HIT Group

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

CONTENTS

SUMMARY FINANCIAL STATEMENTS

1. *CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*

(in € thousands)	Notes	**2017 (*)**	**2016**
Operating income		**1,832,476**	**1,768,187**
Revenue	3.2	1,806,311	1,733,837
of which revenue excluding construction		*1,664,894*	*1,624,433*
of which revenue from construction		*141,417*	*109,404*
Other income	3.5	26,164	34,351
Operating expenses		**(1,040,542)**	**(1,004,502)**
Purchases and external expenses	3.3	(239,014)	(202,707)
of which construction costs		*(141,417)*	*(109,404)*
Payroll costs	3.4	(168,296)	(170,051)
Other expense	3.5	(1,521)	1,491
Taxes other than on income	3.6	(223,245)	(244,915)
Depreciation, amortization and provision	3.7	(408,466)	(388,320)
Operating income, net		**791,933**	**763,686**
Interest expense	3.8	(244,182)	(243,760)
Other financial expenses	3.8	(50,086)	(24,955)
Financial income	3.8	16,614	14,187
Income before tax		**514,280**	**509,158**
Income tax	3.9	(125,544)	(127,347)
Share in net income of associates	3.1	2,979	4,441
Net income before non-controlling interests		**391,716**	**386,252**
Non-controlling interests		36	41
Net income attributable to owners of HIT		**391,680**	**386,211**

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

(*) The 2017 data contains 4 months of the Eurotoll Subgroup.

Other components of comprehensive income:

(in € thousands)	2017	2016
Net income	**391,716**	**386,252**
Actuarial gains and losses on post-employment program	6,741	(13,440)
Tax effect	(2,321)	4,627
Effect of regularization tax rate	(663)	(370)
Items not potentially reclassifiable to profit and loss	***3,757***	***(9,183)***
Fair value adjustment on cash flow hedges	5,674	(12,302)
Recycling to "Other financial expenses" of the losses resulting from the unwinding of swaps used as cash flow hedges (see note 3.8)	1,316	2,605
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	(102)	(1,242)
Tax effect	(2,371)	3,766
Effect of regularization tax rate	(1,651)	(2,982)
Fair value adjustment on cash flow hedges of associates (net of tax)	1,213	(559)
Items potentially reclassifiable to profit and loss	***4,078***	***(10,714)***
Total income and expenses recognized directly in equity	**7,835**	**(19,896)**
Total income and expenses recognized during the period	**399,551**	**366,356**
Attributable to owners of HIT	399,515	366,315
Non-controlling interests	36	41

2. *CONSOLIDATED STATEMENT OF FINANCIAL POSITION*

ASSETS *(in € Thousands)*	**Notes**	**December 31, 2017**	**December 31, 2016**
Goodwill	3.11	2,820,166	2,820,166
Intangible assets	3.12	4,791,610	4,982,874
Property, plant and equipment	3.13	181,397	181,324
Investments in associates	3.1	57,596	54,799
Non-current financial assets	3.14	14,311	17,731
Deferred tax assets			
Total non-current assets		**7,865,081**	**8,056,895**
Inventories		5,168	5,764
Trade and other accounts receivable	3.15	232,770	204,692
Current financial assets	3.14	535	976
Tax receivable		12,179	
Cash and cash equivalents	3.16	1,357,517	643,696
Group of assets held for sale			111,510
Total current assets		**1,608,169**	**966,637**
TOTAL ASSETS		**9,473,250**	**9,023,532**

EQUITY AND LIABILITIES *(in € Thousands)*	**Notes**	**December 31, 2017**	**December 31, 2016.00**
Capital stock	3.17	1,512,268	1,512,268
Additional paid-in capital	3.17		73,434
Reserves and net income		525,089	313,498
Equity attributable to the owners of HIT		**2,037,357**	**1,899,199**
Equity attributable to the non-controlling interests		**276**	**273**
Total equity		**2,037,633**	**1,899,473**
Non-current provisions	3.18	403,223	416,900
Provisions for long-term employment benefits	3.19	56,895	67,738
Non-current financial liabilities	3.20	5,737,104	5,505,916
Deferred tax liabilities		221,833	269,081
Total non-current liabilities		**6,419,055**	**6,259,635**
Current provisions	3.18	39,867	81,718
Current financial liabilities	3.20	726,981	362,744
Trade and other accounts payable	3.21	249,714	276,467
Current tax liabilities		0	38,264
Group of liabilities held for sale			105,231
Total current liabilities	**-**	**1,016,562**	**864,424**
TOTAL EQUITY AND LIABILITIES		**9,473,250**	**8,847,332**

3. *CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

(In € thousands)	Capital stock	Additional paid-in capital	Consolidated reserves and net income	Shareholders' equity	Non-controlling interests	Total Equity
As of January 1, 2017	**1,512,268**	**73,434**	**313,498**	**1,899,200**	**273**	**1,899,473**
Change in capital						
Dividends		(73,434)	(187,880)	(261,314)	(29)	(261,343)
Recognized income and expenses			399,515	399,515	36	399,551
Share-based compensation						
Change in scope						
Others			(44)	(44)	(3)	(47)
As of December 31, 2017	**1,512,268**	**()**	**525,089**	**2,037,357**	**276**	**2,037,633**

