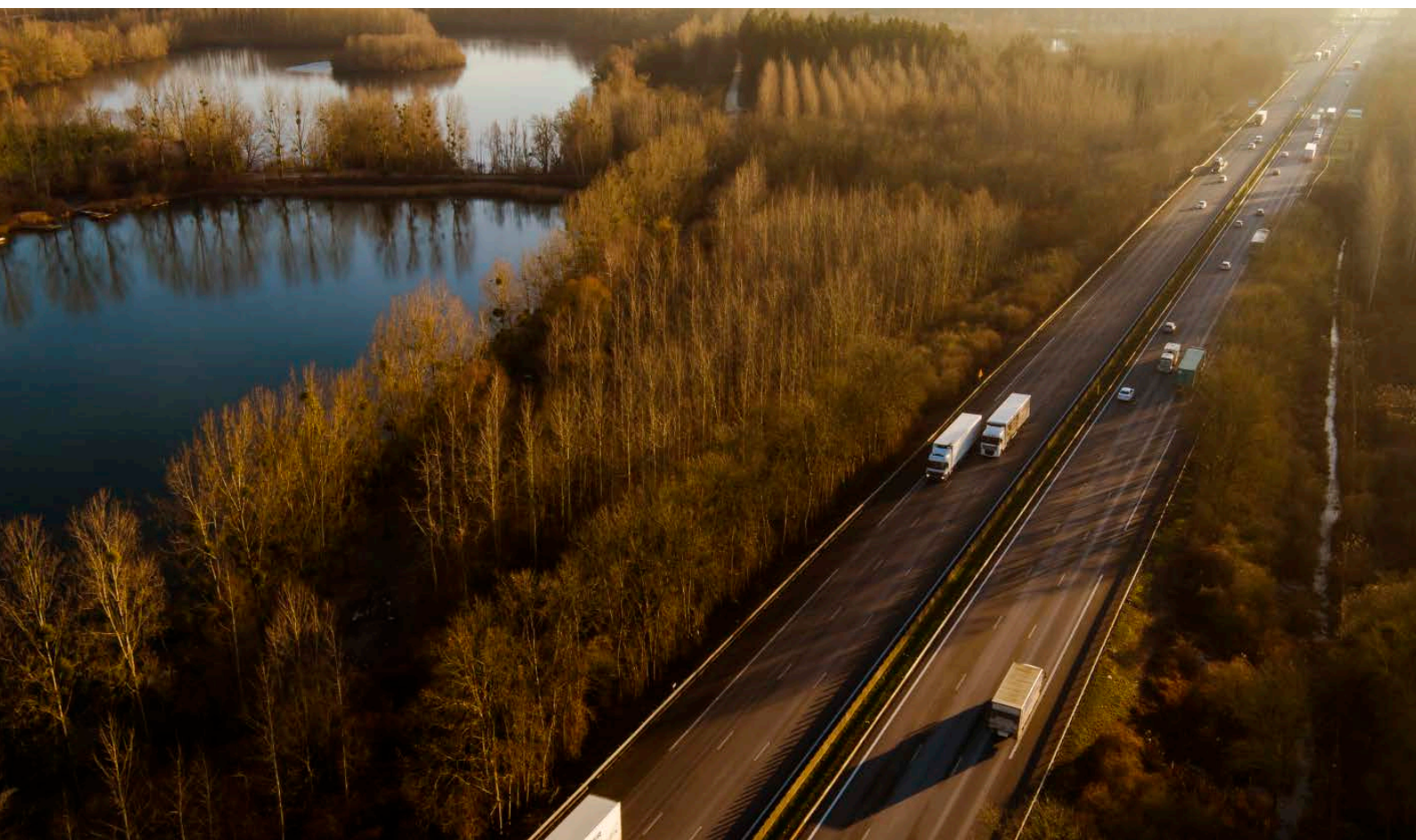


Financial report 2016



Financial report 2016

FY ending 31 December 2016

Summary

REPORT BY THE BOARD OF DIRECTORS	5
CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT	27
REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS	59
CONSOLIDATED FINANCIAL STATEMENTS	67
CORPORATE ACCOUNTS	109

REPORT BY THE BOARD OF DIRECTORS

I – STATUS AND ACTIVITY OF THE COMPANY AND THE GROUP IN THE PRECEDING FINANCIAL YEAR	6
II – SUBSIDIARIES AND HOLDINGS AS OF 31 DECEMBER 2016	15
III – ACHIEVEMENTS, PROGRESS AND DIFFICULTIES	16
IV – RESEARCH AND DEVELOPMENT ACTIVITIES	16
V – INFORMATION ON CORPORATE MATTERS AND SHAREHOLDER INFORMATION	17
VI – IMPORTANT EVENTS RECORDED BETWEEN THE END OF THE FINANCIAL YEAR AND THE TIME OF WRITING OF THIS REPORT	19
VII – FORESEEABLE TRENDS AND FUTURE OUTLOOK	19
ANNEXE 1 – ALL OFFICES AND FUNCTIONS EXERCISED BY CORPORATE OFFICERS	20
ANNEXE 2 – COMPANY EARNINGS FOR THE PAST FIVE FINANCIAL YEARS	24

I – STATUS AND ACTIVITY OF THE COMPANY AND THE GROUP IN THE PRECEDING FINANCIAL YEAR

The following major events marked the activity of groupe Sanef in the year under review:

I.1 TRAFFIC AND TARIFFS

- **Annual revision of toll charges**

The motorway tariffs are revised annually according to the contractual terms agreed with the State.

Sanef and Société des Autoroutes Paris-Normandie (Sapn) raised their tariffs on 1 February 2016, in compliance with the decree dated 29 January 2016 and published in the official government record on 31 January 2016. The revised schedule of tariffs take two parameters into account: the consumer price index, and partial compensation for the higher government land use fee in place since 2013. The average increase was 0.86% for the Sanef network and on the Sapn A13 and A29 motorways. The basic charge for class 1 vehicles on the A14 motorway rose by €8.30 (incl. tax) (the reduced rate was increased by €6.10 incl. tax). The class 1 charge at the Chambourcy interchange remains unchanged at €2.60 incl. VAT.

- **Summary of traffic on the group's network**

Kilometres travelled 2016/2015	Light vehicles (LV)	Heavy goods vehicles (HGV)	Total
Sanef	+1.9%	+3.8%	+2.2%
Sapn	+1.8%	+2.6%	+1.9%
TOTAL FOR GROUP	+1.9%	+3.6%	+2.2%

Cumulative annual total as of 31 December 2016 (2015)

	Sanef network			Sapn network			groupe Sanef		
	2016	2015	%	2016	2015	%	2016	2015	%
Minor injuries (# of persons)	432	430	0 %	298	239	+25%	730	669	+9 %
Serious injuries (# of persons)	80	100	-20%	23	31	-26%	103	131	-21%
Fatalities	29	41	-29%	8	5	+60%	37	46	-19%

- **Payment methods**

Group data show that cash payments continue to decline regularly (by 12%) and now represent only 10% of payments. Payment by debit card is stagnant, at 44.4%, and remote payment continues to rise for both LV and HGV, and now stands at 45.6% of payments.

Various events had a negative effect on traffic in 2016. Since mid-November 2015, light vehicle travel has been strongly impacted by the state of emergency, particularly by the drop in travel to and from Belgium on the northern routes (A1 and A2). More broadly, the growth in LV traffic seen at the beginning of the year was restricted in May and June 2016 by the negative impact of fuel shortages. The increased summer travel and exceptional traffic spikes in November did not totally make up for the shortfall.

I.2 HIGHLIGHTS OF COMPANY AND GROUP ACTIVITY

I.2.1 - NOTEWORTHY EVENTS IN OPERATIONS

- **Accidents**

The incidence of accidents for the group showed improvement in 2016. Fatalities fell by close to 20% and the number of serious injuries followed the same trend. The situation was less positive for the Sapn network, where the number of fatalities rose, as did the number of minor injuries.

The group continued to invest in roadway safety and security in 2016, via targeted communication campaigns aimed at customers and through publication of a new observatory of road behaviour. This observatory shows an increase in risk-prone behaviour among customers, e.g. non-compliance with minimum distances between vehicles and use of mobile phones while driving. Non-respect for speed limits has also sharply increased.

fic are factors that make payment by debit card the predominant payment method, over remote payment (48% compared to 43.6%).

• **Winter driving conditions**

Winter driving conditions were exceptionally moderate in 2015-2016, due to mild winter weather, with two short cold spells in mid-January and mid-February 2016.

Two localised incidents had an impact on traffic. The A4 motorway was closed for 30 minutes on 22 January 2016 due to sleet and freezing rain, and then for four hours after a significant snowfall on 7 March 2016. Despite the low intensity of these events, several crisis simulation exercises were conducted so as to continue to refine group emergency procedures and check that resources and personnel training are sufficient to handle a major crisis situation.

In 2016 the defence zones for managing roadway emergencies were revised, and the regional roadway information and coordination centres were closed. These changes were integrated into updated traffic management procedures.

• **Major upkeep works**

• On the Sapn network

- Roadways
A total of 24.7 km (measured in equivalency to 2x2-lane dual carriageway motorways) were renovated on the Sapn network in 2016. This renovation work was divided between two upkeep projects, on the A13 and A29 motorways. In addition, 17 km of retaining structures and 15 km of fencing were renovated.
- Civil engineering works
Much work was done on civil engineering structures, in particular for structural repairs or replacement of retaining structures.
- Making buildings and installations open to the public fully accessible
Timetables for Accessibility Schemes were filed with the prefectural offices on 27 September 2015, in compliance with the legislation on Establishments Open to the Public of 11 February 2015 and its application decrees, as well as with the government order of 26 September 2014, the application decree of 5 November 2014 and the order of 8 December 2014.

This programme for Sapn was approved without reservations by the Hauts-de-Seine departmental accessibility subcommittee on 6 October 2015.

Work to achieve accessibility compliance was carried out at six sites located in four different municipalities in 2016.

• On the Sanef network

- Roadways
A total of 175.6 km (measured in equivalency to 2x2-lane dual carriageway motorways) were renovated on the Sanef network in 2016. This renovation work was divided between 12 upkeep projects, on the A1, A4, A16, A29 and A26 motorways, including close to 70 km on the latter. In addition, 120 km of retaining structures and 68 km of fencing were renovated.
- Civil engineering works
Much work was done on civil engineering structures, in particular infrastructure repairs, reinforcement of metal culverts, and replacement of retaining structures. Significant upgrade work was done on the Orne overpass at the Jarny centre.
- Making buildings and installations open to the public fully accessible
Work to achieve accessibility compliance was carried out at 35 sites located in 18 different municipalities on the Sanef network in 2016.

I.2.2 – SIGNIFICANT CONCESSION DEVELOPMENTS

I.2.2.1 – CONTRACT AMENDMENTS AND MANDATORY TRANSMISSION OF DATA TO ARAFER

• **Contract framework**

The framework of the contract with the French State did not change in 2016. Preliminary studies and work for operations mandated under the motorways stimulus plan were integrated into the Sanef and Sapn agreements under riders 12 and 10 respectively, approved by decree on 21 August 2015. Work began in 2016. As a reminder, these riders specify:

- A €450 million investment plan for Sanef, of which €330 million are funded, and extension of the concession agreement by two years;
- A €280 million investment plan for Sapn, of which €257 million are compensated, and extension of the concession agreement by three years and eight months;

An official objectives contract for Sapn was finalised in July 2016. It was meant to be in effect for 2017-2021. Announcements made by the President of the Republic in the summer of 2016 led to a halt in the signature process on the part of the State, pending conclusion of discussions underway.

• **Data transmission to the Autorité de Régulation des Activités Ferroviaires et Routières (Arafer)**

The Arafer authority was created by Law 2015-990 of 6 August 2015 (see section III below).

By decision no. 2016-100 of 15 June 2016 pertaining to transmission of information by motorway concessionaires and by the companies indicated at article L.122-32 of the Highways Code, Arafer requires that concessionaries submit many items of financial and

operational data. These data must enable Arafer to ensure proper functioning of the toll tariffs regimen, to draw up annual summaries of accounts, to ensure annual review of the internal profitability rate for the concession and to compile public reports on the overall economics of the delegation agreements.

Transmission of documents by Sanef and Sapn began in the summer of 2016.

1.2.2.2 – WORKS COMPLETED OR CONTINUING IN 2016

• On the Sapn network

The major works pursued in 2016 were:

- The new feeder road at Maison-Brûlée (A13)

This operation is part of the economic stimulus plan for motorways. In light of urgent security requirements and in agreement with the technical departments of the Seine-Maritime department, preliminary studies and procedures for this operation were carried out in advance of the signing of the stimulus plan.

General works started up on 7 September 2015.

As this work was done without interrupting traffic, the new feeder road was opened in the summer of 2016, the general work was completed in October and the inauguration took place on 17 November 2016.

After this start of operational service, implemented before the deadline stipulated under the stimulus plan, Sapn is awaiting the ministerial decision on entry into service.

- A13: third Guerville overpass

The operation to build a third deck on the Guerville overpass and the corresponding motorway section is intended to increase capacity for standard traffic, and to make it possible to divert traffic for renovation of the two existing overpass decks. This operation is part of the motorway stimulus plan.

At certain phases of this work (push-through of the deck over railway tracks) it will be necessary to close the Paris / Mantes-la-Jolie / Rouen railway line; this will be coordinated with the track closings scheduled by SNCF for the Eole project. These closings are set for the Easter weekend in 2018. The postponement of Eole by SNCF has engendered organisational problems.

In light of security needs and in the interest of proper works planning, the preliminary studies and procedures have been started in advance of issuance of riders to the stimulus plan.

This operation was declared to be in the public interest on 17 December 2015.

The first part of 2016 was devoted to obtaining the last administrative permits required by the significant constraints at the site, and general work began in summer 2016.

As of this writing the works are progressing as planned.

- A14: Saint-Germain tunnel

A fifth emergency exit was created for the Saint-Germain-en-Laye tunnel on the A14 motorway, under the motorways stimulus plan.

• On the Sanef network

- A29: widening of the emergency lanes

These works were undertaken to widen the emergency lanes to 2.5 m on the A1 A26 section of the A29 motorway, a section where the emergency stopping lane is currently simply a hard shoulder. The work also comprises construction of a full-width running course including the emergency lanes.

This operation is part of the motorway stimulus plan. The summary works description was reviewed by ministerial decision of 16 October 2015.

Preparatory stages of work to protect the optic fibre network started in late 2015. General work started at the end of the summer in 2016.

As of this writing the works are progressing as planned.

- Extension of the A16 motorway in Ile-de-France

This project was declared to be in the public interest on 13 December 2014, following a public enquiry conducted by central government.

Environmental procedures were carried out in 2015 and early 2016.

Technical specifications were drawn up and approved by summer 2016.

During the summer of 2016 the thorniest landed property issues were resolved, a condition for finalising archaeological exploration and digging.

General work has been under way since July 2016. At the end of 2016 work had started under five of the seven main contract areas.

As of this writing the works are progressing as planned.

