans is calculated by discounting the contractual flows, one borrowing at a time, at the interest rate HIT would obtain on similar borrowings at the end of the borrowing period.

The carrying amount of receivables and payables due within one year and certain floating rate receivables and payables is considered to be a reasonable approximation of their fair value, taking into account the short payment and settlement periods used by HIT.

The valuations generated by these models are adjusted in order to take into account changes in HIT’s credit risk.

2.21. Non-current Assets Held for Sale

In compliance with IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*, a non-current asset or group of assets (disposal group) must be classified on the balance sheet as held for sale if the carrying amount will be recovered principally through a disposal (sale or exchange for other assets) rather than through continuing use.

For this to be the case, the asset (or disposal group) must:

- be available for immediate sale
- in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups)
- and its sale must be highly probable.

For the sale to be considered as highly probable, the following criteria must be met:

- the appropriate level of management must be committed to a plan to sell,
- an active program to locate a buyer and complete the plan must have been initiated,
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value,
- the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale,
- and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Before classification as a non-current asset or group of assets held for sale, the non-current asset or the assets and liabilities included within the disposal group are measured according to applicable standards. Once the assets are classified as held for sale they are no longer depreciated.

The non-current assets or group of assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The assets and liabilities included within a disposal group classified as held for sale are presented separately in the statement of financial position under current assets and liabilities.

Details of assets and liabilities associated with these assets held for sale are presented in note 3.12.

2.22. Reporting standards and interpretations not yet in effect

Certain standards and interpretations formally adopted by the IASB and IFRIC, some of which are in the process of being approved by the European authorities and thus not yet applicable, were not given early application by the HIT Group in its 2016 consolidated financial statements.

The 2010-2012 and 2012-2014 annual improvement cycles are applicable as of February 1, 2015 and January 1, 2016 respectively and will have a potential impact for the Group which is not known at this time. The amendment to IAS 19 "Employee Benefits" concerning contributions by employees is not applicable to the benefit plans in place at HIT Group.

3 DETAILS OF THE SUMMARY FINANCIAL STATEMENTS

3.1. Scope of consolidation

The HIT Group consists of the parent company HIT and the following subsidiaries:

Company	Activity	Consolidation Method
Sanef	Toll road concession operator	Full consolidation
Sapn	Toll road concession operator	Full consolidation
SEA 14	Toll road operator	Full consolidation
Bip&Go	Distribution (Telematics)	Full consolidation
Eurotoll	Telematics	Full consolidation (*)
Eurotoll Central Europe ZRT	Distribution	Full consolidation (*)
SE BPNL	Toll road operator	Full consolidation
Léonord Exploitation	Toll road operator	Full consolidation
Léonord	Toll road concession operator	Equity method
Alis	Toll road concession operator	Equity method
Routalis	Toll road operator	Equity method
A’Lienor	Toll road concession operator	Equity method
Sanef Aquitaine	Toll road operator	Full consolidation
Sanef-Saba Parkings France	Parking garage concessions	Equity method

There were no changes in the scope of consolidation between December 31, 2015 and December 31, 2016.

(*) Companies presented according to IFRS 5 under assets and liabilities held for sale.

3.1.1. Investments in associates

Summary financial highlights of associates :

2016 ***(in € thousands)***	**A'LIENOR**	**ALIS**	**ROUTALIS**	**SSPF**	**LEONORD**
% Interest	*35.00%*	*19.67%*	*30.00%*	*50.00%*	*35.00%*
In local currency	*Euro*	*Euro*	*Euro*	*Euro*	*Euro*
Assets	1,173,598	1,120,721	2,812	181	73,374
Liabilities	747,062	963,871	1,934	8	73,334
Equity	426,536	156,850	878	173	40
Revenue	58,000	90,481	10,466	4	13,947
Operating profit (loss)	25,382	38,363	1,402	-4	0
Profit (loss) before tax	10,194	3,289	1,223	-4	0
Net Income (loss)	8,822	2,505	834	-4	0

2015 ***(in € thousands)***	**A'LIENOR**	**ALIS**	**ROUTALIS**	**SSPF**	**LEONORD**
% interest	*35.00%*	*19.67%*	*30.00%*	*50.00%*	*35.00%*
In local currency	*Euro*	*Euro*	*Euro*	*Euro*	*Euro*
Assets	1,186,455	949,055	3,041	194	8,366
Liabilities	893,427	788,179	2,068	26	8,326
Equity	293,028	160,876	973	168	40
Revenue	53,589	69,783	10,815	11,534	13,990
Operating profit (loss)	21,084	38,713	1,542	-147	0
Profit (loss) before tax	1,326	7,364	1,357	-147	0
Net income (loss)	1,326	6,304	929	-147	0

The HIT Group applies section 29 of IAS 28, which states that: "If an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognizing its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the investor's net investment in the associate. For example, an item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, an extension of the entity’s investment in that associate."

HIT's management believes that repayment of the claim held by Sanef and Sapn against Alis is planned and likely to occur, given the very long term of the concession. It is therefore not necessary to extend the Sanef Group's investment in order to determine Alis' losses.

The HIT Group therefore discontinued recognizing its share of Alis' losses, which exceed the amount of its €4.2 million investment. Since Alis posted a profit of €2,505 thousand in 2016, the cumulative unrecognized share was €27.2 million at December 31, 2016.

The companies of the HIT Group also hold claims against Alis in the amount of €15 million (see note 3.25).

3.2. Revenue

(in € thousands)	2016	2015 (*)
Toll receipts	1,537,904	1,485,227
Subscription sales and telematics services	*29,781*	*27,227*
Fees from service area operators	*29,943*	*31,407*
Telecommunications fees	*6,634*	*6,461*
Engineering services and other	*20,170*	*44,870*
Revenue from activities other than toll collection	86,529	109,964
Revenue from construction work performed by third parties	109,404	106,999
Revenue	**1,733,837**	**1,702,190**

(*) The 2015 data contains 4 months of the ITS Subgroup.

Sales of subscriptions and telematics services include the billing of operating expenses on subscriptions.

Fees from service station and other service area operators correspond to fees received from the operators of service stations and other retail outlets located in toll road rest and service areas.

Telecommunications fees correspond mainly to the rental of fiber optic cables and masts to telecoms operators.

Engineering services and other includes sales of fuel, the various services provided on the network or in close proximity, services provided by other companies and in 2015 revenue from sales of services provided by the sanef-its technologies subgroup .

3.3. Purchases and external expenses

(in € thousands)	2016	2015 (*)
Maintenance of infrastructure	(12,060)	(13,394)
Maintenance and repair	(20,645)	(20,087)
Consumption and expenses related to operations	(20,281)	(30,248)
Other external expenses	(40,316)	(47,203)
Expenses for construction work carried out by third parties	(109,404)	(106,999)
Purchases and external expenses	**(202,707)**	**(217,931)**

(*) The 2015 data contains 4 months of the ITS Subgroup.