(In € thousands)	Capital stock	Additional paid-in capital	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**

4. *CONSOLIDATED STATEMENT OF CASH FLOWS*

(in € thousands)	2017	2016
OPERATING ACTIVITIES		
Operating income, net	**791,933**	**763,686**
Depreciation, amortization and provisions	401,440	414,002
Recoveries of depreciation, amortization and provisions	(36,813)	(13,723)
Disposal gains and losses		
Change in inventories	(595)	(815)
Transferts de charges à répartir		
Change in trade and other accounts receivable	28,542	(6,089)
Change in trade and other accounts payable	(61,832)	(19,247)
Taxes paid	(263,978)	(227,145)
	858,698	**910,669**
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(41,810)	(35,973)
Additions to intangible assets	(210,986)	(158,483)
Proceeds from disposals of property, plant and equipment and intangible assets	1,382	1,977
Additions to non-current financial assets	(30)	(30)
Proceeds from disposal of non-current financial assets		
Net cash held by subsidiaries on acquisition/disposal	23,000	
Interest income	2,922	4,196
	(225,522)	**(188,313)**
FINANCING ACTIVITIES		
Dividends paid to owners of HIT	(261,300)	(200,076)
Dividends paid to non-controlling shareholders	(29)	(21)
New borrowings	985,770	439,123
Reimbursement of borrowings	(385,450)	(304,850)
Investment grants (gross)	8,522	
Interest expense	(239,802)	(242,038)
Premium paid on Liability Management operation in 2017	-27,066	
	80,645	**(307,862)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**713,821**	**414,494**
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**643,696**	**229,202**
CASH AND CASH EQUIVALENTS – END OF PERIOD	**1,357,517**	**643,696**

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, 2017 and December 31, 2016, 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 January 2017, the French State and Sanef Group signed a protocol concerning the *Plan d'Investissement Autoroutier*, (*PIA*) which represents circa € 140 million. This plan includes the development of interchanges to improve the access to specific areas and environmental improvements (carpools and measures to protect the natural environment).This plan will be financed by additionnal toll rates increases between 2019 and 2021 and by local authorities for specific operations.

The draft amendment to the concession agreements were finalized with the State services in 2017 and were submitted for advisory opinion to ARAFER in March 2017. The opinion was delivered in June 2017.

The entry into force of the PIA is now subject to the opinion of the *Conseil d'Etat*.

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 2017 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, 2017. 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 2017:

- 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.

- Amendments to IAS 19 "Employee Benefits", to IAS 16 and 38 "Clarification of Acceptable Methods of Depreciation and Amortization", to IAS 1 "disclosure initiative" did not have a material impact on the group's consolidated financial statements.

- Amendment to IFRS 11" Joint Arrangements" is not applicable at the Group and has no impact on its financial statements.

The group has not elected for early adoption in its financial statements of any standards or interpretations whose application is not mandatory in 2017.

In addition, the main regulatory developments for 2017 are detailed below:

- The validation of the "Duty of Vigilance" law by the Constitutional Council in March 2017. This law forces companies to prevent social, environmental and governance risks by means of a "vigilance plan" from of fiscal year 2017 and then a "debrief" as of 2018.
- The entry into force on 1 June 2017 of the Sapin 2 law, which mainly consists of the implementation of 8 key measures to prevent and combat the risks of corruption. As early as 2018, the Anti-Corruption Agency, created by this law, will initiate controls on the companies concerned.

In accordance with the regulatory environment, HIT Group has implemented the required arrangements to comply with these changes.

Estimates and judgments*:*

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 23, 2018.

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 subsiiary.

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 1.2), 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

2.9 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. 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 2017 consolidated financial statements.

Entry into force of IFRS 15, 9 and 16

IFRS15, acting on the recognition of revenues, and IFRS 9, relating to financial instruments, are applicable as of January 1, 2018 and have been subject to an anticipated impact assessment at Abertis Group level.

IFRS 16 relating to leases and applicable on January 1, 2019 was also reviewed by Abertis.

The amendment to IAS 19 "Employee Benefits" relating to employee contributions does not apply to plans implemented in the 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
Bip&Go	Distribution (Telematics)	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

Absorption of SEA14 by SAPN effective January 1, 2017

A merger agreement with retroactive effect to 1 January 2017 was signed on 17 January 2017 between SEA14 and SAPN. Since January 1, 2017, SEA14 activities have been absorbed by SAPN.

Sale of the Eurotoll and Eurotoll ZRT subsidiaries to Abertis effective May 1, 2017

A transfer agreement for the subsidiaries Eurotoll and Eurotoll ZRT was signed on May 16, 2017 with retroactive effect from May 1, 2017 between Sanef SA and Abertis; HIT's 2017 accounts include only 4 months of activity for these two subsidiaries (January 2017-April 2017).
The data presented in the income statement include 4 months of activity.