- Supplemental work at the Bailly-Romainvilliers interchange (A4)

The Villages Nature holiday and tourism accommodations site projected by the Disney and Pierre et Vacances consortium is the reason for expanding the existing no. 14 interchange at Bailly-Romainvilliers.

Following an agreement concluded between the president of the Seine-et-Marne departmental government council and the prefect for the Ile-de-France region, authorising an accord to cancel the A4-RN36 connection road, the projected work was written into the 2015 rider to the motorways stimulus plan.

In addition to deadlines set under the stimulus plan, this operation is subject to the terms of injunction letters, calling for early entry into service of the two feeder roads serving the Villages Nature complex as

of October 2016 and then as of March 2017.

Following environmental procedures started in summer 2015 the corresponding permits were obtained in spring 2016.

The technical filings (submission of request for approval of principle, preliminary plans) in compliance with the stimulus plan, and preparation and issuance of calls for tender, were all completed in a very short time, to meet the requirements imposed by the State.

This operation is being executed in a very tense local context, as the municipality of Bailly-Romainvilliers, for one, has blocked advancement of the project and has started numerous legal proceedings to reinstate the connecting road. The State and central government bodies (DIT, Prefecture of the region, etc.) and Sanef are working closely together to remove these legal obstacles and to ensure the infrastructure will be operational before the holiday complex opens.

General work began in April 2016 and, for the sections where work can proceed, is progressing as planned (civil engineering works, high-priority access road entrances have been finished). A request for postponement of the entry into service for the high-priority access roads to the complex has been submitted to the State.

- Improvement of rest and service areas and creation of parking areas for HGV and carpooling

The motorway stimulus plan includes projects for significant work on rest and service areas on the Sanef network. The plan calls for the following work up through 2019:

- Restructuring of 68 rest areas;
- Modernisation of 16 service areas;
- Creation of an additional 500 parking spaces for heavy goods vehicles;
- Construction of carpooling points with a total capacity of 400 vehicles.

When this investment programme is completed the majority of rest areas on Sanef motorways will have been thoroughly remodelled, improving service levels and quality, and meeting the major new security conditions and requirements of new forms of mobility.

Work started at 16 rest areas in 2016. Four of these areas have already been put back into service (Prévilliers / Vaucourtois on the A4 and Champ du Carreau / Champ l'Epée on the A26 motorway).

For improvements at the service areas groupe Sanef works jointly with its partners who operate the commercial establishments (vehicle fuel and food service vendors). Coordinated with the calendar for refurbishment of the commercial installations, modernisation work on the service areas will start up in 2017.

In 2016 137 new parking spaces for heavy goods vehicles were opened at nine sites: Baralle (+14), Rumaucourt (+11), Urvillers (+40), Brumath Est (+11), Brumath Ouest (+15), Saverne Monswiller (+12),

Keskastel Est (+14), Keskastel Ouest (+7), Croixrault (+13). Parking spaces at the Charmont-sous-Barbuise (+5) and Saverne Eckartswiller (+41) sites will enter into service in early 2017.

Carpooling areas were created in 2016 at the following sites: along the A4 motorway at the Schwindratzheim/Hochfelden no. 46 interchange - 22 spaces added to the existing 22; and along the A1 motorway at the Arras no. 15 interchange, where a 50-vehicle area was built, for entry into service in early 2017.

1.2.2.3 - WORKS COMPLETED OR CONTINUING IN 2016

• On the Sapn network

- A13: Mondeville feeder road

The Mondeville feeder road is designed to make it easier to exit from the Etoile activity zone located at the Caen Est exit by building a one-way road across the A13 motorway. This project was sponsored and entirely financed by the Caen la Mer urban community authority.

Work to draw up a request for approval of principle was started in 2013, leading to approval by ministerial decision on 4 August 2014.

As the requesting entity failed to secure financing, the operation did not move forward significantly in 2015. In late 2016 the Urban Community government and Sapn entered into talks to establish an agreement on preliminary studies and work to be carried out in phases, on the basis of financing that remains incomplete.

- A13: Widening of the Pont-l'Évêque / Dozulé section

Here the operation consists of widening the A13 to 2x3 lanes between the A13/A132 interchange at Pont-l'Évêque and the no. 30 interchange at Dozulé. This operation is part of the motorway stimulus plan. The fauna and flora inventories and studies commenced in 2015 and the initial environmental procedures are underway. (this operation has been declared to be in the public interest).

Technical studies were carried out in 2016 for review in early 2017.

- A13: no. 29 interchange at La Haie-Tondue

This operation is part of the motorway stimulus plan. Cofinancing by local authorities, set at 50% of the works cost, or €3 million ex VAT, had not been secured at the end of August 2016, the deadline under the motorway stimulus plan. Talks have been underway since then with the Normandy regional government and the Calvados department, but they are able to provide only €1 million of the full amount (€3 million) of financing set by the budget.

Sapn has turned to the State for talks on further action regarding this project.

In the absence of financing only the studies pertaining to request for approval of principle have been carried out, to confirm project feasibility.

- Improving connections to Pont-Audemer (A13)

Improving connections to Pont-Audemer, part of the motorway stimulus plan, comprises two separate segments:

- Expanding the existing half-interchange at Bourneville;
- Constructing a new half-interchange towards Paris at Toutainville.

The ministerial decision approving the modified request of approval of principle for these two operations came through on 10 June 2016, and preliminary project studies and preparation of calls for tender are already well underway.

The public enquiry documents for these two operations were also submitted for review in 2016.

The public enquiry pertaining to the extension of the Bourneville interchange will start in January 2017.

The calendar for the public enquiry pertaining to the half-interchange at Toutainville has not been decided yet.

As of this writing works at the two sites are progressing as planned.

- Creation of the Graviers interchange (A13)

In the framework of the national-interest operation Seine Aval, local authorities, the public body corporate EPAMSA and the State sought to build a supplementary interchange on the A13 motorway to boost economic development, augment housing supply and make it easier for companies to set up in this part of the Yvelines department.

After several meetings which included the Yvelines departmental government council, the Grand Paris Seine-et-Oise Urban Community (CU GP S&O) and Sapp, the local authorities withdrew from the protocol for project financing and completion, by letter dated 18 July 2016.

At this stage the project is halted, and talks are underway with the State, the conceding party, to find replacement solutions.

• On the Sanef network

- A26 / RN42 connection

This operation, part of the Sanef stimulus plan, is intended to improve the connection between the A26 motorway and the RN42 trunk highway by creating a 5-km connecting road, called the Lumbres connector, between the two highways.

The request for approval of principle for this operation was filed for review on 2 August 2016.

The preliminary technical studies are well underway. Studies and meetings with the relevant administrative departments for environmental procedures are being pursued.

This operation is progressing as planned.

- A16 / RN42 connection

This operation, part of the Sanef stimulus plan, is designed to improve the connection between the A16 motorway and the RN42 trunk highway at the Boulogne Est interchange.

The State accepted the feasibility study on 16 October 2016 and communicated its preferred options for the infrastructure variants.

The general contractor has been designated and studies for requests for proposals (RFP) are underway. The field work required for environmental procedures is also being pursued.

This operation is progressing as planned.

- A4 COS – interchange A4-A35 / COS

The plans to bypass Strasbourg on the west (Contournement Ouest de Strasbourg, COS) include at the northernmost point an interchange system with the existing A4 and A35 motorways (the A4/A35 hub), as set forth in the ministerial decision of 4 November 2005 and the public interest decree of 23 January 2008.

Under this operation, part of the stimulus plan, Sanef will undertake work to reconfigure the existing interchange, to give priority to a direct access from the A4 to the future bypass route.

This operation also includes construction of a passageway for wildlife in the vicinity of the Herrenwald forest.

As many interfaces and interactions with the COS concessionaire are to be expected, the prefect for Alsace is to designate a project leader charged with the task of coordinating the action of the various stakeholders, in compliance with the circular issued by the Prime Minister on 1 February 2012 pertaining to administrative organisation in project mode to accompany investment by companies.

Despite the major difficulties raised by these interactions, the review of environmental procedures has not impeded planning for work, other than for work to be done on the territory of the Brumath municipality. The local urban planning document for this municipality was omitted from the compatibility review conducted by the State for its declaration of public interest relative to this project. Sanef is working with the prefecture to complete the submission.

The RFP studies are being conducted for the wildlife passageway.

- A4 Metz North-East bypass – widening to 2x3 lanes

This operation comprises widening the A4 motorway to 2x3 lanes in the section of the Metz bypass between the A4/A31 and A4/A31 interchanges. The environmental compliance part of this operation is included in the motorway stimulus plan.

The procedures associated with this operation (notably declaration of public interest) may become more complex if the bypass section is integrated into

the broader work being considered for the A31bis motorway.

The general contractor for technical studies and construction has been designated.

A summary description of the widening work was submitted for review on 14 March with supplementary information filed on 21 July 2016.

The preliminary studies are well underway. Studies and meetings with the relevant administrative departments for environmental procedures are being pursued.

This operation is progressing as planned.

1.2.2.4 – TERMINATION OF OPERATIONS UNDER THE SANEF OBJECTIVES CONTRACT FOR 2010-2014

The 2010-2014 objectives contract called for installation of open (no stop) toll passages at 11 on-road toll gates that were not equipped for remote collection.

The final work on these on-road toll collection points was completed in 2016, at the request of the State in particular.

At end 2016 four ministerial decisions declaring entry into service were still outstanding.

1.2.3 – NOTEWORTHY COMMERCIAL EVENTS: REST AND SERVICE AREAS

The rest and service areas on the groupe Sanef networks continue to be modernised, notably with renovation or rebuilding of infrastructure, followed by introduction of new services and commercial establishments.

Sanef finalised deployment in 2016 of 39 electric vehicle charging stations at 26 service areas, working with partners EDF and Tesla.

Sanef also started work under the motorway stimulus plan:

- 74 new carpooling spaces to be created at two sites;
- Renovation work at 16 rest areas;
- 137 new parking spaces for HGV.

The year 2016 also saw finalisation of the updated quality monitoring tool «Satisf'aire» designed to track quality assurance at rest areas and train local managers at operations centres. This update optimises the time and cost of intervention to correct problem situations.

Among the noteworthy milestones in 2016, new sub-concessionaire contracts were signed for ten service areas, following a competitive bidding procedure launched in late 2015. The service areas are:

- Angres
- Assevillers Est

- Assevillers Ouest
- Baie de Somme
- Havrincourt
- Rely
- Saverne Eckartswiller
- Saverne Monswiller
- Villers Bretonneux
- Wancourt Est

These contracts call for extensive modernisation of the commercial installations and better services offered to customers. Modernisation work will start at these ten service areas in 2017.

1.3 GROUPE SANEF EARNINGS STATEMENT

1.3.1 – ANALYSIS OF SALES AND EARNINGS TRENDS IN 2016

Operational earnings:

Sales revenue (not including construction revenue of €109 million in 2016 and €107 million in 2015).

In millions of €	2016	2015
Tolls revenue	1 538	1 485
Other sales revenue	86	110
Total sales revenue	1 624	1 595
Other revenue	34	31
OPERATIONAL EARNINGS	1 658	1 626

Group earnings from operations improved by €32 million compared to 2015. Figures for 2015 were impacted by the withdrawal of Sanef ITS from the consolidated accounts in late April (€24 million of earnings in 2015). Without this impact the gain in operational earnings would have been +€56 million, an increase due essentially to tolls revenue (+€53 million).

The increase in tolls revenue, +3.6%, breaks down as follows:

- +1.9% due to higher traffic,
- +0.8% due to higher tariffs,
- +0.9% due to the LV/HGV mix and the leap year effect.

Other sales and revenue streams fell by €20 million. Not counting the Sanef ITS impact, this figure shows a gain of €5 million. This trend is due mainly to exceptional revenue (TVA, sales of fixed assets).

Operational charges (not including construction charges)

Operational charges (not including construction charges of €109 million in 2016) fell by 6.4%, from

€869 million in 2015 to €813 million in 2016, a drop of €56 million. Not counting the impact of the exclusion of the sub-group Sanef ITS, this figure would have been -€32 million. This drop is due primarily to lower personnel charges tied in part to a smaller workforce and to the impact of the provision constituted in 2015 for measures pertaining to management of job functions and career advancement. A mild winter also contributed savings in expenditures. External purchases and charges (not including the ITS sub-group) were lower, falling from €109 million in 2015 to €92 million in 2016. These figures break down as follows:

- Consumption and charges for operations fell compared to 2015, due to mild winter weather, and came to €210 million.
- Charges for major upkeep, maintenance and repairs fell slightly compared to 2015, to €33 million.
- Other external charges rose by €2.9 million, from €36 million in 2015 to €39 million in 2016. Provisions were entered for exceptional charges (tax audit, losses for outstanding debt/penalties), also impacting this account.

The «Personnel charges» account is lower by 18.5%, or €38.6 million (without ITS the drop is €30 million), broken down as follows:

	2016	2015	Variation
Salaries and payroll charges	-148,7	-184,8	-19,5 %
Profit-sharing	-5,4	-4,2	28,6%
Participation	-13,8	-12,5	10,4 %
Other personnel charges	-2,6	-2,8	-7,1%
Long-term benefits	0,4	-4,4	-109,1%
TOTAL	-170,1	-208,7	-18,5 %

The improved Salaries and Payroll Charges account is due mainly to the smaller workforce and to the impact of the provision constituted in 2015 for measures pertaining to management of job functions and career advancement. Profit-sharing has risen, due to better performance indicators. Participation reflects the higher earnings of the companies. Other personnel charges include professional training, in particular.

Taxes and fiscal levies rose by €19 million, mainly due to the State land use fee (+€12 million), the land use and infrastructure tax tied to increased traffic, and the regional economic contribution (CET).

Contribution to EBITDA is as follows:

	2016	2015	Variation
Sub-concessionaries	1.150,2	1.072,4	7,2 %
Other companies	3,1	3,4	ns
TOTAL	1.153,4	1.075,8	7,2 %

EBITDA for concessionaire companies rose by 7.2% between 2015 and 2016, from €1,072.4 million to €1,150.2 million. In percentage of revenue, the margin is 71.6%. EBITDA for the group is 71% in 2016.

Reserves for amortisation and provisions fell by €11.8 million, mainly due to longer concession life accounted over the full year in 2016 (+2 years for Sanef and +3 years and 8 months for Sapn). This positive impact is partly masked by inclusion of the Contribution Volontaire Exceptionnelle (CVE) (€12 million).

The operational revenue account stands at €845.9 million compared to €756.5 million in 2015, an increase of 11.8%.

Financial performance is improved, from negative €196.5 million in 2015 to negative €140.5 million in 2016. This improvement reflects, notably, ongoing diminution of debt and falling interest charges tied to liability management action in 2015, and the impact in 2015 of buy-back premiums amounting to €45 million for Sanef and €14 million for Sapn (refinancing operations in 2015).

The pro rata performance of equivalent operations is plus €4 million, a result due mainly to ALiénor after diminution of its financial charge and continued improvement in traffic.

Corporate income tax came to €259.1 million, as opposed to €216.7 million in 2015. The consolidated earnings share for the group stands at €450.6 million, an increase of €344.3 million over 2015.