3.4. Payroll costs

(in € thousands)	2016	2015 (*)
Salaries and wages	(97,292)	(128,784)
Payroll taxes	(51,363)	(55,979)
Incentive plan	(5,426)	(4,181)
Employee profit-sharing	(13,776)	(12,490)
Other payroll costs	(2,601)	(2,837)
Post-employment and other long-term employee benefits	408	(4,419)
Payroll costs	**(170,051)**	**(208,690)**

(*) The 2015 data contains 4 months of the ITS Subgroup.

Effective as of January 1, 2013, the tax credit for competitiveness and employment (CICE), which takes the form of a reduction in the amount of tax payable, amounts to a decrease in payroll taxes. The amount of this credit is therefore classified as such in payroll costs.

3.5. Other income and expenses

(in € thousands)	2016	2015 (*)
Gains on disposal of PP&E and intangible assets	1,977	899
Capitalized production costs	4,272	5,766
Operating grants	89	173
Miscellaneous income	28,014	24,129
Other income	**34,351**	**30,967**
Miscellaneous expenses	(957)	(5,308)
Other net additions to provisions	2,448	(867)
Other expenses	**1,491**	**(6,175)**

(*) The 2015 data contains 4 months of the ITS Subgroup.

Miscellaneous expenses in 2016 include losses on sales of property, plant and equipment or intangible assets and net charge to claims and litigations.

Other miscellaneous income in 2016 included the income from Leonord Exploitation from the operating contract on the north ring road around Lyon (see Note 3.1).

3.6. Taxes other than on income

(in € thousands)	2016	2015 (*)
Regional development tax	(107,621)	(104,964)
Local business tax	(47,243)	(44,375)
Local government royalties	(80,076)	(68,688)
Other taxes	(9,974)	(8,089)
Total other financial expenses	**(244,915)**	**(226,116)**

(*) The 2015 data contains 4 months of the ITS Subgroup.

The regional development tax is calculated on the basis of the number of kilometers of toll-paying toll roads in the network that were traveled during the year. This tax is paid on a monthly basis and a final adjustment payment is made at the end of the year. The regional development tax has been levied at the basic rate of €7.32 per thousand kilometers traveled.

The royalty paid to local governments (also known as the annual royalty for occupation of a public domain) is an obligation created by Article 1 of Decree No. 97-606, dated May 31, 1997 and voted as Article R.122-27 of the French Toll Road Code. It is a tax calculated on the basis of the revenues earned by the concessionaire from its toll road concession activity, operated in the public domain, and the number of kilometers of toll roads operated as of December 31 of the preceding year. This obligation therefore exists as of July 1 of each year and is recognized in full during the second half of the year.

The change in the line “Taxes other than on income” is therefore very directly related to the change in revenues, essentially from the concession operator companies.

3.7. Depreciation, amortization and provisions

(In € thousands)	2016	2015 (*)
Amortization of intangible assets	(310,157)	(324,963)
Depreciation of PP&E: concessions (including Bip&Go)	(35,578)	(39,454)
Depreciation of PP&E: other companies	(2,689)	(743)
Total depreciation and amortization	**(348,424)**	**(365,160)**
Additional provisions on infrastructures under concession	(39,896)	(41,124)
Net provisions for impairment of other companies' assets		(81)
Depreciation, amortization and provisions	**(388,320)**	**(406,364)**

(*) The 2015 data contains 4 months of the ITS Subgroup.

3.8. Financial income and expenses

Analysis of financial income and expenses :

(in € thousands)	2016	2015
Interest expenses on debt stated at amortized cost	(243 760)	(279 807)
Total interest expenses	**(243 760)**	**(279 807)**

(in € thousands)	2016	2015
Other financial expenses		
Interest expenses on interest rate derivatives		
Amortization of the cash equalization payments on the partial unwinding of swaps	(2 605)	(6 631)
Discounting expense	(21 954)	(14 883)
Cash equalization payments in 2015		(92 250)
Miscellaneous financial expenses	(395)	(1 981)
Total financial expenses	**(24 955)**	**(115 745)**

In 2016 'Other financial expenses' mainly related to the effects of the unwinding of the discount on provisions (toll roads, engineering structures and CVE), as 2015 was impacted by repurchase premiums (cash equalization payments) on CNA loans maturing in 2018 and partially on those maturing in 2017 as well as the refinancing of the HIT group's bond debt (see note 3.21) for €92,250,000.

(in € thousands)	2016	2015
Financial income		
Income from equity investments	48	114
Income from other receivables and marketable securities	11,896	23,010
Gain on sale of Sanef ITS		21,190
Miscellaneous financial income	2,243	1,583
Total financial income	**14,187**	**45,897**

In 2016, financial income includes amortization of €5,556,000 (€6,417,000 in 2015) related to the sale of the Sanef and Sapn hedge swaps (see note 3.15.3).

Financial income at December 31,2015 mainly included the consolidated income from the removal of the sanef-its subgroup for an amount of €21.19 million.

3.9. Income taxes

Tax proof for fiscal years 2015 and 2016 :

(in € thousands)	2016	2015
Net income (net of non-controlling interests)	**386,211**	**179,800**
Income tax	127,347	139,466
To be excluded: Share in net income of associates	(4,441)	(1,051)
Non-controlling interests	41	11
Profit before tax	**509,158**	**318,226**
Theoretical tax expense (34.43%)	(175,303)	(120,926)
Non deductible expenses - permanent differences	7,634	(2,431)
Difference observed in rates on deferred taxes recognized at 34.43%	45,768	(4,233)
Differences in tax rates of foreign companies	(32)	(32)
Additional contribution of 3% on dividends	(4,940)	(2,967)
Tax credits, limitation of deductibility of net financial expenses , temporary differences and other	(474)	(8,877)
Effective tax expense	**(127,347)**	**(139,466)**

Analysis of deferred taxes by key statement of financial position lines:

	December 31, 2016		**December 31, 2015**	
(in € thousands)	**Basis**	**Taxes**	**Basis**	**Taxes**
Property, plant and equipment and intangible assets	(1,336,512)	413,653	(1,331,065)	458,286
Provisions for risks and charges	380,402	(123,688)	297,630	(102,474)
Debt, derivatives and other	26,835	(20,884)	(38,264)	13,174
TOTAL	**(929,275)**	**269,081**	**(1,071,699)**	**368,986**

As was the case at December 31, 2015, no tax assets were recorded at December 31, 2016.

3.10. Earnings per share and dividends

Basic earnings per share are calculated by dividing distributable net income attributable to owners of the parent for the period by the weighted average number of shares outstanding during the period.

As the Group has no dilutive instruments, diluted earnings per share are identical to basic earnings per share.

3.11. Goodwill

Goodwill amounted to € 2,820,166 thousand at December 31, 2016 and at December 31, 2015.

Allocation of consolidation differences on the acquisition of Sanef shares

The €3,964 million consolidation difference between the purchase price of Sanef's shares (€5,324 million) and Sanef's consolidated net assets at the time of acquisition (€1,360 million) was allocated to goodwill in the following manner:

(in € thousands)	Fair value	Carrying amount	Valuation difference
Non-current assets	7,478,313	5,219,893	2,258,420
Net debt	(4,216,571)	(3,701,023)	(515,548)
Valuation difference	**3,261,742**	**1,518,870**	**1,742,872**
Deferred tax			(600,071)
Initial goodwill			2,820,749
Total initial consolidation difference			**3,963,550**
Goodwill after various adjustments recognized in 2009			**2,820,166**

The impairment test performed in 2016 (as each year) did not provide any indication of impairment.