Sanef Saba Parking France has been liquidated as of March 10, 2017.

There were no other change in the scope of consolidation between December 31, 2016 and December 31, 2017.

3.1.1. Investments in associates

Summary financial highlights of associates :

2017 (in € thousands)	**A'LIENOR**	**ALIS**	**ROUTALIS**	**LEONORD**
% Interest	*35.00%*	*19.67%*	*30.00%*	*35.00%*
In local currency	*Euro*	*Euro*	*Euro*	*Euro*
Assets	1,106,863	1,138,818	3,581	73,374
Liabilities	851,454	938,455	2,444	73,334
Equity	255,409	200,363	1,137	40
Revenue	58,675	81,204	10,928	13,947
Operating profit (loss)	26,851	46,728	1,874	0
Profit (loss) before tax	9,957	14,799	1,635	0
Net Income (loss)	8,475	8,827	1,093	0

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

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 €8,827 thousand in 2017, the cumulative unrecognized share was €25.5 million at December 31, 2017.

The companies of the HIT Group also hold claims against Alis in the amount of €11 million (see note 3.24).

3.2. Revenue

(in € thousands)	**2017 (*)**	**2016**
Toll receipts	1,580,764	1,537,904
Subscription sales and telematics services	*20,341*	*29,781*
Fees from service area operators	*32,278*	*29,943*
Telecommunications fees	*7,084*	*6,634*
Engineering services and other	*24,428*	*20,170*
Revenue from activities other than toll collection	84,130	86,529
Revenue from construction work performed by third parties	141,417	109,404
Revenue	**1,806,311**	**1,733,837**

(*) The 2017 data contains 4 months of the Eurotoll 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.

3.3. Purchases and external expenses

(in € thousands)	**2017 (*)**	**2016**
Maintenance of infrastructure	(11,360)	(12,060)
Maintenance and repair	(20,540)	(20,645)
Consumption and expenses related to operations	(21,785)	(20,281)
Other external expenses	(43,912)	(40,316)
Expenses for construction work carried out by third parties	(141,417)	(109,404)
Purchases and external expenses	**(239,014)**	**(202,707)**

(*) The 2017 data contains 4 months of the Eurotoll Subgroup.

3.4. Payroll costs

(in € thousands)	2017	2016
Salaries and wages	(93,036)	(97,292)
Payroll taxes	(48,791)	(51,363)
Incentive plan	(7,942)	(5,426)
Employee profit-sharing	(13,303)	(13,776)
Other payroll costs	(2,786)	(2,601)
Post-employment and other long-term employee benefits	(2,438)	408
Payroll costs	**(168,296)**	**(170,051)**

(*) The 2017 data contains 4 months of the Eurotoll 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)	2017	2016
Gains on disposal of PP&E and intangible assets	1,382	1,977
Capitalized production costs	4,929	4,272
Operating grants	127	89
Miscellaneous income	19,726	28,014
Other income	**26,164**	**34,351**
Miscellaneous expenses	(1,127)	(957)
Other net additions to provisions	(394)	2,448
Other expenses	**(1,521)**	**1,491**

(*) The 2017 data contains 4 months of the Eurotoll Subgroup.

Miscellaneous expenses in 2017 included losses on sales of property, plant and equipment or intangible assets and net charge to claims and litigations.

Other miscellaneous income in 2017 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)	2017	2016
Regional development tax	(108,926)	(107,621)
Local business tax	(46,986)	(47,243)
Local government royalties	(59,145)	(80,076)
Other taxes	(8,189)	(9,974)
Total other financial expenses	**(223,245)**	**(244,915)**

(*) The 2017 data contains 4 months of the Eurotoll 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)	2017	2016
Amortization of intangible assets	(326,296)	(310,157)
Depreciation of PP&E: concessions (including Bip&Go)	(42,129)	(35,578)
Depreciation of PP&E: other companies	(439)	(2,689)
Total depreciation and amortization	**(368,865)**	**(348,424)**
Additional provisions on infrastructures under concession	(39,601)	(39,896)
Net provisions for impairment of other companies' assets		
Depreciation, amortization and provisions	**(408,466)**	**(388,320)**

(*) The 2017 data contains 4 months of the Eurotoll Subgroup.

3.8. Financial income and expenses

Analysis of financial income and expenses :

(in € thousands)	2017	2016
Interest expenses on debt stated at amortized cost	(244,182)	(243,760)
Total interest expenses	**(244,182)**	**(243,760)**

(in € thousands)	2017	2016
Other financial expenses		
Amortization of the cash equalization payments on the partial unwinding of swaps	(1,316)	(2,605)
Discounting expense	(21,460)	(21,954)
Cash equalization payments in 2017	(27,066)	
Miscellaneous financial expenses	(244)	(395)
Total financial expenses	**(50,086)**	**(24,955)**

In 2017 "Other financial expenses" consist mainly of an amount of €27,066 thousand in respect of the cash equalization payments paid as part of the refinancing in November 2017 (see note 3.20) as well as the effects of the unwinding of the discount on provisions (toll roads, engineering structures and CVE.