Group cash flow

The cash flow table shows the following movements:

Type of flow	2016	2015
Operational activity	897,9	813,6
Investment	-192,3	-144,2
Financial activity	-270,9	-720,6
Variation in cash flow	434,7	-51,3
Start of FY cash on hand	143,5	194,8
End of FY cash on hand (including exchange rate fluctuation)	578,2	143,5

Cash on hand as of 31 December stood at €578.2 million. A new bond issue for €300 million in October 2016 extended the duration of debt and enabled

the group to take advantage of lower interest rates, which largely explains the improved cash flow.

I.3.2 – RÉSULTATS DE SANEF S.A.

In millions of €	2016	2015	Variation
Turnover			
Tolls	1 156,1	1 115,1	3,7 %
Others	38,9	43,0	(9,5 %)
TOTAL	1 195,0	1 158,1	3,2 %
Consumption	(14,6)	(16,9)	(13,6 %)
Upkeep and maintenance	(22,9)	(28,3)	(19,1 %)
Other external charges	(27,8)	(30,7)	(9,4 %)
Personnel charges	(116,1)	(137,7)	(15,7 %)
Other revenue and charges	19,4	24,6	(21,1 %)
Taxes and fiscal levies	(182,1)	(164,8)	10,5 %
Reserves for amortisation and provisions	(216,5)	(184,2)	17,5 %
Operational earnings	634,4	620,1	2,3 %
Financial earnings	(7,2)	(70,7)	(89,8 %)
Exceptional earnings	13,8	28,6	(51,7 %)
Employee participation	(10,5)	(9,8)	7,1 %
Corporate income tax	(197,8)	(188,3)	5 %
NET BOOK INCOME	432,7	380,0	13,9 %

Only the significant variations in Sanef S.A. accounts are explained here. Tolls revenue rose by €41.0 million in 2016, following an increase of €19.9 million in 2015.

Consumption figures fell by 13.6%, in correlation with the mild winter weather for 2015-2016.

Personnel charges fell by 15.7%. The smaller workforce and the effects of the mild winter compensated for higher salaries. As of 31 December 2015 Sanef had set aside a provision for measures related to job functions and career advancement for the period 2016-2018. The lower discount rate for calculating pension provisions for FY 2016 had a negative effect on personnel charges.

Taxes and fiscal levies increased by 10.5%, to €17.3 million, linked to activity (higher traffic for TAT), but mainly due to entry of the share of the CVE for the Agence de Financement des Infrastructures de Transport de France paid in 2016.

Net operational revenue improved by 2.3% over 2015.

Net financial revenue improved strongly in 2016, plus €63.5 million over 2015, in relation to the refinancing of CNA debt in 2015 that resulted in paying a buy-back premium of €45 million. In parallel the company continued to register lower interest charges in 2016, tied to lower interest rates in 2016 and to higher dividend payments for Sanef S.A. subsidiaries.

At €13.8 million net exceptional revenue for 2016 was lower than the figure of €14.9 million in 2015 that included capital gains after cession of activities related to groupe Sanef ITS.

Corporate income tax rose by 5%. The overall tax rate stood at 34.43% in 2016, compared to 38% in 2015.

Net revenue came to €432,747,390.53, an increase of 13.9%.

Cash flow

The cash account improved by €206.8 million in 2016, from + €402 million at end 2015 to + 609 million at end 2016. This evolution is analysed as follows:

	in M€
Cash flow generated by business activity	482,7
Cash flow generated by investments	(134,2)
Cash flow generated by financing operations	(141,8)
Variation in cash flow	206,8

The improved cash flow is due primarily to the new bond issue in 2016 for €300 million that allowed the company to prolong its debt and profit from lower interest rates in 2016.

- **Information on payment deadlines**

In compliance with articles L.441 6 1 and D.441 4 of the Commercial Code, the following tables give the breakdown of outstanding debt to suppliers by due date, at the end of FY 2016.

Suppliers – purchases of goods and services

Due date	2016	2015
under 30 days	4 636 K€	896 K€
under 60 days	261 K€	3 358 K€
over 60 days	(68) K€	659 K€
TOTAL	4 829 K€	4 913 K€

Suppliers – purchases of fixed assets

Due date	2016	2015
under 30 days	11 779 K€	364 K€
under 60 days	1 559 K€	2 055 K€
over 60 days	(411) K€	(57) K€
TOTAL	12 926 K€	2 362 K€

I.3.3 – EARNINGS FOR PAST FIVE FISCAL YEARS

This table is given in Annex 2.

I.3.4 – KEY PERFORMANCE INDICATORS

The key performance indicators are listed in Annex 3, as part of the Corporate Social and Environmental Responsibility Report.

I.3.5 – MAIN RISKS AND UNCERTAINTIES

Like all motorway concessionaires, groupe Sanef may incur a number of risks with an impact on its business activity.

Risks related to the concession contract

The concession agreement between the State and the company can be unilaterally terminated by the State for reasons of general public interest, with a right to compensation. The State can also declare the agreement to be cancelled in the event of serious breach of contract by the concessionaire company.

Regulatory risk

The business environment of groupe Sanef is highly regulated, and is subject to modification of these regulations, which apply to roadways, road safety, the environment, fiscal matters, transport, and data protection. More stringent terms of general regulations in these areas can lead to higher costs.

Risks related to traffic and sales

Traffic can be affected by a number of factors, such as toll acceptability, quality and state of upkeep of motorways, network capacity, fuel prices, the existence of competing transport infrastructure. HGV traffic is sensitive to economic conditions in Europe.

Currency exchange risk

Groupe Sanef operates essentially in Eurozone countries, mainly in France. The company incurs practical no currency exchange risk in its transactions.

Interest rate risk

The external financing of groupe Sanef is denominated exclusively in euros, mainly at fixed rates, without significant risk of increase in interest rates. The company has transformed a part of its fixed-rate holdings into variable rate debt, through interest rate swaps. The derivative instruments are accounted as financial and hedging instruments, and the interest rate flows of these instruments are recorded at the same time as the interest flows produced by the underlying loans.

Market risk

Groupe Sanef could be affected by fluctuation in financial markets, notably where its debt refinancing is concerned.

Operating risks

Events that can disturb operation of groupe Sanef motorways include extreme natural disasters or climate events, large-scale accidents or even acts of intentional harm. Any of these events could lead to partial or total shutdown of the network.

Construction risks

Construction operations can be hindered by incidents that directly affect completion of work: shortage of materials, higher costs for materials, failure of subcontractors or suppliers, worksite accidents, administrative delays, etc. These risks can also induce defects and poor work quality affecting civil engineering structures.

II – SUBSIDIARIES AND HOLDINGS AS OF 31 DECEMBER 2016

In addition to developments at Sapn outlined above, the following noteworthy events at Sanef subsidiaries can be noted for FY 2016.

• **Bip&Go**

- **Business activity:**

Bip&Go registered turnover of €22.8 million for FY 2016, up 14.2% from 2015. Net before-tax earnings should come to €8.4 million, a figure 23% higher than in 2015.

Bip&Go badge sales attained 188,000 units, an increase of 3% compared to 2015.

- **Operational activity:**

Bip&Go pursued its development, primarily by acquiring new customers in France, but also in Germany and the Benelux countries, by maintaining the multi-channel distribution strategy it has followed from the beginning (digital, commercial agencies and partnerships). The network of commercial agencies was reorganised in 2016, and three offices were closed.

In addition, a new service offering was brought on line in June 2016, distinguishing Bip&Go from its competitors. The new service allows the remote toll collection badge to be used in Spain, in partnership with Bip & Drive. Given the popularity of this new service with customers, more intensive communication campaigns will be devised in 2017 to increase its visibility.

The significant growth of the customer base over the past four years has added quite a lot of back-office activity. This factor was taken into account in 2016, with the launching of a project to unify and improve back-office commercial tools.

- **Social activity:**

As of 31 December the workforce was equal to 90 full-time-equivalent jobs.

• **Eurotoll**

FY 2016 at Eurotoll was marked by the following events:

- Registration as an EETS provider on 10 June 2016;
- Inclusion of new motorway networks in its service offer:
- Belgium, with the opening of a new satellite system on 1 April 2016. The new service was necessary because of the proximity of Belgium to the traditional Eurotoll customer base in France.
- Czech Republic in September 2016. This filled a «gap in the map» of countries where Eurotoll services are available.
- Ongoing sales activity in central Europe. This strategy corresponds to the shifting of the market as the customer base moves eastwards.
- Continued optimisation of internal procedures and external costs.

- The first steps were taken towards a new segmentation of the customer base, to better adapt the dialogue between Eurotoll and its customers.

From the viewpoint of sales, the opening of the Belgian satellite network gave rise to very strong competition, with the loss of several major customer accounts and of distributors.

These losses were compensated by highly successful internal sales and by more business related to networks outside of France.

The legal action undertaken by Eurotoll against the State in September 2015 is still underway, seeking compensation for costs incurred for implementation of the HGV tax that was subsequently abandoned by the State.

• **Operating subsidiaries**

Three operating subsidiaries work within groupe Sanef: Sanef Aquitaine and SE BPNL are Sanef subsidiaries that operate respectively the A65 motorway and the Boulevard Périphérique Nord de Lyon (BPNL); SE A14 is a subsidiary of Sapn that operates the A14 motorway.

Sanef Aquitaine

Sanef Aquitaine, a wholly owned subsidiary of Sanef, operates the A65 on behalf of ALiénor.

Traffic continued to rise on this section in 2016, in particular thanks to increased HGV traffic since these vehicles have been banned from using the parallel roadway network. Activity was once again marked this year by repair work done by the builder to fix various structural defects, necessitating marking and signage by company personnel.

Sanef Aquitaine registered turnover of €7.2 million in FY 2016, clearing a net book profit of €184 million.

SE A14

SE A14 is a simplified single shareholder company owned entirely by Sapn. The business activity is to directly operate the A14 motorway.

Reorganisation has been underway since 2015, entraining transfer of personnel from SE A14 to Sapn. This subsidiary is due to be absorbed the parent company in 2017.

SE A14 registered turnover of €5.9 million in FY 2016, clearing a net book profit of €366 million.

SE BPNL

SE BPNL is a wholly owned subsidiary created for the purpose of taking over operation of the Lyons North ring road (Boulevard Périphérique Nord de Lyon, BPNL). It has been in operation in this capacity since 2 January 2015, when all personnel were transferred to the company.

SE BPNL will also be responsible for major upkeep work of operational equipment, under a 20-year contract with the Leonord group.

SE BPNL registered turnover of €11.5 million in FY 2016, clearing a net book profit of €367 million.

- **ALIS and ALIÉNOR (A28 and A65 motorways)**

ALIS

Sanef and Sapn together own 19.67% of the share capital of ALIS, holder of the concession for the Rouen - Alençon section of the A28 motorway (125 km).

This section was put into service on 27 October 2005; in 2016 average annual daily traffic was 8,436 vehicles per day, an increase of 4.9% over 2015 (+4.6% for LV, +5.5% for HGV).

Turnover for FY 2016 is expected to be €75.9 million (+9.1% over 2015) for a net book profit of €2.5 million. This compares with net profit of €4.4 million of 2015, reflecting charges incurred by refinancing carried out in August 2016.

ALIENOR

Sanef holds 35% of the share capital of the ALiÉnor company, concessionaire of the A65 motorway between Langon and Pau (150 km).

This section registered average annual daily traffic in 2016 of 7,035 vehicles per day, an increase of 4.9% over 2015 (+4.5% for LV, +8.8% for HGV).

Turnover for FY 2016 is expected to be €58.0 million (+9.2% over 2015) for a net book profit of €8.8 million. This compares with net profit of €1.3 million of 2015.

III – ACHIEVEMENTS, PROGRESS AND DIFFICULTIES

- In a speech delivered on 28 July 2016 the President of France announced his wish to rapidly implement a new motorway investment scheme. By letter dated 31 August 2016 the Cabinet Secretary for Transport, the Sea and Fisheries set forth the financial framework of this scheme and specified the criteria for projects to be selected. The new investment plan, in association with local governments, will be formalised by riders to the concession contracts and by new objectives contracts with each company.

This motorway investment scheme focuses on operations that possess a certain degree of technical and financial maturity, that come under the scope of DPAC, are strongly supported by local and territorial authorities, and are in the national interest (e.g. fluidity of national traffic streams, increased safety on roads, environmental protection).

Under this scheme groupe Sanef and the State have outlined a plan for building interchanges and carrying out environmental improvement work.

- Legislation of 6 August 2015 (Law no. 2015-990 for Growth, Activity and Equal Economic Opportunity, the so-called Macron Act) called for creation of an independent regulatory body for motorways in France. On 15 October 2016 the Autorité de Régulation des Activités Ferroviaires et Routières (Arafer) replaced Araf, and took charge of motorway regulation, with the following missions:
 - o Consultation on plans to modify concession contracts, or any other contract, when these plans have an incidence on toll charges or on the duration of the concession.
 - o Arafer will draw up an annual summary of the accounts of motorway concessionaires.
 - o Arafer will review and attest that contract tender committees and rules comply with regulations.
 - o Arafer will review past contracts let by concessionaire companies for their operations, on the basis of new competitive bidding thresholds enacted by law.
 - o Arafer will issue its opinion on contracts let for secondary installations.

In 2016 groupe Sanef worked to establish relations with this authority, concerning both oversight of the groupe Sanef contract tender committee, and filing of technical and financial information.

IV – RESEARCH AND DEVELOPMENT ACTIVITIES

- On-road electric vehicle charging technology (FABRIC project)
The FABRIC project is working to develop and test wireless dynamic embedded recharging solutions for charging electric vehicles as they drive. The technology to be tested in France is electrical induction. FABRIC was selected for funding from the European Commission, for a four-year period starting in January 2014. Sanef pursued its contribution to this project in 2016, preparing test tracks and studying conditions for installing and operating this electrical technology in motorway infrastructure.

Groupe Sanef was a participant in a project to submit a proposal to the French Agency for Environment and Energy Management (ADEME) under its call for expressions of interest on the theme «Creating economic value in the environmental transition» for the period 2015-2020. The proposal entitled «E-Way Corridor Axe Seine» was selected and the project started up in late 2016. Groupe Sanef participated in initial work to frame the project and summarise the current state of the art in this field.

- In other areas, groupe Sanef pursues a research and development programme that covers two main subjects:
 - o Toll collection
 - Developing a prototype for remote pay-

ment via smartphone – After developing technology to localise the smartphone in the toll collection lane, test lanes were fitted out on the A13 and A14 motorways. A complete solution has been developed and tested, including devices embedded in the toll lane, smartphone applications, back-office software to operate the full subscription-to-payment cycle, and all security components. With these applications a commercial service for hands-free smartphone toll payment can be developed.