The Group business plan used for this test included the projected cash flows of the Sanef and Sapn concessionaires through the end of their concession, and the flows of dividends from other concessions, Alis and A'Liénor, through 2067 and 2065 respectively. Cash flows were discounted at the average weighted cost of capital and reflects the forecast breakdown between equity and debt for the period in question.

The Group carried out sensitivity tests in respect of goodwill, based on discount rate and cash flow assumptions. The tests showed that a 50-base point increase in the discount rate or a 3% decrease in annual cash flows would not result in any impairment of goodwill.

3.12. Assets and liabilities associated with the assets held for sale

Assets held for sale and the liabilities associated with these assets concern the company Eurotoll and its fully-consolidated subsidiary. These entities do not meet the separate presentation criteria of IFRS 5, hence their flows remain included line by line in the statement of comprehensive income for the year.

This classification as assets and liabilities held for sale is the result of the decision made by group HIT's management to sell these entities. These assets and associated liabilities were classified as held for sale on December 31, 2016.

Assets held for sale and the liabilities associated with these assets break down as follows:

December 31, 2016 (In € thousands)	2016
Group of assets held for sale	
Intangible assets, PP&E	2,006
Others non current assets	170
Cash and cash equivalent	8,165
Trade and other accounts receivable	101,168
Total Assets	**111,510**
Group of liabilities held for sale	
Non current provisions	3
Others non current liabilities	313
Others current liabilities	104,915
Total liabilities	**105,231**

3.13. Intangible assets

Gross amount (In € thousands)	**January 1, 2016**	**Additions**	**Disposals**	**Changes in consolidation scope and other (*)**	**December 31, 2016**
Purchased software	81,012	6,140		(3,726)	83,426
Other intangible assets	3,866			(23)	3,843
Concession intangible assets	11,033,672	109,404		(288)	11,142,787
TOTAL	**11,118,550**	**115,544**		**(4,037)**	**11,230,057**

Gross amount (In € thousands)	**January 1, 2015**	**Additions**	**Disposals**	**Changes in consolidation scope and other (*)**	**December 31, 2015**
Purchased software	79,609	2,488	(477)	(608)	81,012
Other intangible assets	12,427			(8,561)	3,866
Concession intangible assets	10,783,186	106,999	(18)	143,505	11,033,672
TOTAL	**10,875,222**	**109,487**	**(495)**	**134,336**	**11,118,550**

(*) The "Changes in consolidation scope and other" column notably includes in 2016 the reclassification of Eurotoll and Eurotoll ZRT as assets held for sale, and in 2015 the disposal in May that year of the subgroup Sanef-its, and the recognition of the CVE (extraordinary voluntary contribution) as concession intangible assets for €143 million.

Amortization (In € thousands)	**January 1, 2016**	**Additions**	**Disposals**	**Changes in consolidation scope and other (*)**	**December 31, 2016**
Purchased software	(63,111)	(5,119)		2,374	(65,856)
Other intangible assets	(3,852)	(8)		22	(3,838)
Concession intangible assets	(5,872,459)	(305,030)			(6,177,489)
TOTAL	**(5,939,422)**	**(310,157)**		**2,396**	**(6,247,183)**

Amortization (In € thousands)	**January 1, 2015**	**Additions**	**Disposals**	**Changes in consolidation scope and other (*)**	**December 31, 2015**
Purchased software	(57,711)	(5,867)	73	394	(63,111)
Other intangible assets	(6,901)	(349)		3,398	(3,852)
Concession intangible assets	(5,553,727)	(318,747)		15	(5,872,459)
TOTAL	**(5,618,339)**	**(324,963)**	**73**	**3,807**	**(5,939,422)**

(*) The "Changes in consolidation scope and other" column notably includes in 2016 the reclassification of Eurotoll and Eurotoll ZRT as assets held for sale and in 2015 the disposal of the subgroup Sanef-its in May that year.

Net amount (In € thousands)	**January 1, 2016**	**December 31, 2016**
Purchased software	17,901	17,570
Other intangible assets	14	5
Concession intangible assets	5,161,213	4,965,298
TOTAL	**5,179,128**	**4,982,873**

Net amount (In € thousands)	**January 1, 2015**	**December 31, 2015**
Purchased software	21,898	17,901
Other intangible assets	5,526	14
Concession intangible assets	5,229,459	5,161,213
TOTAL	**5,256,883**	**5,179,128**

Works signed for but not yet executed amounted to €169,884 thousand as of December 31, 2016 and €97,509 thousand as of December 31, 2015. These works concern primarily intangible assets.

3.14. Property, plant and equipment

Gross amount (In € thousands)	**January 1, 2016**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2016**
Concession operating assets	703,826	35,076	(14,948)	(58)	723,896
Other companies assets	8,257	897	(84)	(5,872)	3,198
TOTAL	**712,083**	**35,973**	**(15,032)**	**(5,930)**	**727,094**

Gross amount (In € thousands)	**January 1, 2015**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2015**
Concession operating assets	662,390	41,152	(3,803)	4,087	703,826
Other companies assets	20,435	764	(14)	(12,928)	8,257
TOTAL	**682,825**	**41,916**	**(3,817)**	**(8,841)**	**712,083**

Amortization (In € thousands)	**January 1, 2016**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2016**
Concession operating assets	(520,401)	(37,796)	14,457		(543,740)
Other companies assets	(6,751)	(471)		5,192	(2,030)
TOTAL	**(527,152)**	**(38,267)**	**14,457**	**5,192**	**(545,770)**

Amortization (In € thousands)	**January 1, 2015**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2015**
Concession operating assets	(481,643)	(39,453)	11,090	(10,395)	(520,401)
Other companies assets	(14,726)	(743)	36	8,682	(6,751)
TOTAL	**(496,369)**	**(40,196)**	**11,126**	**(1,713)**	**(527,152)**

Net amount (In € thousands)	**January 1, 2016**	**December 31, 2016**
Concession operating assets	183,425	180,155
Other companies’ assets	1,506	1,167
TOTAL	**184,931**	**181,323**

Net amount *(in € thousands)*	**January 1, 2015**	**December 31, 2015**
Concession operating assets	180,746	183,425
Other companies assets	5,709	1,506
TOTAL	**186,456**	**184,931**

3.15. Current and non-current financial assets

3.15.1. Carrying amount of financial assets by accounting category

The financial assets reported in the tables below exclude "Trade and other accounts receivable" (note 3.16) and "Cash and cash equivalents" (note 3.17).