(in € thousands)	2017	2016
Financial income		
Income from equity investments	119	48
Income from other receivables and marketable securities	16,039	11,896
Gain on sale of Sanef ITS		
Miscellaneous financial income	455	2,243
Total financial income	**16,614**	**14,187**

In 2017, financial income includes amortization of €455,000 (€5,556,000 in 2016) related to the sale of the Sanef and Sapn hedge swaps (see note 3.14.3).

Financial income at December 31,2017 mainly included the consolidation added value from the removal of the Eurotoll subgroup for an amount of €11.513 million.

3.9. Income taxes

(in € thousands)	**2017**	**2016**
Corporation tax expense	(179,471)	(222,430)
Deferred tax expense	53,927	95,083
Corporation tax	**(125,544)**	**(127,347)**

Tax proof for fiscal years 2017 and 2016 :

(in € thousands)	**2017**	**2016**
Net income (net of non-controlling interests)	**391,680**	**386,211**
Income tax	125,544	127,347
To be excluded: Share in net income of associates	8,534	(4,441)
Non-controlling interests	36	41
Profit before tax	**525,793**	**509,158**
Theoretical tax expense 39.43% (34.43% in 2016)	(207,320)	(175,303)
Non deductible expenses - permanent differences	11,366	7,634
Difference observed in rates on deferred taxes recognized	20,831	45,768
Differences in tax rates of foreign companies		(32)
Additional contribution of 3% on dividends		(4,940)
Tax credits, limitation of deductibility of net financial expenses , temporary differences and other	49,579	(474)
Effective tax expense	**(125,544)**	**(127,347)**

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

	December 31, 2017		**December 31, 2016**	
(in € thousands)	**Basis**	**Taxes**	**Basis**	**Taxes**
Property, plant and equipment and intangible assets	(1,238,468)	336,682	(1,336,512)	413,653
Provisions for risks and charges	378,879	(120,718)	380,402	(123,688)
Debt, derivatives and other	(27,082)	5,869	26,835	(20,884)
TOTAL	**(886,671)**	**221,833**	**(929,275)**	**269,081**

As was the case at December 31, 2016, no tax assets were recorded at December 31, 2017.

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, 2017 and at December 31, 2016.

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 2017 (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. Intangible assets

Gross amount (In € thousands)	**January 1, 2017**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2017**
Purchased software	83,426	6,469		(5,793)	84,102
Other intangible assets	3,843				3,843
Concession intangible assets	11,142,787	141,417	(6,969)	(253)	11,276,982
TOTAL	**11,230,057**	**147,886**	**(6,969)**	**(6,046)**	**11,364,928**

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**

(*) The "Changes in consolidation scope and other" column notably includes in 2017 the disposal in April of the subgroup Eurotoll.

Amortization (In € thousands)	**January 1, 2017**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2017**
Purchased software	(65,856)	(5,200)		607	(70,449)
Other intangible assets	(3,838)	(3)			(3,841)
Concession intangible assets	(6,177,489)	(321,550)		10	(6,499,029)
TOTAL	**(6,247,183)**	**(326,752)**		**617**	**(6,573,318)**

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)**		**2,397**	**(6,247,183)**

(*) The "Changes in consolidation scope and other" column notably includes in 2017 the disposal in April of the subgroup Eurotoll.

Net amount (In € thousands)	**January 1, 2017**	**December 31, 2017**
Purchased software	17,570	13,654
Other intangible assets	5	2
Concession intangible assets	4,965,298	4,777,954
TOTAL	**4,982,874**	**4,791,610**

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**	**4,982,874**

Works signed for but not yet executed amounted to €151,921 thousand as of December 31, 2017 and €169,884 thousand as of December 31, 2016. These works concern primarily intangible assets.

3.13. Property, plant and equipment

Gross amount (In € thousands)	**January 1, 2017**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2017**
Concession operating assets	723,896	41,288	(12,416)	1,817	754,585
Other companies' assets	3,198	522	(49)	(320)	3,351
TOTAL	**727,094**	**41,810**	**(12,465)**	**1,497**	**757,936**

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**

Amortization (In € thousands)	**January 1, 2017**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2017**
Concession operating assets	(543,740)	(42,129)	11,681		(574,188)
Other companies' assets	(2,030)	(1,039)	48	670	(2,351)
TOTAL	**(545,770)**	**(43,168)**	**11,729**	**670**	**(576,539)**

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)**

Net amount (In € thousands)	**January 1, 2017**	**December 31, 2017**
Concession operating assets	180,156	180,398
Other companies' assets	1,168	999
TOTAL	**181,324**	**181,397**

Net amount *(in € thousands)*	**January 1, 2016**	**December 31, 2016**
Concession operating assets	183,424	180,156
Other companies' assets	1,506	1,168
TOTAL	**184,931**	**181,324**

3.14. Current and non-current financial assets

3.14.1. Carrying amount of financial assets by accounting category

The financial assets reported in the tables below exclude "Trade and other accounts receivable" (note 3.15) and "Cash and cash equivalents" (note 3.16).