- To automatically detect vehicles entitled to carpooling rates, Sanef has an R&D partnership with an industrial company to work on an automatic passenger counting system using infrared video images.
- o Traffic and security
 - Thanks to a partnership with Waze, a leading company in GPS navigation on smartphones, groupe Sanef has put into place real-time reciprocal exchange of traffic data and event information. This data exchange gives groupe Sanef broader means to disseminate traffic information to drivers. At the same time Sanef is studying how information from the Waze user community could be used in motorway traffic management centres.
 - Sanef is pursuing work on the SCOOP@F project for large-scale pilot testing of cooperative vehicle-infrastructure dialogue systems. This pilot project has been developed by several roadway management authorities (DIR and departmental government councils), two French automakers and research bodies, in particular the University of Reims. It aims to carry out real-life testing of the connected vehicle concept in France. SCOOP@F is co-funded by the European Commission under the TEN-T call for tenders. The first phase was completed in 2015. The second phase started up in 2016, for validation of the entire research chain, from laboratory to roadway sites. Several extensions of the project were proposed in 2016: the InterCor and C-Roads projects were accepted by the European Commission and the PAC-V2X project by the Single Cabinet Fund of the French government (Fonds unique interministériel, FUI, Ministère de l'Économie). The new projects were launched by the end of the year. All of these projects rely on installation of dedicated communication technology on sections of the A1 and A4 motorways, and on use of 4G mobile telephone networks. Groupe Sanef is working closely with public motorway management authorities bordering its networks (central government and Strasbourg Euro-metropolis) to carry out these projects.

V – INFORMATION ON CORPORATE MATTERS AND SHAREHOLDER INFORMATION

• Structure of share capital

The share capital of the company totals 53 090 461.67 euros, divided among 76 615 132 shares, all of the same nominal value.

All the shares representing the capital of the company are held by the H.I.T holding company, excepting shares, if any, lent by H.I.T to certain administrators.

• Statutory restrictions on voting rights and on share transfers, or clauses of agreements of which the company has been informed under article L. 233 11 of the Commercial Code

Article 9 II of the corporate by-laws stipulate that prior consent of the Board of Directors is required for any and all transfer of shares, with or without consideration, in any way or form, except in cases of inheritance, liquidation of matrimonial contract or cession to spouse, parent or offspring. Breach of this stipulation is grounds for nullity of the transaction.

• Direct or indirect participation in the company's share capital of which the company is informed under article L.233-7 and L.233.12

Not applicable

• List of any securities holders bearing special oversight rights and description thereof

Not applicable

• Oversight mechanisms prescribed under an employee share ownership scheme, if any, when oversight is not ensured by personnel

Not applicable

• Agreements between shareholders of which the company is informed and which may entrain restrictions on share transfers and on voting rights

Relations between the shareholders of the holding company that controls Sanef are governed by a shareholders' agreement.

• Rules that apply to the appointment and replacement of members of the Board of Directors and to the modification of company by-laws

The rules of appointment and replacement of members of the Board of Directors are those set forth in the Commercial Code. Directors are elected for a term of two years.

• Powers of the Board of Directors, in particular to emit or buy back shares

The Board of Directors possesses the powers stipulated by law and by regulations.

- **Agreements entered into by the company that are modified or terminated in the event that control of the company changes, excepting in the case that divulging the agreement, unless legally required, would cause serious harm to its interests**

The company has entered into no agreement that would be modified or terminated in the event of a public offer of company securities for transactions on a regulated market; the securities issued by the company are exclusively bonds and their acquisition would not alter control of the company. The share capital of the company is not listed.

- **Agreements stipulating indemnities to be paid to members of the Board of Directors, members of the executive management committee, or to employees, if they resign or are laid off without real and serious cause or if their employment is terminated by reason of a public offering of securities**

The company has entered into no agreement stipulating indemnities to be paid to members of the Board of Directors, members of the executive management committee, or to employees, if they resign or are laid off without real and serious cause or if their employment is terminated by reason of a public offering of company securities for trading on a regulated market, these securities being exclusively bonds.

- **Employee share ownership**

There is no employee share ownership scheme at the company.

Attendance fees:

Directors	Amount	Directors	Amount
Alain MINC	28 000 €	CDC Infrastructure	28 000 €
José ALJARO NAVARRO	31 000 €	Jean-Jacques DUCHAMP (PREDICA)	34 000 €
AXA République	16 000 €	Jose Luis GIMENEZ	25 000 €
Sophie BOISSARD	19 000 €	Guy de PANAFIEU	47 000 €
Martí CARBONELL	28 000 €	Robert PEUGEOT	41 000 €
Marta CASAS	28 000 €	Francisco REYNES	38 000 €

Compensation:

Alain Minc, Chairman of the Board: Annual fixed gross remuneration of €120 000; Lluís Deulofeu, Director General: chargeback by Abertis, employer of Lluís Deulofeu in the amount of €620 175.

- **Accounts auditors**

The Annual Meeting of 16 April 2012 designated the Deloitte firm as principal auditor, and B.E.A.S as the alternate auditor. The terms of these auditors will expire at the end of the Annual Meeting to be held in 2018 to review the accounts for FY 2017.

The Annual Meeting of 16 October 2013 designated as co-auditors the firm PHM-AEC (principal) and M Vincent Molinié (alternate). The terms of these co-auditors will expire at the end of the Annual Meeting to be held in 2019 to review the accounts for FY 2018.

- **Members of the Board of Directors**

The terms of the directors were renewed at the Annual Meeting of 19 April 2016 and will expire at the Annual Meeting to be held in 2018 to review the FY 2017 accounts.

At the end of FY 2016 the membership of the Board of Directors was as follows:

Physical persons (8): Mr Alain MINC, Chairman of the Board, Mr José ALJARO NAVARRO, Ms Sophie BOISSARD, Mr Martí CARBONELL, Ms Marta CASAS, Mr José Luis GIMENEZ, Mr Guy DE PANAFIEU and Mr Francisco REYNÉS.

Moral persons (4): CDC Infrastructure represented by Ms Marie-Laure MAZAUD, and the companies FFP Invest represented by Mr Robert PEUGEOT, Predica represented by Mr Jean-Jacques DUCHAMP, and AXA République represented by Mr Mathias BURGHARDT.

There was no change in the membership of the board in the course of FY 2016.

- **Compensation**

As required under articles L. 225-102-1 of the Commercial Code, listed below are all compensation and in-kind benefits paid during the FY by the company to each corporate officer, and by other companies controlled by the company, if any, as defined by L. 233-16 of the Commercial Code, and by the company the controls the company. (The amounts reported are gross remuneration figures, before charges and tax.)

- **Dividends paid out for the past three financial years**

Sanef dividends paid out for the financial years ending respectively 31 December 2013, 2014 and 2015 were the following:

FY ending	Number of shares	Distribution to associates (in euros)			Net distribution per share (rounded)
		Total amount	Amount eligible for tax allowance of 40 %	Amount not eligible for tax allowance of 40 %	
31/12/2013	76 615 132	250 000 000		250 000 000	3,26
31/12/2014	76 615 132	293 000 000		293 000 000	3,82
31/12/2015	76 615 132	280 000 000		280 000 000	3,65

Expenditures or charges that are not fiscally deductible amount to €15 690.

VI – IMPORTANT EVENTS RECORDED BETWEEN THE END OF THE FINANCIAL YEAR AND THE TIME OF WRITING OF THIS REPORT

Toll tariffs

Groupe Sanef raised its tariffs on 1 February 2017, in compliance with the decree dated 26 January 2017 and published in the official record on 31 January 2017. The revised tariffs take two parameters into account: the consumer price index, and partial compensation for the higher government land use fee in place since 2013.

The average increase is 0.58% for the Sanef network and the Sapn inter-city network (A13, A29). Class 1 tariffs remain unchanged for the A14 motorway.

VII – FORESEEABLE TRENDS AND FUTURE OUTLOOK

In the current difficult economic context, groupe Sanef must consolidate its strengths and stay on course in its action:

- Showcase the quality of its services, by assessing the effectiveness of action taken in order to continually improve the group's commitments to its customers regarding information, comfort and safety, hospitality and assistance;
- Maintain the economic efficacy of the group, recognised for its rigorous management, by pursuing efforts to optimise expenditures and resources, and seeking ways to reduce costs by rethinking methods and procedures.

ANNEX 1

ALL OFFICES AND FUNCTIONS EXERCISED BY CORPORATE OFFICERS

Alain MINC

Chairman of the Board of Directors

Other offices and functions:

- Chairman of AM Conseil
- Board member, Caixabank (Spain)
- Board member, Prisa (Spain)

Francisco José ALJARO NAVARRO

Board member of Sanef and member of its Audit Committee

Other offices and functions:

- Director General, Financiero y Desarrollo Corporativo de Abertis Infraestructuras, S.A.
- Solidary board member, Partícipes en Brasil II, S.L.
- Consejero, Cellnex Telecom, S.A.
- Consejero, Inversora de Infraestructuras, S.L.
- Board member, Abertis Motorways UK Limited
- Board member, Abertis Finance B.V.
- Solidary board member, Abertis Autopistas España, S.A.
- Solidary board member, Autopistas, Concessionaria Española, S.A.
- Solidary board member, Autopistes de Catalunya, S.A. (Aucat)
- Solidary board member, Infraestructures Viàries de Catalunya, S.A.
- Solidary board member, Autopistas Aumar, S.A.
- Solidary board member, Iberpistas, S.A.
- Solidary board member, Autopistas Aumar, S.A.
- Solidary board member, Autopistas de León, S.A. (Aulesa)
- Solidary board member, Abertis Telecom Satélites, S.A.
- Solidary board member, Abertis Internacional, S.A.
- Consejero, Partícipes en Brasil, S.A.
- Board member, Arteris, S.A.
- Titular board member, Autopista Central, S.A.
- Titular board member, Abertis Autopistas Chile, S.A. since 26 October 2016
- Representing board member for Abertis Telecom Satélites, S.A. at Hispasat
- Solidary board member, Infraestructures Americanas, S.L.
- Solidary board member, Societat d'Autopistes Catalanes, S.A.
- Solidary board member, Abertis India, S.L. since 9 December 2016
- Board member, Central Korbana, S.A.R.L. since 21 January 2016
- Board member, Central Korbana, Sweden AB since 21 January 2016

- Board member, Central Korbana Holdings AB since 21 January 2016

Sophie BOISSARD

Board member

Other offices and functions:

- Director General, Groupe Korian
- Other offices within Groupe Korian:**
- Chair of the Supervisory Board, Curanum
- Chair of the Supervisory Board, Korian Management
- Board member, Segesta
- Board member, SLG
- Board member, Fondation KOR
- President, Institut du Bien Vieillir Korian

Mathias BURGHARDT, representing AXA République

Board member and member of the Strategy and Commitments Committee

Other offices and functions:

- President-Director General, AXA République, S.A.
- Member of the Board of Directors, Zi Rete Gas Italia S.p.A
- Member of the Board of Directors, ARDIAN Spain S.L.
- Member of the Board of Managers, ARDIAN Infrastructure IV S.a.r.l.
- Representative of Marthiiores to the Board of Directors, Compania Logistica de Hidrocarburos, S.A. and Chairman of the Audit Committee
- Observer on the Executive Council and Coordination Committee of AXA Infrastructure Investissement S.A.S.
- Member of the Board of Managers, AXA Infrastructure III S.a.r.l.
- Member of the Oversight Council, Indigo Infra S.A.
- Chairman of the Remuneration Committee, INFRA FOCH TOPCO S.A.

Martí CARBONELL

Board member, Sanef

Other offices and functions:

- Director of Corporate Management Auditing, Abertis Infraestructuras, S.A.
- Alternate board member, Abertis Autopistas Chile, S.A. since 26 October 2016

Marta CASAS

Board member, Sanef

Other offices and functions:

- Legal Director, Abertis Infraestructuras, S.A.
- Board member, SPI-Sociedade para Participações em Infraestrutura, S.A.
- Board member, PDC Participações, S.A.
- Board member, Autopista Fernão Dias, S.A.
- Board member Autopista Fluminense, S.A.
- Board member, Autopista Litoral Sul, S.A.
- Board member, Autopista Planalto Sul, S.A.
- Board member Autopista Régis Bittencourt, S.A.
- Board member, Autovias, S.A.

- Board member, Centrovias Sistemas Rodoviários, S.A.
- Advisory Secretary, Partícipes en Brasil, S.A.
- Board member, Concesionária de Rodovias do Interior Paulista, S.A.
- Board member, Vianorte, S.A.
- Board member, Arteris, S.A.
- Alternate board member, Autopista Central, S.A. since 26 October 2016

Lluís DEULOFEU

Director General of Sanef S.A.

Other offices and functions:

- Employee of Abertis Infraestructuras
- President and Director General, Sapn S.A.
- Representative of Sanef, president of Eurotoll
- Representative of Sanef, president of Bip&Go
- Representative of Sanef, president of Emetteur groupe Sanef up to 17 November 2016
- Representative of Sanef, president of GSA Location S.A.S. up to 17 November 2016
- Board member, Cellnex Telecom

Jean-Jacques DUCHAMP, representative of PREDICA

Board member and member of the Audit Committee

Other offices and functions:

- Deputy Director General, Crédit Agricole Assurances
- Board member, Société Foncière Lyonnaise S.A.
- Board member, Gecina
- Board member, Vice-chair of the Board of Directors, Générale de Santé
- Board member of subsidiaries of Groupe Crédit Agricole S.A.:
 - PACIFICA
 - CPR AM S.A.
 - CA VITA S.A.
 - SPIRICA
 - LifeSide Patrimoine
 - ISR Courtage

Jose Luis GIMENEZ

Board member, Sanef

Other offices and functions:

- Director of Industrial Development, Abertis Infraestructuras, S.A.
- Chairman, Bip & Drive
- Representative of the chairman of Abertis Autopistas España, S.A. to Alazor Inversiones, S.A.
- Representative of the chairman of Abertis Autopistas España, S.A. to Accesos Madrid, Concesionária Española, S.A.
- Representative of the chairman of Vasco Aragonesa Concesionária Española, S.A. to Infraestructuras y Radiales, S.A.
- Representative of the chairman of Vasco Aragonesa Concesionária Española, S.A. to Autopista del Henares, Concesionária del Estado
- Representative of the chairman of Vasco Arago-

- nesa Concesionária Española, S.A. to Erredosa Infraestructuras, S.A.
- Consejero, Partícipes en Brasil, S.A.
- Board member, Sociedad Concesionária Rutas del Pacífico, S.A.
- Vice-president, Sociedad Concesionária del Elqui, S.A.
- Alternate board member, Infraestructura Dos Mil, S.A.
- Board member, Arteris, S.A.
- Representative of the chairman of Abertis to Emovis, S.A.S.
- Consejera, Inversora de Infraestructuras S.L. since 26 October 2016
- Board member, Abertis Autopistas Chile, S.A. since 26 October 2016

Marie-Laure MAZAUD, representative of CDC Infrastructure

Board member of Sanef and member of its Strategy and Commitments Committee

Other offices and functions:

- Director in charge of Transport and Development, Investment and Local Development Division, Caisse des Dépôts
- Board member, VERDUN PARTICIPATION 1
- Board member, VERDUN PARTICIPATION 2
- Board member, Société La Rocade L2 de Marseille and member of the Remuneration Committee
- Member of the monitoring committee, LISEA
- Member of the Oversight Council, FM Holding, and chair of the Accounts and Risk Committee
- Board member, Société d'Exploitation des Ports du Detroit and member of the Accounts and Risk Committee and of the Remuneration Committee
- Board member, Société des Ports du Detroit
- Member of the Strategy Committee, Cityscoot company

Guy de PANAFIEU

Independent board member, chair of the Audit Committee and member of the Remuneration and Appointments Committee

Other offices and functions:

- Vice-chair, Oversight Council, Métropole TV S.A.
- Board member, Korian S.A.
- Managing associate, Boileau-Conseil

Robert PEUGEOT

Permanent representative of FFP Invest, chair of the Remuneration and Appointments Committee.