<u>Non-current financial assets</u>

Non current financial assets (In € thousands)	**December 31, 2016 – Carrying amount**					**Fair value**
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	**Carrying amount**	
Non-consolidated affiliates	922				922	**922**
Loans to equity investments		15,392			15,392	**15,392**
Loans		1,976			1,976	**1,976**
Deposits and collateral		430			430	**430**
Derivatives						
Others financial assets		(988)			(988)	**(988)**
Total non-current financial assets	**922**	**16,810**			**17,731**	**17,731**

Non current financial assets (In € thousands)	**December 31, 2015 – Carrying amount**					**Fair value**
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	**Carrying amount**	
Non-consolidated affiliates	1,487				1,487	**1,487**
Loans to equity investments		55,649			55,649	**55,649**
Loans		1,958			1,958	**1,958**
Deposits and collateral		562			562	**562**
Derivatives						
Others financial assets						
Total non-current financial assets	**1,487**	**58,169**			**59,656**	**59,656**

Loans to equity investments of €15,392 thousand at December 31, 2016 (€55,649 thousand at December 31, 2015) pertained mainly to concession companies Alis.

Current financial assets

Current financial assets (In € thousands)	December 31, 2016 – Carrying amount					Fair value
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	**Carrying amount**	
Interest on loans to equity investments						
Derivative instruments						
Other financial receivables		976			976	**976**
Total current financial assets		**976**			**976**	**976**

Current financial assets (In € thousands)	December 31, 2015 – Carrying amount					Fair value
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	**Carrying amount**	
Interest on loans to equity investments		1,856			1,856	**1,856**
Derivative instruments						
Other financial receivables		1,024			1,024	**1,024**
Total current financial assets		**2,880**			**2,880**	**2,880**

Other financial receivables amounting to €976 thousand as of December 31, 2016 included current account advances to non-consolidated affiliates for €924 thousand.

As of December 31, 2016 and December 31, 2015 the HIT Group had no outstanding loans to its parent company Abertis.

3.15.2. Non-consolidated affiliates

List of non-consolidated affiliates:

(In € thousands)	% interest held as of December 31, 2016	Carrying amount	
		December 31, 2016	December 31, 2015
- Soderane	99.99	15	15
- Sonora *			8
- Centaure Pas de Calais	34.00	259	259
- Centaure Paris Normandie	49.00	343	343
- Centaure Grand-est	14.44	131	131
- Autoroutes Trafic SNC	20.63	72	72
- GSA Location **			500
- Sanef Concession **			37
- Sanef développement **			21
- Sogarel	5.00	100	100
- Emetteur Groupe Sanef (EGS)	100.00	1	1
Total non-consolidated affiliates		**922**	**1,487**

*Company merged into Soderane.
**These three companies were absorbed by Sanef SA during the 2016 financial year.

Non-consolidated affiliates classified as financial assets available for sale include subsidiaries that are controlled but not consolidated, and for which consolidation would have no material impact.

3.15.3. Derivatives

Derivatives include €53,946 thousand in interest rate swaps that qualify as cash flow hedges recognized in liabilities (€41,644 thousand recognized in liabilities as of December 31, 2015),

Swaps that qualify as cash flow hedges are used to hedge the risk of variability of interest charges related to future loans to be issued in order to satisfy highly probable refinancing needs. In 2011 and 2012, HIT refinanced a portion of its debt by issuing two fixed-rate bonds with a total nominal value of €1,150 million on the regulated Luxembourg market through its wholly-owned HIT Finance BV subsidiary, merged in 2014 with HIT SAS. As HIT also repaid the balance of the variable-rate syndicated bank loan, the partial unwindings of the swap resulted in €50.1 million in 2011 and €26.4 million in 2012 cash equalization payments made to the swap counterparties.

The corresponding losses were initially recognized as a reduction in equity (in other comprehensive income) and were recycled to profit or loss at the same rate at which the cash flows of the hedged item affect profit or loss, i.e. over the useful life of the new fixed-rate bonds. The amount recorded in this respect as other financial expenses in 2016 was €2.6 million (€6.6 million for 2015).

The balance of the loss, i.e. €1.9 million, recorded as a reduction in equity (in other comprehensive income), will be recycled to profit or loss in future years, until 2018.

The interest rate swaps considered fair value hedging transactions were sold during H1 2013 for a net amount of €33,495,000. This cash equalization payment received is spread over the residual life of the hedged borrowings, i.e. until no later than January 2017. During 2016, the amount of financial income recorded was €5,556,000 (€6,416,000 in 2015). The unamortized amount as of December 31, 2016 was €455,000 (€6,012,000 in 2015) and is shown on the consolidated statement of financial position as deferred income.

3.15.4. Information on loans and receivables in non-current financial assets

Building-related loans for a discounted amount of €1,510 thousand are included in the "Loans" category as of December 31, 2016 (€1,451 thousand as of December 31, 2015). These interest-free loans, which were granted to employees as part of the employer's legal obligation to contribute to the construction effort, are to be repaid over a period of 20 years. The interest rate used to discount these loans (4%) is also used to calculate the corresponding financial income recognized in the statement of comprehensive income.

3.16. Trade and other accounts receivable

(in € thousands)	**December 31, 2016**	**December 31, 2015**
Prepayments and down payments on orders	601	837
Receivables from toll activities	95,764	136,282
Receivables from other activities	11,695	9,447
Doubtful accounts	3,124	8,771
Unbilled receivables	19,347	69,395
Other miscellaneous receivables	15,091	21,829
Provisions for impairment of trade receivables	(6,874)	8,528
Trade and other financial receivables *(1)*	**138,747**	**238,033**
Miscellaneous non-financial receivables	65,945	75,565
Total trade and other accounts receivable	**204,692**	**313,598**

(1) Financial assets classified as loans and receivables.

Trade and other accounts receivable are classified as "loans and receivables" under IAS 39 and are stated on the statement of financial position at face value, less any impairment.

Given their very short maturities, this valuation method is very close to both the amortized cost using the effective interest rate method and to the fair value.

Other miscellaneous receivables of €15,091 thousand at December 31, 2016 include other miscellaneous debtors, including TIS notes to Sanef and Sapn for €7,746 thousand.

Non-financial receivables include payroll and tax receivables, excluding any current income tax receivables.

3.17. Cash and cash equivalents

The accounting treatment applied by the group for cash equivalents is the same as that applied to financial assets at fair value through profit or loss. Cash and cash equivalents are carried at fair value.

Analysis of cash and cash equivalents:

(in € thousands)	**December 31, 2016**	**December 31, 2015**
Cash equivalents: money-market mutual funds	313,835	169,546
Cash in bank	329,861	59,656
Total cash and cash equivalents	**643,696**	**229,202**

HIT's policy is to invest excess cash in money-market mutual funds with financial institutions rated A+ or higher by S&P.

3.18. Capital stock and additional paid-in capital

As of December 31, 2016 and December 31, 2015, HIT's capital stock was comprised of 1,512,267,743 shares with a par value of €1 per share. All shares are entitled to receive dividend payments. Share premiums, which correspond to shareholders' contributions over and above the share par value, totaled €108,796,000 at the December 31, 2016. They were reduced by €35,362,000 in 2016 through an exceptional distribution and stood at €73,434,000 at December 31, 2016.