Non-current financial assets

Non current financial assets (In € thousands)	**December 31, 2017 – Carrying amount**					**Fair value**
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	**Carrying amount**	
Non-consolidated affiliates	921				921	**921**
Loans to equity investments		10,878			10,878	**10,878**
Loans		1,940			1,940	**1,940**
Deposits and collateral		572			572	**572**
Derivatives						
Others financial assets						
Total non-current financial assets	**921**	**13,390**			**14,311**	**14,311**

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**

Loans to equity investments of €10,878 thousand at December 31, 2017 (€15,392 thousand at December 31, 2016) pertained mainly to concession companies Alis.

<u>Current financial assets</u>

Current financial assets (In € thousands)	December 31, 2017 – 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		535			535	**535**
Total current financial assets		**535**			**535**	**535**

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**

As of December 31, 2017 and December 31, 2016 the HIT Group had no outstanding loans to its parent company Abertis.

3.14.2. Non-consolidated affiliates

List of non-consolidated affiliates:

(In € thousands)	% interest held as of December 31, 2017	Carrying amount	
		December 31, 2017	December 31, 2016
- Sanef 107.7	99.99	15	15
- 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
- Sogarel	5.00	100	100
- Emetteur Groupe Sanef (EGS)	100.00	0	1
Total non-consolidated affiliates		**921**	**922**

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.

3.14.3. Derivatives

Derivatives include €48,272 thousand in interest rate swaps that qualify as cash flow hedges recognized in liabilities (€53,946 thousand recognized in liabilities as of December 31, 2016),

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 2017 was €1.3 million (€2.6 million for 2016).

The balance of the loss, i.e. €0.6 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 2017, the amount of financial income recorded was €455,000 (€5,556,000 in 2016). The unamortized amount as of December 31, 2017 was null value.

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

Building-related loans for a discounted amount of €1,572 thousand are included in the “Loans” category as of December 31, 2017 (€1,510 thousand as of December 31, 2016). 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.

3.15. Trade and other accounts receivable

(in € thousands)	**December 31, 2017**	**December 31, 2016**
Prepayments and down payments on orders	668	601
Receivables from toll activities	117,224	95,764
Receivables from other activities	8,391	11,695
Doubtful accounts	5,769	3,124
Unbilled receivables	37,220	19,347
Other miscellaneous receivables	9,817	15,091
Provisions for impairment of trade receivables	(8,673)	6,874
Trade and other financial receivables *(1)*	**170,417**	**138,747**
Miscellaneous non-financial receivables	62,354	65,945
Total trade and other accounts receivable	**232,770**	**204,692**

(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 €9,817 thousand at December 31, 2017 include other miscellaneous debtors, including TIS notes to Sanef and Sapn for €1,574 thousand and group and associate companies' current accounts.

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

3.16. 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, 2017	December 31, 2016
Cash equivalents: money-market mutual funds	672,311	313,835
Cash in bank	685,206	329,861
Total cash and cash equivalents	**1,357,517**	**643,696**

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

3.17. Capital stock and additional paid-in capital

As of December 31, 2017 and December 31, 2016, 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 €73,434 thousand euros at December 31, 2016.T hey were reduced by €73,434 thousand euros during the first half of 2017 through an exceptional distribution approved by the Group's shareholders on June, 2017 and stood at 31 December 2017 at €0 .

3.18. Provisions

As of December 31, 2017:

Non-current	January 1, 2017	Additions	Recoveries		Discoun-ting effects	Change in scope and other	December 31, 2017
			Uses	Surplus provisions			
Provisions on toll roads under concession	416,900	39,601	(74,120)		20,842		403,223
Others							
TOTAL	**416,900**	**39,601**	**(74,120)**		**20,842**		**403,223**

Current	January 1, 2017	Additions	Recoveries		Discoun-ting effects	Change in scope and other	December 31, 2017
			Uses	Surplus provisions			
Claims and litigation	7,243	732	(313)	(1,677)			5,985
Tax							
Other	74,475	9,399	(1,982)	(48,001)			33,891
TOTAL	**81,719**	**10,131**	**(2,295)**	**(49,678)**			**39,876**

TOTAL	January 1, 2017	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2017
			Uses	Surplus provisions			
Provisions on toll roads under concession	416,900	39,601	(74,120)		20,842		403,223
Claims and litigation	7,243	732	(313)	(1,677)			5,985
Tax							
Other	74,475	9,399	(1,982)	(48,001)			33,891
TOTAL	**498,619**	**49,732**	**(76,415)**	**(49,678)**	**20,842**		**443,099**

As of December 31, 2016:

Non-current	January 1, 2016	Additions	Recoveries		Discounting 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
Other							
TOTAL	**413,723**	**39,896**	**(49,606)**		**14,035**	**(1,148)**	**416,900**

Current	January 1, 2016	Additions	Recoveries		Discounting 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
Tax							
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**

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

3.19. Long-term employee benefits

Long-term employee benefits include post-employment defined benefit plans (termination benefits, retirees' supplemental health insurance) and other types of benefits (long service awards and GEPP measures).