Other offices and functions:

- President-Director General, FFP
- Member of the Oversight Council, Hermès International
- Board member, Faurecia
- Board member, Etablissements Peugeot Frères
- Board member, Sofina
- Board member, DKSH

- Managing associate, CHP Gestion SARL
- Permanent representative of FFP Invest, president of Guiraud S.A.S.
- Permanent representative of FFP Invest, president of FFP Invest
- Permanent representative of FFP to the Oversight Council, Peugeot S.A.
- Managing associate, SC Rodom
- Board member, TIKEHAU since July 2016

Francisco REYNES

Board member, Sanef, chair of the Strategy and Commitments Committee and member of the Remuneration and Appointments Committee

Other offices and functions:

- Vice-president and Executive Administrator, Abertis Infraestructuras, S.A.
- Board member, Hispasat, S.A.
- Solidary board member, Autopistas, Concesionaria Española, S.A.
- Solidary board member, Autopistas Aumar, S.A.
- Solidary board member, Iberpistas, S.A.
- Solidary board member, Partícipes en Brasil II, S.L.
- Solidary board member, Abertis Autopistas España, S.A.
- Solidary board member, Autopistes de Catalunya, S.A.
- Solidary board member, Infraestructures Viàries de Catalunya, S.A.
- Solidary board member, Autopistas de León, S.A.
- Solidary board member, Castellana de Autopistas, S.A.
- President, Holding d'Infraestructures de Transport, S.A.S.
- President, Holding d'Infraestructures de Transport 2, S.A.S. since 18 July 2016
- Solidary board member, Abertis Telecom Satélites, S.A.
- Solidary board member, Abertis Internacional, S.A.
- President, Partícipes en Brasil, S.A.
- Board member, Arteris, S.A.
- President, Abertis Autopistas Chile, S.A.
- Solidary board member, Infraestructures Americanas, S.L.
- Solidary board member, Societat d'Autopistes Catalanes, S.A.
- President, Cellnex Telecom, S.A.
- Solidary board member, Abertis India, S.L. since 9 December 2016
- Board member, A4 Holding, S.p.A. since 8 September 2016
- President, Inversora de Infraestructuras, S.L. since 26 October 2016

ANNEX 2

COMPANY EARNINGS FOR THE PAST FIVE FINANCIAL YEARS

NATURE des INDICATIONS	2012
I - CAPITAL AT END OF FY	
a) Share capital	53 090 462
b) Number of existing ordinary shares	76 615 132
c) Number of existing priority dividend shares (non voting shares)	
d) Maximum number of future shares to be created:	
d1. by conversion of bonds	
d2. by exercise of subscription rights	
II - OPERATIONS AND FY EARNINGS	
a) Turnover	1 083 032 981
b) Earnings before taxes, employee profit-sharing and calculated charges (amortisations and provisions)	665 239 257
c) Tax on profits	147 011 900
d) Employee profit-sharing due for the financial year	9 232 425
e) Earnings after taxes, employee profit-sharing and calculated charges (amortisations and provisions)	276 289 443
f) Distributed income	276 289 443
III - EARNINGS PER SHARE	
a) Earnings after taxes, employee profit-sharing but before calculated charges (amortisations and provisions)	6,64
b) Earnings after taxes, employee profit-sharing and calculated charges (amortisations and provisions)	3,61
c) Dividend attributed to each share	3,61
IV - PERSONNEL	
a) Average workforce employed during the financial year	2 069
b) Amount of total salary expenditure (including profit-sharing) for the financial year	83 480 273
c) Social benefits paid to employees during the financial year (social security, benevolent works, etc.) ⁽¹⁾	40 006 300

(1) Not including reserves and carried over social commitments.

2013	2014	2015	2016
53 090 462	53 090 462	53 090 462	53 090 462
76 615 132	76 615 132	76 615 132	76 615 132
1 100 084 169	1 135 234 911	1 158 122 677	1 195 040 404
703 102 162	758 948 579	782 989 241	868 117 642
172 531 882	177 179 936	188 265 830	197 796 602
10 204 574	9 427 529	9 755 396	10 474 893
297 469 463	345 692 170	379 996 762	432 747 391
297 469 463	345 692 170	379 996 762	432 747 391
6,79	7,47	7,64	8,61
3,88	4,51	4,96	5,65
3,88	4,51	4,96	5,65
1 958	1 895	1 816	1 715
84 939 663	81 937 183	81 651 188	77 337 820
40 549 659	39 729 584	39 583 020	37 626 785

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT IMPACT ON SOCIETY

I – SOCIAL, ECONOMIC AND TERRITORIAL IMPACT OF SANEF’S ACTIVITY	28
II – INTERACTION WITH INDIVIDUALS AND GROUPS AFFECTED BY SANEF’S ACTIVITY, PRIMARILY BACK-TO-WORK ORGANISATIONS, SCHOOLS AND EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL DEFENCE GROUPS, CONSUMER GROUPS AND NEIGHBOURING RESIDENTS	30
III – SUBCONTRACTORS AND SUPPLIERS	34
IV – GOOD FAITH PRACTICES	35

I - SOCIAL, ECONOMIC AND TERRITORIAL IMPACT OF SANEF'S ACTIVITY

Land use policy is guided by political decisions that can lead to the construction of high-speed motorway infrastructure. The need for these infrastructure projects is determined by expected social and economic gains, traditionally defined as:

- Improved travel times for the routes;
- Associated security and safety benefits (high-speed motorways are five times safer than trunk highways);
- Cumulative individual benefits such as fuel savings;
- Greater comfort and service levels.

In addition to these key features, motorways penetrate and irrigate territories and in this way contribute to the development of local, regional and national economic activity through their impact on the organisation and dynamics of the areas they traverse. This contribution takes shape from the earliest stages of preliminary studies, in the course of consultations with all local stakeholders concerning the construction project. Local partners, elected officials, actors in the economy, community groups and residents bordering project sites are always very attentive to all the changes and benefits brought by new infrastructure construction. They are driven by a shared concern, which is to amplify the positive effects of the motorway on local life, while reducing its negative effects such as noise and potential pollution risks. It is at this stage that the dynamics of local infrastructure and land use policy take form, creating the momentum for development of these spaces.

The construction phase of new motorway segments brings a strong dynamic to local economic activity and the local job market in the territories crossed by the roadway. Construction stimulates growth and modernisation in many local activities directly or indirectly involved in the construction process, from materials suppliers to restaurants. This phenomenon also brings opportunities for diversification and building greater professional expertise in local businesses. These are qualities that will continue to create value for the companies, after the end of the construction project.

In the operational phase many direct and indirect jobs are created to ensure infrastructure maintenance and operations and provide a high level of service for users (law enforcement, vehicle towing and repairs, food service at roadside stops).

Once the motorway is built it provides above all better accessibility, in the broadest sense of the term, to all the resources in the territories it crosses. Both labour and goods become less expensive. Tourism in-

creases. The regional population is redistributed as employment centres become more accessible. The territories that are opened up are the prime beneficiaries of new economic development, when land use planning and policy measures are coordinated.

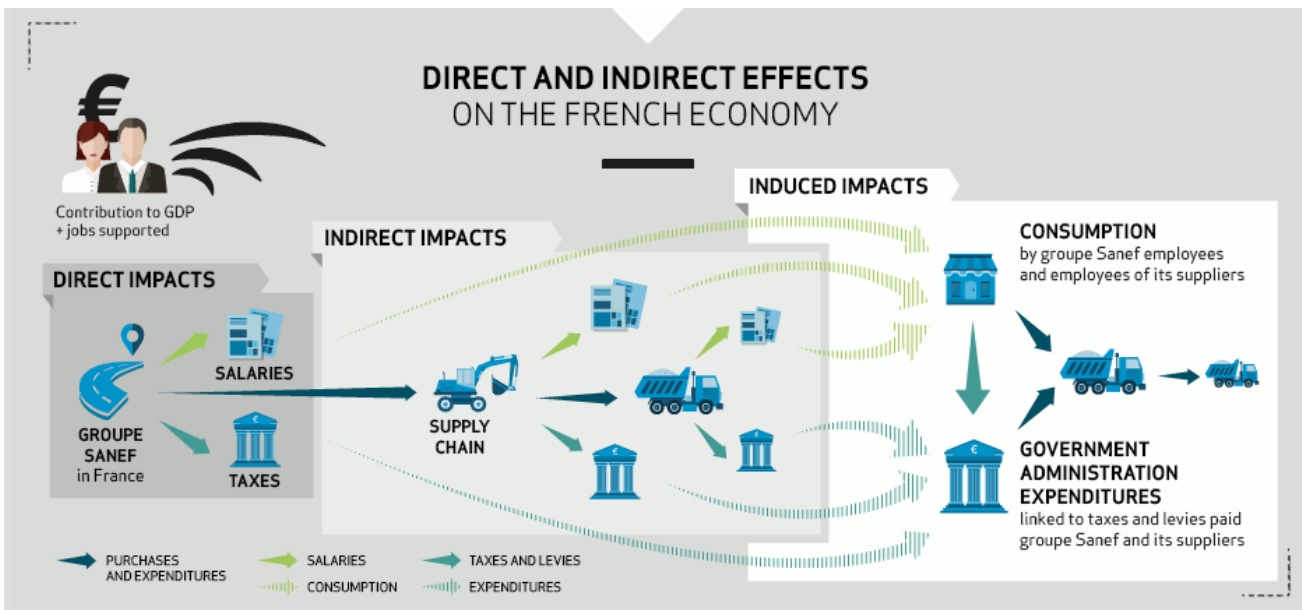
Groupe Sanef is convinced that these collective benefits are aligned with the goals of public and private-sector development in the areas affected by the infrastructure. Sanef is committed to better understanding and working with these mechanisms. The group pursues a broad dialogue with local stakeholders and elected officials in particular, to study and support all opportunities for sustainable development in the territories crossed by its motorways.

In 2016 groupe Sanef conducted a social and economic assessment of the local footprint of its activities.

This study looks at the impact of groupe Sanef financial flows on:

- workers,
- suppliers,
- the central State via fiscal and tax levies.

This assessment takes into account direct effects (Sanef's own activity), indirect impacts (suppliers) and induced effects (suppliers and contributions to the State budget passed through by a ripple effect).



The study findings highlight that one year of Sanef activity supported close to 18,600 jobs, a number equal to 6.8 times the number of direct jobs created, and generated 2,320 million euros in GDP, or 1.7 times the added value generated directly by Sanef.

Groupe Sanef is also occasionally the object of protest by farmers who claim crop damage on lands bordering its motorways. For each claim Sanef commissions an agriculture expert to represent the group at assessment meetings convened by the local farmers' insurance companies. In the course of these assessments Sanef seeks to establish the link of cause and effect between the motorway and the alleged damage, the material nature of the damage, and its cost. The experts determine who is responsible and, depending on this assessment, Sanef or Sapn compensate the local plaintiff.

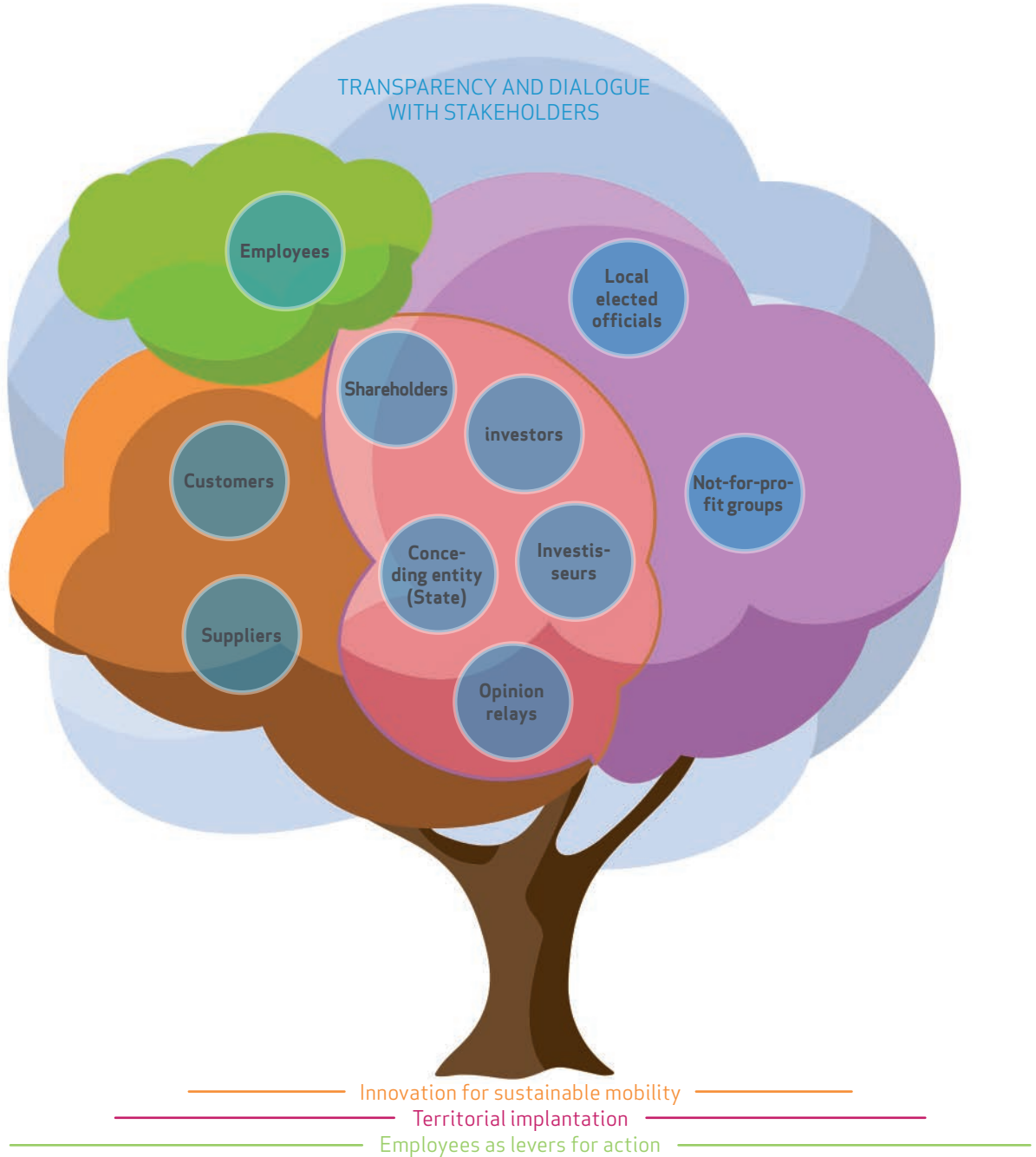
In 2016 Sanef received 79 claims from local farmers for crop damage caused by rabbits, the same number as in 2015.