3.19. Provisions

As of December 31, 2016:

Non-current	**January 1, 2016**	**Additions**	**Recoveries**		**Discoun-ting effects**	**Change in scope and other**	**December 31, 2016**
			Uses	**Surplus provisions**			
Provisions on toll roads under concession	413,723	39,896	(49,606)		14,035	(1,148)	416,900
TOTAL	**413,723**	**39,896**	**(49,606)**		**14,035**	**(1,148)**	**416,900**

Current	**January 1, 2016**	**Additions**	**Recoveries**		**Discoun-ting effects**	**Change in scope and other**	**December 31, 2016**
			Uses	**Surplus provisions**			
Provisions on toll roads under concession	10,030		(17,200)		7,170		
Claims and litigation	7,303	3,982	(341)	(2,983)		(718)	7,243
Other	60,778	32,000	(6,261)	(12,760)		718	74,475
TOTAL	**78,111**	**35,983**	**(23,802)**	**(15,743)**	**7,170**		**81,719**

TOTAL	January 1, 2016	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2016
			Uses	Surplus provisions			
Provisions on toll roads under concession	423,753	39,896	(66,806)		21,205	(1,148)	416,900
Claims and litigation	7,303	3,982	(341)	(2,983)		(718)	7,243
Tax							
Other	60,778	32,000	(6,261)	(12,760)		718	74,475
TOTAL	**491,834**	**75,879**	**(73,408)**	**(15,743)**	**21,205**	**(1,148)**	**498,619**

As of December 31, 2015:

Non-current	January 1, 2015	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2015
			Uses	Surplus provisions			
Provisions on toll roads under concession	280,378	174,554	(55,404)		14,195		413,723
TOTAL	**280,378**	**174,554**	**(55,404)**		**14,195**		**413,723**

Current	January 1, 2015	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2015
			Uses	Surplus provisions			
Provisions on toll roads under concession		10,030					10,030
Claims and litigation	4,654	3,272	(115)	(458)		(50)	7,303
Other	45,504	16,364		(651)		(439)	60,778
TOTAL	**50,158**	**29,666**	**(115)**	**(1,109)**		**(489)**	**78,111**

TOTAL	January 1, 2015	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2015
			Uses	Surplus provisions			
Provisions on toll roads under concession	280,378	184,584	(55,404)		14,195		423,753
Claims and litigation	4,654	3,272	(115)	(458)		(50)	7,303
Other	45,504	16,364		(651)		(439)	60,778
TOTAL	**330,536**	**204,220**	**(55,519)**	**(1,109)**	**14,195**	**(489)**	**491,834**

All provisions pertaining to the toll road concessions (provisions for future renewal of toll road surfaces and maintenance of engineering structures) are classified as non-current provisions.

3.20. Long-term employee benefits

Long-term employee benefits include post-employment defined benefit plans (termination benefits, retirees' supplemental health insurance, supplemental retirement plan) and other types of benefits (CATS early retirement program, long service awards).
The supplemental defined benefit retirement plan introduced by Sanef in November 2005 was terminated at end-2016.

Analysis of total long-term employee benefits on the statement of financial position:

(In € thousands)	2016	2015
Post-employment defined benefit plans	52,279	40,128
Other benefits	15,459	17,878
Total	**67,738**	**58,006**

3.20.1. Post-employment defined benefit plans

Analysis of defined benefit plans:

(In € thousands)	2016	2015
Obligations and rights at the end of the period	52,279	41,745
Fair value of plan assets		(1,617)
Net amount on statement of financial position	**52,279**	**40,128**

Analysis of main assumptions used to calculate the above amounts:

	December 31, 2016	**December 31, 2015**
Discount rate	1.25%	2.00%
Salary increase rate	2.75%	2.75%

The sensitivity of the obligations to changes in these two main assumptions at December 31, 2016 is as follows:

(in € thousands)	December 31, 2016			
	Discount rate		Salary increase rate	
	Hausse de 50 bp : 1.75%	Baisse de 50 bp : 0.75%	Hausse de 50 bp : 3.25%	Baisse de 50 bp : 2.25%
Total obligations and rights	**49,072**	**55,873**	**54,991**	**49,774**

At December 31, 2015, the sensitivity of these two assumptions was as follows:

(in € thousands)	December 31, 2015			
	Discount rate		Salary increase rate	
	Hausse de 50 bp : 2.5%	Baisse de 50 bp : 1.5%	Hausse de 50 bp : 3.25%	Baisse de 50 bp : 2.25%
Total obligations and rights	**39,648**	**44,038**	**43,911**	**39,725**

The following tables summarize the Group's obligations as of December 31, 2016 and December 31, 2015, and the fair value of the funded plan assets, for each type of obligation (pensions, termination benefits, retirement plans of the key executives) and supplemental health benefits for the retirees of Sapn.

Employee benefits	**Termination benefits**		**Supplemental retirement plan**		**Supplemental health benefits**		**TOTAL**	
(in € thousands)	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**
Obligations and rights at beginning of year	34,438	33,414	3,131	3,773	4,176	4,707	**41,745**	**41,894**
New commitments and modifications		2,835	(2 744)	(1,310)			**(2,744)**	**1,525**
Current service costs	1,754	1,889	377	198	10	322	**2,141**	**2,409**
Interest expense	631	561	63	66	84	82	**778**	**709**
Actuarial (gains) losses	7,859	(1,683)		404	5,581	(804)	**13,440**	**(2,083)**
Benefits paid	(1,649)	(1,919)			(122)	(131)	**(1,771)**	**(2,050)**
Change in scope	(483)	(659)	(827)				**(1,310)**	**(659)**
Obligations and rights at end of year	**42,550**	**34,438**		**3,131**	**9,729**	**4,176**	**52,279**	**41,745**

Changes in consolidation scope in 2016 relate to the reclassification of Eurotoll as an asset held for sale.

Fair value of plan assets	**Termination benefits**		**Supplemental retirement plan**		**Supplemental health benefits**		**TOTAL**	
(In € thousands)	**Dec 31, 2016**	**Dec 31, 2015**	**Dec 31, 2016**	**Dec 31, 2015**	**Dec 31, 2016**	**Dec 31, 2015**	**Dec 31, 2016**	**Dec 31, 2015**
Fair value of plan assets at beginning of year			1,617	1 538			1,617	1,491
Expected return on plan assets			32	27			32	49
Actuarial gains (losses)				52				(2)
Employer contributions			(827)				(827)	
Benefits paid			(822)				(822)	
Fair value of plan assets at end of year				**1,617**				**1,538**

The total actuarial losses attributable to defined benefit post-employment obligations amounted to €13,440 thousand in 2016 (€2,083 thousand in actuarial losses in 2015). These actuarial losses included €11,181 thousand in losses related to changes to demographic assumptions, €4,676 thousand due to changes in financial assumptions (decrease in the discount rate from 2% to 1.25%) and an experience gain of €2,417 thousand (vs. in 2015 a gain of €727 thousand linked to financial assumptions and €1,356 thousand in experience gains).

The actuarial losses of €13,440 thousand (actuarial gains of €2,083 thousand in 2015) break down as follows based on their origin:

(in € thousands)	**2016**	**2015**
Actuarial (gains) losses generated during the period	**13,440**	**(2,083)**
from changes in financial actuarial assumptions	4,676	(727)
from changes in demographic actuarial assumptions	11,181	
from experience-related actuarial changes on plan liabilities	(2,417)	(1,356)
from experience-related actuarial changes on plan assets		

3.20.2. Other benefits

Other benefits include the CATS early retirement program described below, long service awards and other benefits.