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

(In € thousands)	2017	2016
Post-employment defined benefit plans	46,511	52,279
Other benefits	10,384	15,459
Total	**56,895**	**67,738**

3.19.1. Post-employment defined benefit plans

Analysis of defined benefit plans:

(In € thousands)	2017	2016
Obligations and rights at the end of the period	46,511	52,279
Fair value of plan assets		
Total	**46,511**	**52,279**
Net amount on statement of financial position	**46,511**	**52,279**

Analysis of main assumptions used to calculate the above amounts:

	December 31, 2017	**December 31, 2016**
Discount rate	1.50%	1.25%
Salary increase rate	2.75%	2.75%

The sensitivity of the obligations to changes in these two main assumptions at December 31, 2017 is as follows:

(in € thousands)	**December 31, 2017**			
	Discount rate		**Salary increase rate**	
	50 bp increase : 2,0%	50 bp decrease :1 %	50 bp increase : 3,25%	50 bp decrease : 2,25%
Total obligations and rights	**43,936**	**49,335**	**49,042**	**44,174**

At December 31, 2016, the sensitivity of these two assumptions was as follows:

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

The following tables summarize the Group's obligations as of December 31, 2017 and December 31, 2016, and the fair value of the funded plan assets, for each type of obligation (pensions, termination benefits) and supplemental health benefits for the retirees of Sapn.

Employee benefits	**Termination benefits**		**Supplemental retirement plan**		**Supplemental health benefits**		**TOTAL**	
(in € thousands)	**Dec. 31, 2017**	**Dec. 31, 2016**	**Dec. 31, 2017**	**Dec. 31, 2016**	**Dec. 31, 2017**	**Dec. 31, 2016**	**Dec. 31, 2017**	**Dec. 31, 2016**
Obligations and rights at beginning of year	42,550	34,438		3,131	9,729	4,176	**52,279**	**41,745**
New commitments and modifications				(2,744)				**(2,744)**
Current service costs	2,239	1,754		377	382	10	**2,621**	**2,141**
Interest expense	496	631		63	122	84	**618**	**778**
Actuarial (gains) losses	(1,956)	7,859			(4,785)	5,581	**(6,742)**	**13,440**
Benefits paid	(2,149)	(1,649)			(117)	(122)	**(2,266)**	**(1,771)**
Change in scope		(483)		(827)				**(1,310)**
Obligations and rights at end of year	**41,180**	**42,550**			**5,331**	**9,729**	**46,511**	**52,279**

The total actuarial gains attributable to defined benefit post-employment obligations amounted to €6,742 thousand in 2017 (€13,440 thousand in actuarial losses in 2016). These actuarial gains included €4,133 thousand in gains related to changes to demographic assumptions, €2,373 thousand due to changes in financial assumptions (increase in the discount rate from 1.25% to 1.5%) and an experience gain of €235 thousand (vs. in 2016 a loss of €4,676 thousand linked to financial assumptions, a loss of €11,181 thousand linked to demographic assumptions and a gain of €2,417 thousand in experience gains).

The actuarial gains of €6,742 thousand (actuarial losses of €13,440 thousand in 2016) break down as follows based on their origin:

Actuarial (gains) losses generated during the period	**(6,742)**	**13,440**
from changes in financial actuarial assumptions	(2,373)	4,676
from changes in demographic actuarial assumptions	(4,133)	11,181
from experience-related actuarial changes on plan liabilities	(235)	(2,417)
from experience-related actuarial changes on plan assets		

3.19.2. Other benefits

Other benefits include the long service awards and other benefits.

(in € thousands)	December 31, 2017			December 31, 2016			
	Long service awards	Others	**TOTAL**	CATS	Long service awards	Others	**TOTAL**
As of January 1	1,371	14,088	**15,459**	158	1,164	16,556	**17,878**
Change of scope							
Addition							
Recoveries (uses)	(187)	(4,907)	**(5,094)**	(161)	(183)	(2,468)	**(2,812)**
Discounting				3			**3**
Actuarial (gains) losses	19		**19**		390		**390**
At the end of the period	**1,203**	**9,181**	**10,384**	**0**	**1,371**	**14,088**	**15,459**

3.20. Financial liabilities by accounting category

Current and non-current financial liabilities:

(in € thousands)	December 31, 2017			
	Liabilities at amortized cost	Derivatives qualified as hedging	**Carrying amount**	**Fair value**
Borrowings: current and non-current portions	6,309,035		6,309,035	7,168,476
Hedging derivatives	0	48,272	48,272	48,272
Central government advances	17,318		17,318	17,318
Deposits and guarantees received	21,132		21,132	21,132
Accrued interest not due	68,328		68,328	68,328
Total financial liabilities excluding trade accounts payable	**6,415,813**	**48,272**	**6,464,085**	**7,323,526**
Total trade and other financial payables (see note 3.21)	112,738		112,738	112,738
Total financial liabilities as per IAS 39	**6,528,550**	**48,272**	**6,576,823**	**7,436,264**