Breakdown for 2016:

- Compensation was paid in 42 cases, for a total of 37,837.85 euros, the damages evaluated by expert assessment;
- 14 claims were dismissed for reasons of no or insignificant damage;
- 23 claims were still being examined as of 31 December 2016

II - INTERACTION WITH INDIVIDUALS AND GROUPS AFFECTED BY SANEF'S ACTIVITY, PRIMARILY BACK-TO-WORK ORGANISATIONS, SCHOOLS AND EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL DEFENCE GROUPS, CONSUMER GROUPS AND NEIGHBOURING RESIDENTS

II.1 ONGOING DIALOGUE BETWEEN THE COMPANY AND STAKEHOLDERS



By reason of its activity groupe Sanef is positioned at the crossroads of crucial issues of sustainable development. The group is only one of the actors of change in this domain. In this setting Sanef assumes its social and economic responsibility through regular and ongoing dialogue with all its stakeholders. By virtue of its territorial implantation and the nature of its work Sanef has always and quite naturally pursued a broad dialogue with its customers, employees, suppliers, media and not-for-profit groups, in addition to local government and public authorities. This

vision of the group's responsibility to stakeholders is reflected daily in its activity and pushes the company to shape its policies accordingly. This dialogue is the main tool ensuring a successful approach to sustainable development and progress in the action Sanef undertakes. It is the illustration of how groupe Sanef has conducted its business over more than 50 years, based on responsible management practices, the only way to guarantee good governance and sustainable performance for all its shareholders.

CATEGORY OF	STAKEHOLDERS	MAIN FORMS OF DIALOGUE
Professional/trade organisations	Asfa Asecap	Participation in expert working groups Conferences
Employees	Personnel representatives Employees Labour unions	In-house communication media Collective bargaining agreements Meetings of safety committees, employee representatives, Work Council
Suppliers	Suppliers Sub-concessionaries Subcontractors Technical consultants (general contractors, master builders) Public works construction companies	Regular meetings
Financial partners	Rating agencies Shareholders Investors Banks	Annual management report Annual report
Academia	Researchers and experts Universities	Abertis France Chair Un Avenir Ensemble foundation
Public authorities	Parliament State offices (central government) Ministry Regulatory authorities	Annual report Working group Meetings with parliamentary officials
Civil society	Media NGOs Not-for-profit groups Foundations Think-tanks	Working groups Press conferences Website Partnerships/Sponsors/Philanthropy
Actors in local communities and territories	Local government Residents	Information meetings and exchange Coordination meetings Website, Twitter
Actors in local communities and territories	Customers User groups	Satisfaction survey Consultative council of roadway users Website, Twitter
Road safety groups	DSCR AFT IFTIM Driver training schools Experts	Field operations Working groups Website National conventions Site visits Meetings with parliamentary officials

II.2 CLOSER TIES WITH ACADEMICS AND UNIVERSITIES

The Abertis École des Ponts IFSTTAR Chair was founded on 27 January 2011 to promote training and research in the area of transport infrastructure management.

To interest professors and students and stimulate innovation in this field, the chair created an award in 2011, the Prix Abertis for transport infrastructure management. The national award recognises a doctoral thesis, Master's degree dissertation or final study project (PFE) presented in the course of the calendar year. The award seeks to highlight innovative analytical work.

A review panel has been constituted, with the following members:

- Mr Saïd MAMMAR, Full professor, director of the Sciences and Technology research unit at Université d'Evry;
- Mr Patrick NIERAT, IFSTTAR researcher, instructor at École des Ponts ParisTech;
- Mr Simon COHEN, IFSTTAR research director, Full professor at École des Ponts ParisTech, Chair Director.

For Sanef (Groupe Abertis):

- Ms Christine ALLARD, Director of Communication;
- Mr Edouard FISCHER, Director of New Technology;
- Mr Guy FRÉMONT, Head of Prospective Studies, New Technologies Division;
- Mr Arnaud QUÉMARD, Director, Operations Pole.

The fifth cycle of the award was widely announced on websites and in the doctoral schools of several universities and top-tier engineering schools, for submissions from September to end December 2015. As of 31 December 2015 31 candidates had submitted their work for consideration. The candidates broke down as follows: 16 candidates in the PhD category, 15 in the Master's and PFE category.

The winners were:

PhD Thesis (total award of 10,000 euros to be divided among the recipients)

Ex aequo:

- Richard GRIMAL : L'auto-mobilité au tournant du millénaire. Une approche emboîtée, individuelle et longitudinale (Université Paris Est)
- Ronan HAMON : Analyse de réseaux temporels par des méthodes de traitement du signal. Application au système de vélos en libre-service à Lyon (École Normale Supérieure, Université de Lyon).

This year Sanef will make an exceptional additional contribution of 1,000 euros to each of the winners in the PhD Thesis category.

Master's and PFE category (€4,000)

- Ignacio ANSORENA SERNA : Prerequisite for the implementation of a dynamic management system of road traffic (École des Ponts ParisTech)

Beyond the Abertis chair, Sanef teams work closely with scientific laboratories and departments in many schools and universities. For example, in 2016 groupe Sanef established a partnership with CERFE at the Université de Reims Champagne Ardennes, under a European project on the territorial fragmentation caused by major infrastructure.

In addition to CERFE, Université de Reims Champagne and Sanef members, this group includes:

- Representatives of institutions:
 - Regional government
 - DREAL
- Linear infrastructure managers:
 - Voies Navigables de France (VNF)
 - SNCF Réseaux
- Wildlife managers, via hunters' associations in the Marne and Ardennes departments.

The first phase of this study will be to identify potential barriers using genetic analysis of targeted segments of the wildlife population. The second phase will seek to identify potential transparators and assess their efficacy, on the basis of :

- Mortality monitoring
- Photographic traps
- GPS collar tracking (marten and deer).

This study started in 2016 and will be completed in 2020.

II.3 CULTURAL PARTNERSHIPS TO PROMOTE TERRITORIAL ENTITIES

True to its commitment to regional cultural development, groupe Sanef renews the support given each year to a number of museums and festivals that are well rooted in their territory and promote high-quality and attractive events. By supporting and publicising regional cultural initiatives Sanef consolidates its collaboration with these regions, builds customer loyalty and stimulates traffic on its roadways. This also creates new tourism and financial benefits for these same territories.

Groupe Sanef sponsored 19 operations of cultural philanthropy in 2016, all emblematic of the territories crossed by the Sanef motorway network.

In liaison with the 100-year commemoration of the First World War, Sanef has proposed several events devoted to this commemoration and gi-

ven support to various institutions located near the motorway:

- 14-18 Centennial Mission (Fondation de France)
- Verdun Memorial
- Péronne Historial
- Museum of the Great War, Meaux
- Reims Cathedral Choir.

Institutions underwritten by groupe Sanef include:

- Museum of Fine Arts, Rouen
- Louvre-Lens Museum
- Estate of Chantilly (Institut de France)
- Royaumont Abbey
- Museum of Impressionisms, Giverny.

Festivals supported are:

- Festival des Oiseaux et de la Nature,
- Journées de la Rose (Institut de France),
- Flâneries musicales de Reims,
- Festival des Forêts,
- Festival Au Grès du Jazz,
- Festival Normandie Impressionniste,
- Festival RenaissanceS,
- Association des Amis du Château de Fouquières,
- Comité National Premiers de Cordée,
- Agrion de l'Oise.

In addition to free tickets for Sanef employees and motorway pass holders, these events benefit from promotion and publicity on all the group's communication media: the www.Sanef.com website, Twitter feed, posters and flyers distributed within the company and at customer welcome desks, weekly chronicles on the Sanef radio frequency 107.7, especially on weekends of strong tourist travel.

II.4 ACTION TO GET PEOPLE INTO WORK

Through its philanthropic action, groupe Sanef affirms its socially responsible attitude and its solidarity, and works to create social connections, attention to others and dialogue in its territories. The group's social philanthropy action, initiated in 2009, has grown year after year, increasing the number and expanding the range of actions supported.

Through this action the group aims to help individuals in difficult social circumstances and rebuild links that will help get them back into work and professional life. The objective pursued by

Groupe Sanef is to follow the ongoing development of the not-for-profit groups it has funded.

Nature of contributions

For the different projects funded by groupe Sanef, support may take the form of:

- Financial aid, preferably earmarked for investments to help develop the group's activity (purchases of tools, vehicles, IT equipment, etc.) rather than for operating expenses;
- Assistance to increase mobility (funding for driving licences);
- In-kind contributions (vans, cars, gardening equipment, furniture, clothing, etc.);
- Transfers of skills and expertise (knowledge sponsorship);
- Bridges between social and cultural patronage and philanthropy.

Eligible entities

- Not-for-profit groups, without political or religious affiliation
- Back-to-work programmes
- Reintegration enterprises
- Reintegration workshops and worksites
- Community business councils

Selection criteria for social philanthropy projects
To qualify projects must:

- Aim to achieve vocational integration of individuals in serious difficulty (long-term unemployed, persons with disabilities, etc.) or accompany the education of promising young people from backgrounds that are unfamiliar with cultural activities;
- Be located in regions served by our motorways;
- Be conceived as an ongoing effort to create durable jobs;
- Be introduced and followed by a groupe Sanef employee who acts as a «godparent» or sponsor.

Eligible projects are not:

- Enterprises created for the purposes of promotion, publicity or profits;
- Emanations of commercial or religious entities;
- Linked to government bodies or administrations.

The partnerships concluded to foster cultural and social philanthropic action represent in total financial and in-kind donations valued at 1,005,520.31 euros.

Groupe Sanef is active in two other ways to foster professional and vocational integration and back-to-work action:

Sanef has subscribed to the Enterprises and Neighbourhood Charter, registering its signature on 26 January 2017 with Jean-Michel Thornary, Commissioner general for Equal Opportunity among territories. In signing on to this charter groupe Sanef is making a commitment to step up its implication in local economic development through targeted measures in favour of employment, integration and training for the residents of priority action neighbourhoods. These measures prolong the social action already undertaken by groupe Sanef.

The second approach to professional and vocational integration pursued by Sanef is manifested in contractual terms that the group has written into its contracts and calls for tender. In 2016 Sanef chose to include social clauses in several calls for tender. These clauses stipulate that the contracting partners must execute a stated volume of work hours with persons from employment integration programmes. These provisions are being evaluated and monitored to determine if they should be more widely adopted.

II.5 AUTOROUTE ACADÉMIE (MOTORWAY ACADEMY) SEASON 4, 2016

Working from the observation that 16 to 25-year-olds are the age group most involved in road accidents, the Abertis Foundation and groupe Sanef launched the www.autorouteacademie.com website in 2011. This website is devoted to motorway driving for youths learning to drive and those who have just obtained their driving licence, with the aim of doing a better job of preparing tomorrow's drivers.

The Abertis Foundation and groupe Sanef have received help from driver training professionals in setting up the academy in 2011 and in promoting it since then. The Centre d'Éducation Routière (CER), the Association Nationale pour la Promotion de l'Éducation Routière (ANPER) and the Conseil National des Professions de l'Automobile (CNPA) have provided their expert knowledge to help better understand the needs of youths who want to obtain their driving licence.

The Roadway Education office under the auspices of the government Delegation for roadway traffic and safety has monitored the various phases of the Autoroute Académie project. The academy questionnaire has been validated as consistent with the content of passenger vehicle and motorcycle driving licence examinations. The office has also confirmed the positive benefits of this action undertaken by the Abertis Foundation and groupe Sanef.

III - SUBCONTRACTORS AND SUPPLIERS

The groupe Sanef ethics code stipulates that, with a view to social responsibility and economic performance, the procedures for choosing suppliers must meet in all instances requirements for competitive bidding and transparency in awarding contracts to companies that Sanef works with. Above a certain level of contract value the selection procedures may be even stricter. Groupe Sanef pledges to respect the principles of equal access and treatment for all suppliers. Contract awards are based primarily on criteria of quality, cost and compliance with delivery schedules.

III.1 CHOICE OF SUB-CONCESSIONAIRES

Groupe Sanef has incorporated the notion of «sustainable development» into its selection of sub-concessionaires. Various criteria have been included in calls for tender in order to gauge respondents' participation in this environmental and societal dynamic. Project tenders integrate strong commitments, for example rational energy use comprising use of renewable energy resources, action to protect residents and customers from visual and noise pollution, waste sorting and water-saving measures.

Specifically, following calls for tender in 2010 and 2012, 41 out of the 72 motorway service areas in our network have been renovated to comply with the group's sustainable development standards. An additional 19 service areas will be renovated by 2019, bringing the total proportion to over 83% of service areas recently redone according to these principles.

III.2 CONTRACTUAL FRAMEWORK FOR WORKS EXECUTION

The works contracts awarded by groupe Sanef include a set of general administrative conditions (Cahier des clauses administratives générales, CCAG) that contain clauses pertaining to protection of the environment, i.e.

General conditions, Article 7 – Protection of the environment

7.1. The contract holder ensures that the tasks executed by the contractor comply with legislative and regulatory requirements in effect for protection of the environment, for human health and safety, and for preservation of adjacent areas. The contractor must be able to show proof of this compliance, during execution of the contracted work and throughout the period of warranty on this work, upon request from the representative of the contract awarding authority.

To this effect the contract holder will take all appropriate measures to control conditions that could degrade the environment, notably waste generated during execution of the contract, dust, smoke, pollutant emissions, noise, impacts on fauna and flora, surface and groundwater pollution.

7.2. Should the legislation governing protection of the environment be amended in the course of execution of the contract, any eventual modifications of the contract requested by the representative of the awarding authority so as to ensure compliance with new rules will be formulated in a rider signed by the contracting parties.

General conditions, Article 38

31.8. Special requirements for work carried out near inhabited areas, frequently used spaces or protected zones:

When work is to be carried out near inhabited or frequently used areas or in proximity to zones that qualify for protection under environmental preservation measures, the contract holder must take, at the contractor's expense and responsibility, all necessary steps and as far as possible, to keep all nuisances imposed on users and neighbours to a minimum, in particular the effects of impeded access, machinery noise, vibrations, smoke and dust.

Environmental protection obligations are also

stipulated under the special administrative and technical conditions contained in groupe Sanef contracts (Cahier des Clauses Administratives Particulières, CCAP and Cahier des Clauses Techniques Particulières, CCTP). Typically, the special administrative conditions for works contracts include a clause 9.4.4 referring to protection of the environment that stipulates:

«The implementation, monitoring and enforcement of compliance with specific measures for environmental protection at the worksite shall be listed in an Environmental Stewardship Statement drawn up by the contract holder. This statement shall conform to the requirements of the special technical clauses. The contract holder shall draw up a statement of provisions for waste disposal. This statement shall conform to the requirements of the special technical clauses. This document can be included in the Environmental Stewardship Statement.