(in € thousands)	**December 31, 2016**				**December 31, 2015**			
	CATS	Long service awards	Others	**TOTAL**	CATS	Long service awards	Others	**TOTAL**
As of January 1	158	1,164	16,556	**17,878**	682	1,189		**1,871**
Change of scope								
Addition							16,556	**16,556**
Recoveries (uses)	(161)	(183)	(2,468)	**(2,812)**	(1,044)	(215)		**(1,258)**
Discounting	3			**3**	6			**6**
Actuarial (gains) losses		390		**390**	514	189		**703**
At the end of the period		**1,371**	**14,088**	**15,459**	**158**	**1,164**	**16,556**	**17,878**

CATS (*Cessation anticipée de certains travailleurs salariés*), an early retirement program, allows salaried employees who reach 57 years of age between the years 2008 and 2016 and who have worked a certain number of years for the company as laborers to qualify for early-retirement benefits that are partially funded by the French government.

Provisions for the contributions of Sanef and Sapn have been set aside as termination benefits and have been recognized since the program was implemented in December 31, 2007.

Enrollment of employees eligible for the CATS scheme has now ended.

3.21. Financial liabilities by accounting category

Current and non-current financial liabilities:

(in € thousands)	**December 31, 2016**				
	Liabilities at amortized cost	Liabilities held for trading	Derivatives qualified as hedging	**Carrying amount**	**Fair value**
Borrowings: current and non-current portions	5 697 569	0	0	5 697 569	6 657 912
Hedging derivatives	0	0	53 946	53 946	53 946
Central government advances	17 318	0	0	17 318	17 318
Deposits and guarantees received	20 769	0	0	20 769	20 769
Bank overdrafts	94	0	0	94	94
Accrued interest not due	78 965	0	0	78 965	78 965
Total financial liabilities excluding trade accounts payable	**5 814 715**	**0**	**53 946**	**5 868 661**	**6 829 004**
Total trade and other financial payables (see note 3.22)	128 950	0	0	128 950	128 950
Total financial liabilities as per IAS 39	**5 943 665**	**0**	**53 946**	**5 997 611**	**6 957 954**

(in € thousands)	December 31, 2015				
	Liabilities at amortized cost	Liabilities held for trading	Derivatives qualified as hedging	**Carrying amount**	**Fair value**
Borrowings: current and non-current portions	5,605,376	0	0	5,605,376	6,616,772
Hedging derivatives	0	0	41,644	41,644	41,644
Central government advances	17,318	0	0	17,318	17,318
Deposits and guarantees received	24,783	0	0	24,783	24,783
Bank overdrafts	0	0	0	0	0
Accrued interest not due	81,372	0	0	81,372	81,372
Total financial liabilities excluding trade accounts payable	**5,728,849**	**0**	**41,644**	**5,770,493**	**6,781,889**
Total trade and other financial payables (see note 3.22)	203,589	0	0	203,589	203,589
Total financial liabilities as per IAS 39	**5,932,438**	**0**	**41,644**	**5,974,082**	**6,985,478**

Deposits and guarantees received correspond mainly to payments received from toll road subscribers. These payments are reimbursed in the event of the cancellation of the subscription, after the card or badge is returned. They are considered to be demand deposits and therefore are not discounted.

The fair value of all financial liabilities other than borrowings is equal to their carrying amount.

HIT Group undertook in September 2015 a refinancing of its bond debt (a liability management transaction.)

The Group bought back a portion of its bond debt issued in 2011 and 2012 at 5.75% maturing in 2018 for a total of €1,150 million, the face value of which was reduced to €750 million in 2014 with a first bond repurchase financed by issuing €450 million maturing in 2025 and bearing interest of 2.25%. The repurchase in 2015 was of €250 million. To enable this repurchase, a €33.3 million premium (the "repurchase premium") was paid to bondholders who submitted their bonds for the refinancing. This premium was recognized completely in expenses for FY2015.

HIT SAS at the same time raised a €200 million bond to add to the March 2025 bonds offering a coupon of 2.25% and issued in September 2014 for €450 million.

This refinancing allowed HIT Group to undertake an additional financing of €200 million at a 2.25% coupon.

Furthermore, through its Sanef and Sapn subsidiaries, HIT Group also refinanced a portion of its debt carried by the CNA (Caisse Nationale des Autoroutes) during the last quarter of FY2015. This transaction reduced short-term financing needs (especially the CNA maturing in 2018) at a lower cost and diversified the Group's sources of financing.

On October 19, 2016 Sanef issued a new 12-year €300 million bond (maturing on October 19, 2028) with a coupon of 0.950%.

3.22. Trade and other accounts payable

(in € thousands)	December 31, 2016	December 31, 2015
Advances and down payments received on orders	9,535	34,169
Trade accounts payable	29,558	110,050
Due to suppliers of non-current assets	89,848	58,854
Other financial payables	9	516
Total trade and other financial payables (1)	***128,950***	***203,589***
Taxes and payroll costs	132,642	151,793
Prepaid income	14,874	22,594
Total non-financial payables	***147,516***	***174,387***
Total trade and other accounts payable	**276,466**	**377,976**

(1) Financial liabilities stated at amortized cost

As trade and other accounts payable are very short-term, their carrying amount approximates fair value.

3.23. Contingent liabilities

Claims and litigation

In the normal course of their business, Group companies are involved in a certain number of claims and legal proceedings. As of December 31, 2016, HIT considers that no claims or litigation relating to its business are in progress that would be likely to have a material adverse effect on its results of operations or financial position (other than those risks for which provisions have been recognized in the financial statements).

"1% countryside development" contribution (Engagement 1% paysage)

Under the French government's countryside development policy, for toll road sections to be constructed or under construction, the Group contributes to the expenditure required to ensure that the toll road blends harmoniously into the local landscape, provided that the local authorities concerned contribute an equivalent amount.

(in € thousands)	Dec 31, 2016	Dec 31, 2015
"1% countryside development" contribution	124	162

"1% countryside development" expenditure is made under the government policy described in a note dated December 12, 1995 on the environment and the economic development of regions served by the toll roads and major trunk roads. This expenditure is defined as follows in the concession agreement specifications: "For toll roads that are due to be built or are already under construction, the concession operator shall contribute to the expenditure needed to ensure that the toll road blends harmoniously into the landscape, in the interests of both local inhabitants and toll road users. Such expenditure shall include maintenance costs and the cost of any necessary landscaping work, and may be incurred beyond the toll road's boundaries. The concession operator's contribution shall not exceed 0.5% of the cost of the engineering structures, provided that the local authorities concerned contribute an equivalent amount, on the basis prescribed by the French government" *(Article 12.10).*

However, the local authorities' contribution may be claimed only if a government decree is issued listing the toll road work. When the concession operator applies for investment grants based on this list, the work concerned becomes eligible for the "1% countryside development" scheme and the company becomes committed to paying a contribution.

<u>Guarantees given:</u>

The guarantees given by the HIT Group are as follows:

Sanef issued two parent company guarantees for operation of the A65 highway for A'Lienor totaling €2,363 million (the same as December 31, 2015).