(in € thousands)	December 31, 2016			
	Liabilities at amortized cost	Derivatives qualified as hedging	**Carrying amount**	**Fair value**
Borrowings: current and non-current portions	5,697,569		5,697,569	6,657,912
Hedging derivatives		53,946	53,946	53,946
Central government advances	17,318		17,318	17,318
Deposits and guarantees received	20,769		20,769	20,769
Bank overdrafts	94		94	94
Accrued interest not due	78,965		78,965	78,965
Total financial liabilities excluding trade accounts payable	**5,814,715**	**53,946**	**5,868,661**	**6,829,004**
Total trade and other financial payables (see note 3.21)	128,950		128,950	128,950
Total financial liabilities as per IAS 39	**5,943,665**	**53,946**	**5,997,611**	**6,957,954**

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%.

In November 2017, HIT raised € 1,000 million in the bond markets,. with the issuance of two bonds of €500 million each with a maturity date of 2023 and 2027 and coupons of 0.625% and 1.625% respectively. The main purpose of this issuance was the repayment of the €500 million bond maturing in 2018 and the repayment of €140 million of the bond maturing in 2021.

3.21. *Trade and other accounts payable*

(in € thousands)	December 31, 2017	December 31, 2016
Advances and down payments received on orders	-1,205	9,535
Trade accounts payable	31,060	29,558
Due to suppliers of non-current assets	82,815	89,848
Other financial payables	68	9
Total trade and other financial payables (1)	***112,738***	***128,950***
Taxes and payroll costs	125,468	132,642
Prepaid income	11,508	14,874
Total non-financial payables	***136,976***	***147,516***
Total trade and other accounts payable	**249,714**	**276,466**

(1) Financial liabilities stated at amortized cost

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

3.22. *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, 2017, 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, 2017	Dec 31, 2016
"1% countryside development" contribution	3	124

"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.

Guarantees given:

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 €2,367 million.

Sanef provided three bank guarantees granted to Ages for a total of €4,000 thousand.

Sanef issued two bank guarantees in connection with the North Lyon ring road operating agreement for a total amount of €7,801 thousand.

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

Guarantees totaled €15,541 thousand at December 31, 2017 (€20,811 thousand as of December 31, 2016).

Guarantees received

HIT Group companies had received bonds and guarantees on contracts for a total of €22,450 thousand as of December 31, 2017 (€15,726 thousand as of December 31, 2016).

3.23. Management of financial risks and derivative instruments

3.23.1. 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 3.20, 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, 2017 the outstanding debt amount and the nominal value of the swaps was zero. The profile of the swaps was modified during the year by the cancellation of the positions from 19/12/2018 to 19/06/2019 representing a nominal amount of 150 million euros. The swaps will become active on June 21, 2021 for 750 million euros. These swaps qualify as cash flow hedges. These swaps qualify as cash flow hedges.

The loan interest rate structure is as follows:

(in € thousands)	**December 31, 2017**	**December 31, 2016**
Fixed or adjustable rate	6,107,303	5,476,107
Floating rate	201,732	221,462
Total	**6,309,036**	**5,697,569**

As of December 31, 2017 the Group had a total of €201 million (€221 million as of December 31, 2016) 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, 2017:

- swaps qualifying as cash flow hedges :

(in € thousands)	**Market value as of December 31, 2017**	**HIT pays fixed rate**	**HIT receives floating rate**	**Nominal value**
Expiration : End of 2024	**(48,272)**	4.11%	Euribor 3 mois	**0**

The nominal value of this swap, which was zero as of December 31, 2017 and December 31, 2016 and will remain so until 2018, will reach a maximum of €750 million in 2021 and fall to zero in 2024.

At December 31, 2016 :

(in € thousands)	**Market value as of December 31, 2016**	**HIT pays fixed rate**	**HIT receives floating rate**	**Nominal value**
Expiration : End of 2024	**(53,943)**	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, 2017	(53,946)
Changes in fair value	5,674
Fair value as of December 31, 2017	**(48,272)**

Moreover, to hedge the risk of an increase in interest rates at the time of the Liability Management operation (see note 3.20), 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, 2017, 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	(48,272)	
Loss on unwound swaps to be recycled to profit or loss	(573)	cf. note 3.14.3
Loss on swaps to be recycled starting in 2018	(7,616)	cf. note 3.20
Total	**(56,461)**	

As of December 31, 2016:

Accumulated losses on swaps in force	(53,946)	
Loss on unwound swaps to be recycled to profit or loss	(1,889)	cf. note 3.14.3
Loss on swaps to be recycled starting in 2018	(7,616)	cf. note 3.20
Total	**(63,451)**	

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 2017 and 2016 remain constant over one year.

(in € thousands)	**December 31, 2017**				**December 31, 2016**			
	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	(515)	515	-	-	(705)	705	-	-
Interest rate hedges (swaps and some collars)	-	-	8,132	(8,489)	-	-	7,547	(7,575)
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.