Some contracts provide for penalties in the event of voluntary non-compliance or of negligence on the part of the contract holder with regard to the environmental stipulations under the special technical conditions.

IV - GOOD FAITH PRACTICES

IV.1 CUSTOMER SAFETY, THE TOP PRIORITY AT ALL TIMES

To make its motorways ever safer for users, groupe Sanef is continually improving security measures and steadily pursues campaigns to raise safety awareness.

The radio frequency Sanef 107.7 broadcasts road safety advice in its daily programming.

The Sanef observatory of motorway behaviour was set up in 2012 to scientifically measure and study risk-prone behaviour. The findings of this observatory are communicated to media outlets at the start of the heavy summer holiday travel period and are widely passed on by French media (152 media citations).

The observatory's conclusions provide inspiration and themes for the group's awareness campaigns, presented in 4x3m poster displays, messages on the Sanef 107.7 radio frequency

and on the Sanef.com website and social media. Three communication campaigns were conducted in 2016 in the group's networks, on the following themes:

Our agents are watching out for you – what about you?

E-mailing campaign: 372,006 messages sent
Sanef 107.7: Radio messages broadcast 26 times a week, equal to 104 times a month

Drive with a clear head

E-mail campaign: 394,257 messages sent
Sanef 107.7 Radio messages broadcast 26 times a week, equal to 104 times a month

Watch the road

E-mail campaign: 669,147 messages sent
Sanef 107.7 Radio messages broadcast 26 times a week, equal to 104 times a month

Groupe Sanef also organises campaigns to meet with its customers at service areas. During the mass summer traffic season Sanef staff are mobilised to combat drowsiness at the wheel, the foremost cause of motorway accidents.

For example, on 22 and 23 July 2016, at the start of summer holiday travel to Normandy (Vironvay on the A13 motorway) and towards southern France (Sommesous on the A26 Sud motorway) operations were mounted with the prime objective of preventing this danger. It was impressed on drivers that the only way to avoid drowsiness at the wheel is to make a rest stop. Customers were given tips on ways to detect the first signs of fatigue and the chance to have a relaxing massage by a physical therapist.

In the course of these operations staff met physically with 6,000 customers at the service areas, either when they participated in a workshop (massage, relaxation, photo session) or when they joined audiences to listen and talk with Sanef 107.7 teams at a mobile studio at Vironvay, or with a journalist et Sommesous.

Our messages reached 1,500,000 people during the operation, via e-mail (400,000 subscribers), distribution of scratch cards (7,000 cards), and radio; an estimated 1,000,000 Sanef 107.7 listeners heard promotional messages (5 days at roughly 200,000 listeners per day), plus Twitter, the Sanef.com website and the mobile site.

Our media content reached audiences of several million readers, listeners and television viewers:

France 3, RTL, BFM TV, Paris Normandie, l'Union, l'Est Eclair, France Bleu, Champagne FM.

The second operation in 2016 was the «Winter Readiness» campaign on winter road conditions launched on 10 November 2016.

The main objective of this campaign was to inform our customers about winter driving:

- Presentation of the hidden side of motorway management, with an emphasis on safety for staff;
- Practical advice for customers;
- Sources of information to consult before starting a trip.

Three sites were involved: Assevillers Ouest (A1), Vironvay Nord (A13) and Metz Saint Privat (A4).

This operation was a great success:

- A Sanef 107.7 radio show including five hours of live broadcasting from Metz with numerous guests, including the Prefect for eastern France;
- Contact and discussion with some 1,500 drivers;
- Our Road Safety partner present at the three sites;
- Elected officials present at each site;
- Press, radio and television coverage (France 3, France Bleu, Républicain Lorrain, Courrier Picard, Paris Normandie, etc.).

Other operations were carried out throughout the year with a range of actors involved in road-way safety:

In partnership with the Fédération Française des motards en colère in the Somme and Val d'Oise departments, the Somme departmental government and the Somme and Val d'Oise prefecture;

- In February at the Baie de Somme rest area on the A16 motorway during the Enduropale relay race;
- In March at the Vémars Est rest area during the Le Mans 24-h motorcycle endurance race.

Objective: increase our motorcyclist customers' awareness of safety and security on the motorway.

Our communication emphasised:

- Free access to the A16 motorway during the Enduro weekend;
- Our action in favour of motorcyclists (who are often also drivers of long and/or heavy goods vehicles);

- Motorway security

Groupe Sanef is committed to making roads safer, alongside the French government, and signed the Pledge for Road Safety on 11 October 2016.

IV.2 PREVENTING CORRUPTION

In its Ethics Charter groupe Sanef reiterates its rejection of corruption in all its forms, whether it be intended to obtain special treatment, influence the outcome of negotiations or secure an authorisation from a government administration at national, European or international levels or from any other depositary of public authority.

IV.3 IN DEFENCE OF HUMAN RIGHTS

Groupe Sanef complies with all legislation in force and pledges to respect human rights and fundamental freedoms.

Under its Ethics Charter the group aims to ensure equal opportunity for all its employees and non-discrimination between employees with regard to sex, origins, religion, beliefs, ideology, age, sexual orientation, nationality, political opinions, labour union activity, disability, family or marital status.

Groupe Sanef advocates mutual respect, integrity, honesty, transparency, confidence and respect for human dignity in relationships between its employees.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT IMPACT ON THE ENVIRONMENT

I - GROUPE SANEF ENVIRONMENTAL POLICY	40
II - POLLUTION AND WASTE MANAGEMENT	41
III - SUSTAINABLE RESOURCE USE	43
IV - GREENHOUSE GAS EMISSIONS (GHG)	44
V - ENERGY MANAGEMENT	45
VI - PRESERVATION OF BIODIVERSITY	45
VII - METHODOLOGICAL ISSUES	46

I - GROUPE SANEF ENVIRONMENTAL POLICY

Groupe Sanef has a history of over 50 years, building its motorway network and developing its activity in the heart of the European economy. Sanef has long been an industry reference in its core business lines of motorway concessionaire and operator, offering modern and innovative solutions in the service of mobility.

Environmental management and protection have been integrated in Sanef's operations for a long time, with the goal of making the company's environmental footprint as light as possible.

The implementation of remote toll collection at 30 km/h and free-flow solutions are significant advances from an environmental standpoint. Eliminating stop-and-go traffic at multiple toll booth lanes induces significant fuel savings, on the order of 0.5 l per toll passage for heavy goods trucks, and proportionally reduces associated CO2 emissions.

In the role of builder and operator of infrastructure the activity of the concessionaire may have more significant impact on the environment, by the take-up of land occupied by the motorway, by the fractioning of territorial entities and the segmentation created by the roadway infrastructure. For these reasons groupe Sanef places great importance on environmental studies and assessment of the environmental sensitivity of the spaces in which the company pursues its activity.

To steer its policy in this area groupe Sanef has adopted the following guidelines.

- Limit the environmental footprint of its activities by:
 - Giving priority to pollution and risk prevention;
 - Controlling and limiting consumption of natural resources and energy;
- Complying with legal and other applicable requirements.

I.1 COMPANY ORGANISATION

Oversight of the Environment function is exercised at the group scale by the Social, Economic and Environmental Responsibility department, where two people are employed full-time to draw up and evaluate policies in these areas. This department is also in charge of identifying investments in related areas (water, noise, waste, etc.); the corresponding operations are implemented by the Construction and Property division.

In this capacity and to manage upkeep of existing

structures, the Construction and Property division includes five people who work on hydraulics issues and three others on landscaping. In addition to handling maintenance and upkeep, these teams sometimes take on the missions of works supervisor for certain investments and major upkeep tasks. Locally each maintenance centre has a dedicated team of Skilled Roadway Workers assigned to cleaning, mowing, clearing, upkeep of water treatment facilities and gates and fencing.

I.2 EMPLOYEE TRAINING AND INFORMATION ON PROTECTION OF THE ENVIRONMENT

In 2016 groupe Sanef personnel participated in 1,582 hours of training related to environmental issues, representing an investment of 92,000 euros. Groupe Sanef possesses a broad communications toolbox (intranet, managers' blogs, etc.) used to ensure top-down communication destined for employees. Regular corporate news communiqués are issued, notably on environmental matters.

The in-house publication (100% Nous) is another communication tool entirely dedicated to informing personnel. This quarterly magazine covers all group corporate news and regularly devotes articles to current environmental affairs.

In 2015 groupe Sanef set up a biodiversity management scheme within the group, certified by the label Ecocert Engagement Biodiversité. This certification was renewed in 2016.

In all six corporations (Guerlain, Séché, Bolloré Logistics, GSM, Veolia and Sanef) signed on as pilot participants in this approach as early as 2015, to demonstrate that it is entirely possible to reconcile economic activity and respect for natural life and diversity.

This label recognises the decades-long commitment of the group's companies to preservation of biodiversity. As a reminder, it was in the early 1990s that Sanef devised its Plan Objectif Environnement to limit the environmental impacts of its constructions and to determine the roadway track within the designated right-of-way that would have the least impact on the environment.

This innovative approach is still in effect today in groupe Sanef's building and construction activity, integrating biodiversity issues from the very first planning stages and up through the operational phase.

1.3 MINIMISING ENVIRONMENTAL RISKS

In the course of an audit of environmental regulatory compliance the main environmental risks were analysed and risk factors for the group were identified. This work largely inspired the content of corporate policy pertaining to water resources and noise abatement as well as to protection of biodiversity. These policies now guide and coordinate Sanef's action regarding protection of the environment, with the goal of eliminating, managing and reducing all forms of pollution.

Internal steering procedures for new construction projects ensure that environmental constraints are properly taken into account and the best solutions implemented to address the issues that have been identified. These projects are contracted out to outside general contractors who are subject to independent inspection, either by Sanef itself or by outside service companies.

Green commitments have also led to significant investment to protect the environment, via implementation of water, noise and waste policies within the group, and have guided policy to preserve biodiversity. These programmes have been extended under the Motorway Investment and Modernisation scheme (Plan d'Investissements et de Modernisation Autoroutier, PIMA), particularly where protection of water resources is concerned.

All of these actions and policies have been built on one of the fundamental tenets of sustainable development: dialogue with stakeholders. This method is also a cornerstone of risk management, on a daily basis.

1.4 PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISK

Groupe Sanef has recently revised its insurance strategy to align with the Abertis programme. The group now has:
Primary insurance policy: Zurich contract no. 7400022628
MAXIMUM COVERAGE – ALL GUARANTEES COMBINED €6,000,000

1. Civil liability coverage – harm to the environment
total damage incurred: €6,000,000
 - of which Limited Material and Immaterial Damage due to operations at fixed sites, insured transport operations and services executed for self-benefit: €6,000,000
 - of which Emergency Expenses for operations at fixed sites, insured transport operations and services executed for self-benefit: €6,000,000
 - of which Entrusted Property only for operations

at fixed sites: €1,000,000

- of which Property of Delegated Agents only for operations at fixed sites: €1,000,000
2. Monetary guarantees – all coverage combined €6,000,000, of which:
 - Environmental Liability Coverage: €6,000,000
 - Water and Soil Clean-up Expenses coverage for operations at fixed sites, insured transport operations and services executed for self-benefit: €6,000,000
 - Real Estate and Moveable Property Clean-up Expenses coverage for operations at fixed sites, insured transport operations and services executed for self-benefit: €6,000,000
 - Deductible: €100,000
 - Operating losses: coverage option not taken

Secondary insurance policy: ZURICH contract no. 68.794.569 taken out by Abertis: maximum benefit €34 million (above the €6 million of the primary policy) – €150,000

Lastly, the RC Générale contract (part of Groupe Abertis coverage) includes a sudden and accidental pollution item with a limited contractual compensation clause set at €1 million per event and per year of insurance – deductible €60,000.

II - POLLUTION AND WASTE MANAGEMENT

II.1 MEASURES TO PREVENT, REDUCE OR REMEDIATE DISCHARGES TO THE AIR, WATER AND SOIL THAT HAVE SERIOUS ENVIRONMENTAL CONSEQUENCES

As mentioned above, management of discharges to water and soil are coordinated under the group's environmental protection policies and in strict application of the regulatory framework. The characteristics of discharges to surface and groundwater and to soil are determined in relation to the vulnerability and sensitivity of the receiving milieu. When the milieu is highly vulnerable preventive management devices are installed (holding basins, sluice gates) to trap and confine any accidental pollution, this being the main risk, in conjunction with rainfall over a given period of time. If the milieu is neither sensitive or vulnerable remedial measures are taken to handle this type of impact.

As a reminder, infrastructure discharges are subject to strict rules laid down by government water resource inspectors as part of procedures conducted in the framework of water legislation. These rules have been applied at all motorway sections put into service since 1995 and in all the zones that have seen major work since that date.

Atmospheric discharges are not subject to special rules or instructions, other than the public impact enquiries carried out before construction, both for new motorway sections and for additional improvements on existing motorways.

This notwithstanding, the group has carried out a greenhouse gas assessment that quantifies some of the emissions produced by the company. These emissions are reported in detail in section IV below.

II.2 WASTE PREVENTION, RECYCLING AND DISPOSAL MEASURES

Groupe Sanef uses a simple classification to manage its waste:

- Internal waste: waste generated by the companies in the group;
- External waste: waste generated by subcontracted activities, e.g. worksite waste, basin dredging sludge, etc.;
- Outside waste: waste generated by customers at rest areas, service stations and along the roadside.

Internal waste:

The amount of «hazardous» waste produced by groupe Sanef in 2016 was an estimated 773 tonnes, including 298 tonnes of sludge dredged from rainwater treatment structures.

The quantity of «non-hazardous» waste (excluding worksite waste) produced was 75,548 tonnes, of which 64,451 tonnes of worksite waste (external waste) and 3,982 tonnes of customer waste at rest areas or left along the roadside (outside waste).

Worksite waste:

Construction work on the group's motorways generated 64,451 tonnes of worksite waste in 2016. These quantities are highly variable from one year to another, as they depend solely on the works programme and the type of work carried out. In 2016, the first year of work under the stimulus plan, many worksites were initiated, lasting several months or several years as the case may be. As the waste produced by works underway is not recorded until the work is fully completed, the amount reported for 2016 is particularly low.

II.3 MEASURES TO COUNTER FOOD WASTE

This item is not relevant to Sanef's activities.

II.4 TACKLING NOISE AND OTHER ACTIVITY-SPECIFIC FORMS OF POLLUTION

Under Sanef's Green Commitments over 700 homes were equipped with acoustic insulation between 2010 and 2013. This improvements programme has provided protection for all the motorway noise «black points», i.e. homes subject to noise levels that exceed regulatory thresholds, including those anticipated under traffic predictions throughout the time of the concession, which expires in 2029.

This vast programme has for all practical purposes entirely eliminated «sensitive zones» for noise along the motorway network.

Groupe Sanef has compiled a noise observatory with detailed mapping of the acoustic footprint of its motorways. This mapping yields the strategic noise maps and noise abatement plans that are required under existing regulations.