Sanef provided two guarantees totaling €5,000 thousand in favor of Eurotoll in connection with contracts entered into with Ecotrans, the Italian toll road network (the same as December 31, 2015) as well as a parent company guarantee of €234 thousand in connection with activities in Poland

In 2016 Eurotoll provided three bank guarantees granted to Ages for a total of €4,000 thousand (€2,700 thousand at December 31, 2015.)

Sanef issued two bank guarantees in connection with the North Lyon ring road operating agreement for a total amount of €7,840 thousand at December 31, 2016 (€7,990 thousand as of December 31, 2015).

Sanef issued a guarantee for a total amount of €900 thousand for Albea in connection with the A150 highway project.

Guarantees totaled €20,811 thousand at December 31, 2016 (€21,038 thousand as of December 31, 2015).

<u>Guarantees received</u>

HIT Group companies had received bonds and guarantees on contracts for a total of €15,726 thousand as of December 31, 2016 (€12,875 thousand as of December 31, 2015).

3.24. Management of financial risks and derivative instruments

3.24.1. Market risks

Of the various types of market risk (interest rate risk, currency risk, and market risk on listed equities), HIT is primarily exposed to interest rate risk.

The Group would be exposed to fair value risk in the event that the portion of HIT's borrowings at fixed rates was bought on the market, while floating-rate borrowings could impact future financial results.

As indicated in note 3.21, a significant portion of the HIT Group's financial debt was contracted at a fixed rate.

All things considered, HIT is exposed to only a limited risk of its financial expenses rising in the event that interest rates rise (see sensitivity analysis below).

The variable-rate syndicated loan issued in connection with the acquisition of Sanef, in the initial amount of €1.15 billion, is fully hedged by three variable-rate lender – fixed-rate borrower swaps (see below). Following the €750 million partial repayment of this loan in 2011 and of the €334 million balance in 2012, the hedges were revised by the same amounts. As in the previous year, at December 31, 2016 the outstanding debt amount and the nominal value of the swaps was zero. However, the swap contracts have not ended and their nominal value will increase up to a maximum of €750 million starting in 2018. These swaps qualify as cash flow hedges.

The loan interest rate structure is as follows:

(in € thousands)	December 31, 2016	December 31, 2015
Fixed or adjustable rate	5,476,107	5,447,371
Floating rate	221,462	158,005
Total	**5,697,569**	**5,605,376**

Following the sale in H1 2013 of the interest-rate swaps used to convert a portion of Sanef's and Sapn's fixed-rate debt to variable-rate debt, as of December 31, 2016 and December 31, 2015, there were no longer any such instruments.

As of December 31, 2016 the Group had a total of €221 million (€133 million as of December 31, 2015) in floating rate debt (not capped).

No ineffectiveness was recognized through profit or loss on the cash flow hedges.

Analysis of the hedging swaps as of December 31, 2016:

- swaps qualifying as cash flow hedges :

(in € thousands)	Market value as of December 31, 2016	HIT pays fixed rate	HIT receives floating rate	Nominal value
Expiration : End of 2024	**(53,946)**	4.11%	Euribor 3 mois	**0**

The nominal value of this swap, which was zero as of December 31, 2015 and December 31, 2014 and will remain so until 2018, will reach a maximum of €750 million in 2021 and fall to zero in 2024.

At December 31, 2015 :

(in € thousands)	Market value as of December 31, 2015	HIT pays fixed rate	HIT receives floating rate	Nominal value
Expiration : End of 2024	**(41,644)**	4.11%	Euribor 3 mois	**0**

The change in the value of swaps qualifying as cash flow hedges (before tax impact) breaks down as follows:

Assets (liabilities) *in thousands of euros*

Fair value at January 1, 2016	(41,644)
Changes in fair value	(12,301)
Fair value as of December 31, 2016	**(53,946)**

Moreover, to hedge the risk of an increase in interest rates at the time of the Liability Management operation (see note 3.21), two cash flow hedge swaps were put in place which, when unwound in September 2014, resulted in a net cash equalization payment made of €7,616 thousand which will remain in shareholders' equity until March 2018, at which time it will begin to be amortized.

As of December 31, 2016, the balance in equity (under other comprehensive income) relating to derivatives qualifying as cash flow hedges breaks down as follows:

Accumulated losses on swaps in force	(53,946)	
Loss on unwound swaps to be recycled to profit or loss	(1,889)	cf. note 3.15.3
Loss on swaps to be recycled starting in 2018	(7,616)	cf. note 3.21
Total	**(63,451)**	

Au 31 décembre 2015, le solde se décomposait ainsi :

Accumulated losses on swaps in force	(41,644)	
Loss on unwound swaps to be recycled to profit or loss	(4,495)	cf. note 3.15.3
Loss on swaps to be recycled starting in 2018	(7,616)	cf. note 3.21
Total	**(53,755)**	

The fair value of HIT's debt is sensitive to changes in interest rates insofar as a portion of this debt is at a fixed rate. A decrease in interest rates increases fair value, and an increase in interest rates decreases fair value. The variance between the fair value of the portion of the debt that is at a fixed rate and its carrying amount would only be taken to profit or loss if HIT decided to make advance repayments of this debt, in order to respond to market opportunities.

Sensitivity of income and equity to changes in interest rates:

The sensitivity of interest flows for the floating rate instruments was calculated by taking into account all variable flows on non-derivative and derivative instruments. The analysis was prepared assuming that the amount of debt and financial instruments on the statement of financial position as of December 31 of both 2016 and 2015 remain constant over one year.

(in € thousands)	**December 31, 2016**				**December 31, 2015**			
	Earnings		**Equity**		**Earnings**		**Equity**	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Floating rate debt	(705)	705	-	-	(805)	805	-	-
Interest rate hedges (swaps and some collars)	-	-	7,547	(7,575)	-	-	7,297	(7,324)
Interest rate derivatives (caps and some collars) not eligible for hedge accounting	-	-	-	-	-	-	-	-

A 50 basis point change in interest rates at the end of the reporting period would have resulted in an increase (decrease) in equity and earnings in the amounts indicated above. For the purposes of this analysis, all other variables are presumed to remain constant.

In addition, the HIT Group has rather little exposure to currency risk on transactions stemming from its normal course of business.

3.24.2. Credit risk

Credit risk represents the risk of financial loss to HIT should a customer or counterparty to a financial instrument default on its contractual obligations.

The carrying amount of its financial assets, shown below, indicates maximum exposure to credit risk:

(in € thousands)	**Note**	**Dec. 31, 2016**	**Dec. 31, 2015**
Loans to associates	3.15	15 392	55 649
Loans	3.15	1 976	1 958
Deposits and guarantees	3.15	430	562
Trade and other financial receivables	3.16	138 747	238 033
Current financial assets	3.15	976	2 880
Cash and cash equivalents	3.17	643 696	229 202
	Total	**801 217**	**528 284**

At the December 31, 2016, HIT had trade and other accounts receivable totaling €139 million (€238 million as of December 31, 2015) and cash of around €644 million (€229 million as of December 31, 2015). These amounts indicate a very low exposure to credit risk, especially in view of the quality of the Group's customers and counterparties and the fact that all operating receivables are paid in cash or settled very quickly.