3.23.2. 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, 2017**	**Dec. 31, 2016**

Loans to associates	3.14	10,878	15,392
Loans	3.14	1,940	1,976
Deposits and guarantees	3.14	572	430
Trade and other financial receivables	3.15	170,417	138,747
Current financial assets	3.14	535	976
Cash and cash equivalents	3.16	1,357,517	643,696
	Total	**1,541,859**	**801,217**

As of December 31, 2017, HIT had trade and other accounts receivable totaling €170 million (€139 million as of December 31, 2016) and cash of around €1,358 million (€644 million as of December 31, 2016). 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.

3.23.3. 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, 2017 and December 31, 2016 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
2018	620,203						**620,203**
2019		318,529					**318,529**
2020			255,895				**255,895**
2021				1,573,649			**1,573,649**
2022					262,878		**262,878**
2023						854,608	**854,608**
2024						453,039	**453,039**
2025						591,099	**591,099**
2026						592,900	**592,900**
2027						490,852	**490,852**
2028						295,383	**295,383**
December 31, 2017	620,203	318,529	255,895	1,573,649	262,878	3,277,881	**6,309,036**
December 31, 2016	245,599	621,300	318,724	254,371	1,711,330	2,546,245	**5,697,569**

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**	6,309	7,539	612	234	516	2,566	3,612
Advances from French central government and regional agencies	**3.21**	17	17	17				
Deposits, guaranties and other financial debts	**3.21**	21	21	21				
Trade accounts payable	**3.22**	113	113	113				
Other current liabilities	**3.22**							
Derivative financial liabilities								
Interest rate derivatives	**3.21**	0	0	0	0	0	0	0
		Total flows	**7,691**	**763**	**234**	**516**	**2,566**	**3,612**

3.24. Related parties

At December 31, 2017 (as at December 31, 2016), 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, 2017 and December 31, 2016 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 2017 is € 0.2 million, the remaining amount to be amortized in the income statement at December 31, 2017 is now € 0.1 million.

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

At December 31, 2017, the group had a total receivable of €10.8 million from Alis (€15 million as of December 31, 2016): the group's loan to Alis, including capitalized interest, amounted to €4.6 million, of which €0.5 million in VAT (€9.6 million as of December 31, 2016), and bore interest at a rate of 6%.
The group also had a shareholder advance of €3.8 million at an interest rate of 12 % (€2,8 million at 2.08% as of December 31, 2016), as well as €2 million in trade receivables, excluding VAT (i.e. €2.4 million including tax), at December 31, 2017 (€2.6 million as of December 31, 2016), repayable in a fixed amount of €179 million per year until 2028.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by HIT and the companies that it controls to persons who, during the year 2017 or at the balance sheet date, are members of the Executive Committee or the Board of Directors of the Group:

(in € millions)	December 31, 2017
Remuneration	2.6
Payroll taxes	1.1
Post-employment benefits	-
Other long term benefits	-
Termination benefits	0.7
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 €4.4 million in 2017.

The attendance fees paid in 2017 amounted to €365 thousand (€380 thousand in 2016).

3.25. 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 (SE BPNL, Sanef Aquitaine) and the equity-accounted companies (Alis, Routalis, Leonord and A'Lienor).

The main products and services of the other activities are 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 2017:

2017, in € millions	Toll road concessions	Holding	Others activities	Eurotoll Subgroup*	**Total group HIT**
Revenue	**1,794.9**		**8.5**	**2.9**	**1,806.3**
Of which revenue from construction	*141.4*				*141.4*
EBITDA	**1,201.2**	**(2.7)**	**1.4**	**.5**	**1,200.4**
Amortization of tangible assets	(42.1)		(0.3)	(0.1)	(42.6)
Amortization of intangible assets	(245.3)	(80.8)	(0.0)	(0.2)	(326.3)
Additional provisions on infrastructures under concession	(39.6)				(39.6)
EBIT	**874.2**	**(83.5)**	**1.1**	**.2**	**791.9**
Interest income	15.1	1.5		(0.0)	16.6
Interest expenses	(135.6)	(158.7)	0.0	(0.0)	(294.3)
Profit before tax	**753.7**	**(240.7)**	**1.1**	**.2**	**514.3**
Share in net income from associates			3.0		3.0
Income tax	(293.3)	168.1	(.3)	(.0)	(125.5)
Net income	**460.4**	**(72.5)**	**3.7**	**.2**	**391.7**
Acquisitions of property, plant and equipment and intangible assets	182.7		7.0		189.7
Total Assets	**4,525.0**	**4,887.7**	**60.6**		**9,473.2**

(*) The 2017 data contains 4 months of the Eurotoll Subgroup.

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

3.26 Auditor's fees

The firms Deloitte & Associés and PHM-Audit Expertise et Conseil, act as auditors of the HIT group as of December 31, 2017.

Auditing fees incurred for statutory audit and for services other than the auditing of accounts ("SACC"), for HIT consolidation entities, amounted to €375 thousand in 2017, of which 100 thousand under the "SACC" which correspond essentially to the issuance of comfort letters, the establishment of the report of the OTI on the information RSE.

3.27. Events after the end of the reporting period

No material event has occurred subsequent to the end of the reporting period.