HIT invests its surplus cash and enters into interest rate swaps and other derivatives only with leading financial institutions.

3.24.3. Liquidity risk

Liquidity risk is defined as the risk of a company not being able to honor payments on its borrowings or other commitments.

With the exception of capital expenditures, financing needs are not sufficiently material to make any borrowing difficulties likely.

HIT's primary financial debt (loans from CNA and BNP/Dexia) is subject to covenants on the following two ratios:
- net debt/EBITDA
- EBITDA/net financial expenses.

As of December 31, 2016 and December 31, 2015 HIT was in compliance with both covenants.

Analysis of borrowings by maturity:

Year	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
2017	245 599						**245 599**
2018		621 300					**621 300**
2019			318 724				**318 724**
2020				254 371			**254 371**
2021					1 711 330		**1 711 330**
2022						262 554	**262 554**
2023						360 269	**360 269**
2024						452 472	**452 472**
2025						584 228	**584 228**
2026						592 116	**592 116**
2027							
2028						294 605	**294 605**
December 31, 2016	245 599	621 300	318 724	254 371	1 711 330	2 546 245	**5 697 569**
December 31, 2015	311 377	245 857	622 349	318 266	254 607	3 852 920	**5 605 376**

As HIT's financial debt all falls due prior to the expiration of its concession contract, and thanks to the predictability of its operating and investment cash flows, the Group will be able to obtain refinancing. At present, the Group cannot foresee any problems with its ability to obtain funding

(in € thousands)	Note	Carrying amount	Contractual cash-flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	> 5 years
Non-derivative financial liabilities								
Financial debt	**3.21**	5,698	7,057	326	147	841	2,846	2,896
Advances from French central government and regional agencies	**3.21**	17	17	17	0	0	0	0
Deposits, guaranties and other financial debts	**3.21**	21	21	21	0	0	0	0
Trade accounts payable	**3.22**	129	129	129	0	0	0	0
Other current liabilities	**3.22**	0	0	0	0	0	0	0
Derivative financial liabilities								
Interest rate derivatives	**3.21**	0	0	0	0	0	0	0
		Total flows	**7,224.0**	**493.3**	**147.4**	**841.3**	**2,846.4**	**2,895.7**

3.25. Related parties

At December 31, 2016 (as at December 31, 2015), the HIT group did not provide loans to its Abertis parent company. No other information is given for the transactions between related parties insofar as these transactions were not considered significant under IAS 24.

The Caixa, main shareholder of Abertis, is counterparty to a swap (cash flow) with a nominal value of 0 as of December 31, 2016 and December 31, 2015 but whose profile will again result in a nominal value starting from 2018.

The Caixa is also a counterpart for the payment on the partial settlement of this swap in 2011 amounting to 9.5 million euros. Caixa's share of the depreciation recorded in 2016 is € 0.5 million, the remaining amount to be amortized in the income statement at December 31, 2016 is now € 0.3 million.

The equity-accounted companies and those proportionately consolidated are presented in note 3.1.

At December 31, 2016, the group had a total receivable of €15 million from Alis (€56 million as of December 31, 2015): the group's loan to Alis, including capitalized interest, amounted to €9.6 million, of which €0.6 million in VAT (€45.9 million as of December 31, 2015), and bore interest at a rate of 6%.
The group also had a shareholder advance of €2.8 million at an interest rate of 2,08 % (€7.9 million at 2.11% as of December 31, 2015), as well as €2.1 million in trade receivables, excluding VAT (i.e. €2.6 million including tax), at December 31, 2016 (€2.2 million as of December 31, 2015), repayable in a fixed amount of €166 million per year until 2028.

At December 31, 2016, the HIT Group no longer had a receivable from A'Lienor since the €20.4 million receivable in 2014 and the interest generated in 2015 were incorporated into A'Lienor's equity during FY2015 in the amount of €21.6 million.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by Sanef Group and the companies that it controls to persons who, during the year 2016 or at the balance sheet date, are members of the Executive Committee or the Board of Directors of the Group:

(in € millions)	December 31, 2016
Remuneration	2.5
Payroll taxes	1.2
Post-employment benefits	0.3
Other long term benefits	-
Termination benefits	0.1
Share-based payments *(*)*	

(*) amount determined in accordance with IFRS 2 Share-based payment- see note 2.14.

Total of these senior management staff costs amounted to €4.1 million in 2016.

The attendance fees paid in 2016 amounted to €380 thousand (€540 thousand in 2015).

3.26. Segment data

The group's operations management monitors the following operating segments: the toll road concessions, the other operating activities and the Holding activity of HIT SAS.

Other operating activities include the group's non-toll road operator subsidiaries (eurotoll, SE BPNL, Sanef Aquitaine, etc.) and the equity-accounted companies (Alis and A'Lienor).

The main products and services of the other activities are sales of heavy vehicle subscriptions and telematics services, operation of the North Lyon ring road and operation of the A65.

The holding companies carry the financing on HIT SAS's acquisition of the Sanef subgroup and the impact of the allocation of the goodwill generated on that acquisition.

Management monitors sectors based on their contribution to consolidated earnings.

Primary financial indicators by activity in 2016:

2016, in € millions	Toll road concessions	Holding	Others activities	**Total group HIT**
Revenue	**1,716.7**		**17.1**	**1,733.8**
Of which revenue from construction	*109.4*			*109.4*
EBITDA	**1,150.2**	**(1.4)**	**3.1**	**1,152.0**
Amortization of tangible assets	(37.8)		(0.5)	(38.3)
Amortization of intangible assets	(228.9)	(80.8)	(0.4)	(310.2)
Additional provisions on infrastructures under concession	(39.9)			(39.9)
EBIT	**843.7**	**(82.2)**	**2.2**	**763.7**
Interest income	8.3	5.9	0.0	14.2
Interest expenses	(148.7)	(119.9)	(0.1)	(268.7)
Profit before tax	**703.2**	**(196.2)**	**2.1**	**509.2**
Share in net income from associates			4.4	4.4
Income tax	(251.1)	131.8	(8.1)	(127.3)
Net income	**452.2**	**(64.4)**	**(1.5)**	**386.3**
Acquisitions of property, plant and equipment and intangible assets	144.5		7.0	151.5
Total Assets	**4,858.7**	**4,116.9**	**47.9**	**9,023.5**

EBITDA is net operating income before depreciation, amortization and provisions.

3.27. Events after the end of the reporting period

The negotiations over the highway investment plan (*PIA*) begun in the fall of 2016 were finalized on January 25, 2017 with the signing of a framework agreement between the French State and the Sanef group.

All in all, for Sanef and Sapn this €147 million plan will consist of:
- creating or modifying five interchanges that will be of interest to local traffic and highway customers;
- creating 700 carpool parking spaces and amenities for the protection of the natural environment.

The plan will be paid for via an additional increase in toll rates of 0.265% for Sanef and 0.401% for SAPN between 2019 and 2021. For the Sanef group, these investments are likely to be made before 2022.

Subject to publication of the decrees of the council of state, Sanef and Sapn’s concession contracts are set to be modified during 2017 to integrate the investments and toll rate increases in connection with the highway investment plan.