Groupe Sanef will update all its strategic noise maps in 2017, integrating forecasts for the extended concession period up to 2032.

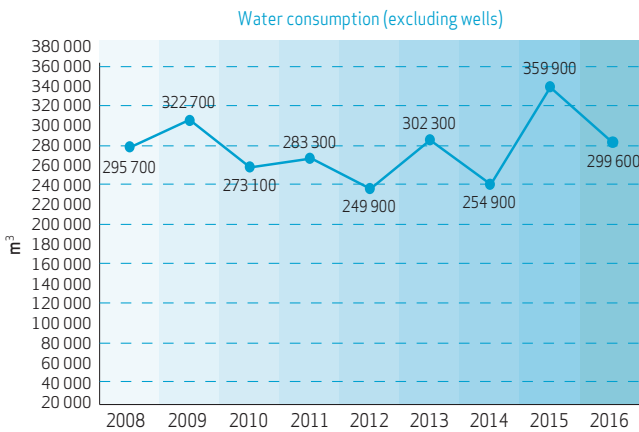
III - SUSTAINABLE RESOURCE USE

The groupe Sanef Environment Policy is designed to limit the footprint of the group's activity on natural resources and the environment. To this end resource consumption indicators have been in place for nearly ten years, and today enable the group to take measures to first stabilise and then reduce consumption.

III.1 MAIN RESOURCES CONSUMED

Potable water

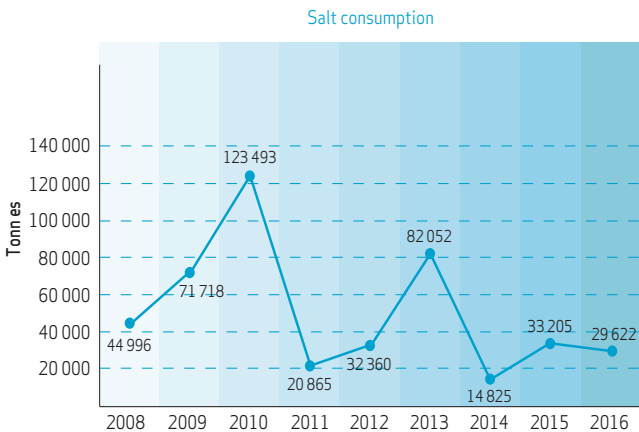
Potable water consumption came to 299,574 m³ in 2016, nearly 17% less than in 2015. This drop is in part due to the renovation of rest areas that left many of these areas closed during the works period.



Water consumption from Sanef private wells and rainwater recovery are not included in this consumption indicator.

Salt

Salt consumption also fell compared to 2015, standing at 29,622 tonnes in 2016, and remains negligible in the absence of winter roadway salting in 2016.



Consumption of raw materials

Consumption of raw materials in 2016 came to 588,942 tonnes of aggregate, used primarily as

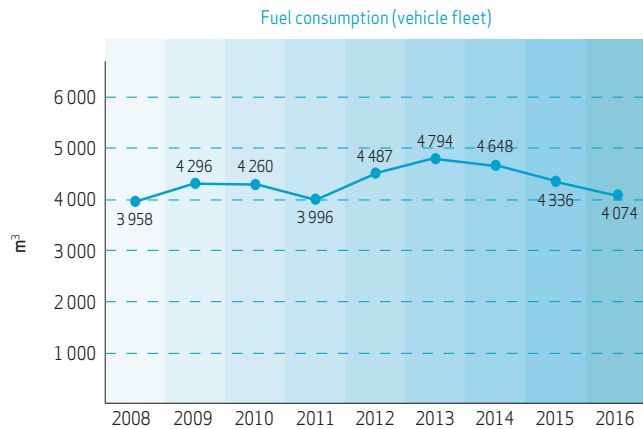
roadbed reinforcement, and 717,576 tonnes of asphalt for repairs to roadway surfacing (wearing course).

28,969 tonnes of concrete and 1,635 tonnes of metal were also consumed in the course of the year. To limit its impact on resources Sanef chooses recycled materials whenever possible. As a result 109,474 tonnes of recycled aggregate and 312,911 tonnes of recycled asphalt (in ratios of 10% to 50%) were used.

Fuel consumption

Fuel consumption for the groupe Sanef vehicle fleet continued to decline in 2016, to 4,074 m³ from 4,336 m³ in 2015.

Fuel consumption for building heating (welcome offices, maintenance centres and buildings at toll plazas) came to 467 m³.



Gas consumption

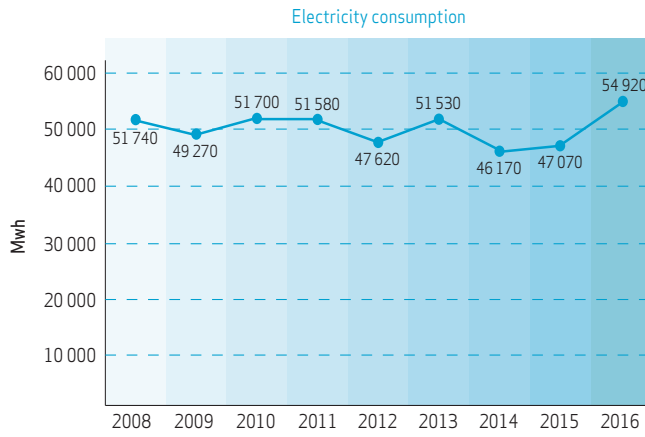
Gas consumption amounted to 6.16 GWh in 2016, remaining stable compared to 2015.

Electricity consumption

Electricity consumption across the whole of groupe Sanef rose sharply compared to 2015, from 47.08 GWh to close to 54.92 GWh in 2016.

This increase is due to the fact that the groupe Sanef scope now includes SE BPNL and Sanef Aquitaine.

NB: Annual electricity consumption is calculated for a rolling year, based on bills received in 2016 and estimated consumption that had not yet been billed at end 2016. This estimate is based on power consumption as billed for the same period at the end of 2015.



Energy efficiency and alternative energy production: In 2016 Sanef was able to generate and sell 130,735 kWh of electricity, down nearly 12.5% from 149,369 kWh in 2015. Power is generated by photovoltaic (PV) solar panels installed at the following sites:

- Ecopole
- Porte du Vignoble toll plaza
- Ormes toll plaza
- Cricqueville en Auge barriers

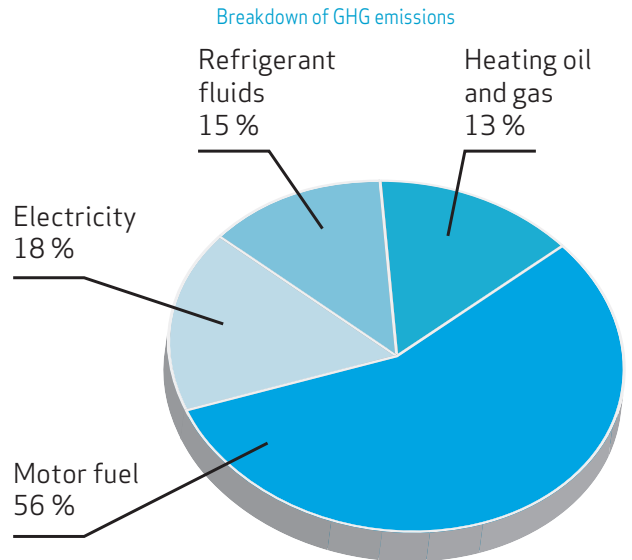
III.2 LAND OCCUPATION

The groupe Sanef motorways occupy on average 10 hectares per kilometre. Of these 10 ha, 4 are dedicated to green earthworks (fill talus, excavated material, surplus soil). These spaces left to nature are under no constraints or pressure, and are often refuges for small wildlife and «conservancy zones» for numerous species. For these reasons these secondary earthworks are carefully managed according to environmental principles.

IV - GREENHOUSE GAS EMISSIONS (GHG)

IV.1 EMISSIONS LINKED TO SANEF'S ACTIVITY

GHG emissions due to fuel consumption in the vehicle fleet and heavy equipment amounted to 12,889 tonnes CO₂-equivalent, close to 54% of total group emissions for Scopes 1 and 2.



GHG emissions due to combustion of heating oil and natural gas for building heating came to 2,866 tonnes CO₂-equivalent, or 13% of these emissions.

Electricity consumption generated 4,518 tonnes CO₂-equivalent of GHG emissions in 2016, close to 18% of group emissions.

Emissions due to use of refrigerant fluids stood at 3,505 tonnes CO₂-equivalent, or 15% of emissions. These emissions were calculated on the basis of a leakage rate (> 10% per year) for air-conditioning units containing 9 kg of refrigerant.

Overall GHG emissions for groupe Sanef came to 23,777 tonnes CO₂-equivalent.

These emissions are negligible compared to the emissions due to vehicle traffic on the group's motorways, estimated at over 5,443,880 tonnes of CO₂. (NB: Emissions linked to motorway use are estimated on the basis of travel by vehicle category using emission factors from the Ademe Base Carbon database.)

IV.2 ADAPTING TO CLIMATE CHANGE

The International Panel on Climate Change (IPCC) foresees an increase in extreme climate phenomena, and society is less and less willing to accept risk. This makes it imperative to take major climate events into consideration when designing, operating and carrying out maintenance of infrastructure, and in management of land use and territories.

With this awareness Sanef took part a few years ago in a climate risk project entitled Gestion du Risque Climatique pour les Infrastructures (GERICI), along with Egis and Météo France. The project objectives were the following:

- Design a climate risk analysis method suited to infrastructure management;

- Build a simulation tool to be used by infrastructure operators for prevention and early warning;
- Propose remedial measures;
- Suggest key areas for renewing policy and strategic cooperation between actors.

On the basis of this exercise operational modes and procedures were bolstered and adapted to meet new climate constraints highlighted in the course of the project.

GERICI is the first concrete, structured and comprehensive analysis of climate risk incurred by infrastructure and the territories served.

It provided inspiration for subsequent projects at the European level: first Risk Management for Roads in a Changing Climate (RIMAROCC), which borrowed from the methodology tested by GERICI, and more recently Roads for today, adapted for tomorrow (ROADAPT) in 2015.

These initiatives are a good illustration of the trail-blazing and avant-garde nature of the GERICI project.

The GERICI findings continue to enable Sanef teams to address climate concerns, both in new project design and when devising operational modes.

V - ENERGY MANAGEMENT

V.1 ENERGY AUDITS

In the course of 2016 groupe Sanef carried out energy audits at eight of its buildings, above and beyond the mandatory energy audits completed in 2015 under the regulations ensuing from the European directive 2012/27/EU of 25 October 2012 on energy efficiency.

The energy management objective for 2017 is to set up a group-wide action plan for reducing energy consumption in the coming years.

The action plan now being finalised will guide various measures within the group that aim to lessen the energy footprint of our business activities.

V.2 ELECTRIC VEHICLES AND MOBILITY

At the other end of the power cable, groupe Sanef has decided to promote electric vehicles on motorways to its customers. To this end groupe Sanef has built up a partnership with EDF and its subsidiary Sodem, to work towards the goals of the European

CORRIDORS project, along with its partners (Renault, Nissan, BMW, Volkswagen, Paris Tech, EDF and Sodem). Under this project some 30 electric vehicle charging stations will be installed at rest areas in the groupe Sanef network, enabling electric vehicle owners to travel farther, and «spend a weekend at the shore» via the group's motorways.

VI - PRESERVATION OF BIODIVERSITY

Having conducted a vast audit of biodiversity as part of its Green Commitments, groupe Sanef has established its strategy in this area. This strategy is built around four directions for action:

- Manage infrastructure in nature-friendly ways;
- Ensure that infrastructure is permeable to wildlife;
- Develop and share knowledge of biodiversity;
- Collaborate with stakeholders and communicate with the public.

To attain these goals and present the natural wealth and ecological diversity of motorways' green spaces to a wide audience, groupe Sanef has drawn up a programme to raise awareness aimed at all its stakeholders:

- Motorway customers;
- Groupe Sanef employees;
- Partners focusing on biodiversity (local authorities, regional nature parks, nature conservancies, National Natural History Museum, not-for-profit groups, etc.).

This programme has been deployed since January 2014. It targets specific actions for different audiences, and as of this year has found its place in the biodiversity management policy implemented by the group.

VI.1 RAISING AWARENESS OF MOTORWAY CUSTOMERS

[Biodiversity chronicles and vignettes on Sanef.com](#)

To make its customers more aware of the wealth of biodiversity found along the verges of its motorways Sanef designed a campaign for broadcast on the 107.7 radio frequency, the media most listened to by customers during their travel on the Sanef network. This awareness campaign was nourished by two types of radio features:

- Vignettes;
- Interviews with partners.

After broadcast on the 107.7 channel in 2014 these features, especially the partner interviews, are available on Sanef.com.

Vignettes: «Drivers are sometimes surprised to see birds of prey perched on fence poles along the motorway. Why are they there? Do they enjoy watching the parade of traffic?» To stimulate this sort of curiosity Sanef has written 18 vignettes that describe, in the manner of a child's nursery tale, the wealth and singularity of the plant and animal species that live alongside the motorway network.

Interviews with partners: Alternating with the vignettes, these interviews provide an opportunity for partners from regional nature parks, nature conservancies and not-for-profit groups to publicise their action undertaken with Sanef to preserve and enhance the biodiversity found in nature alongside motorways.

Entertainment events at the Chevrières rest area in June 2016

The Chevrières rest area (A1 motorway) was rehabilitated under the Green Commitments scheme and dedicated to biodiversity in the Oise River Valley. It now boasts an original educational nature path devoted to the species and habitats found in the Oise Valley. The path was designed in collaboration with the Picardy nature conservancy.

During the 2016 Festival of Nature, and for the second year in a row, an event highlighting the biodiversity of the Oise Valley was held on 17 and 18 June for customers at the Chevrières rest area on the A1 motorway. Various activities were deployed by Sanef to raise customers' awareness of the ecological richness in motorway green areas. A number of workshops, for all ages, were offered by Sanef and its partners:

- An educational trail to discover the emblematic species of the Oise Valley and its characteristic habitats, presented by an entomologist;
- Presentation of apiculture, the role of pollinating insects and the dangers of extinction of bees;
- Building bird houses with the League of Protections of Birds;
- Games and contest with a questionnaire on biodiversity in the Oise Valley;
- Special events and video films

This event was designed in collaboration with the Picardy nature conservancy, the Agrion not-for-profit group based in the Oise department, and an amateur beekeeper.

VI.2 AWARENESS ACTIONS FOR EMPLOYEES (SEE SECTION 1.B)

Presentation of apiculture, the role of pollinating insects and the dangers of extinction of bees;

As described above (1.b) partnerships have been created with beekeepers to install a network of

beehives at a certain number of sites:

- An orchard at a rest area near Saverne;
- An operations building near Ormes (in the vicinity of Reims).

A few months after installation the first honey harvest was extracted, and beekeeping presentation and initiation sessions were held for the company's employees.

VI.3 TARGETED BIODIVERSITY AWARENESS DOCUMENT FOR SANEF STAKEHOLDERS

This brochure is intended for Sanef's future partners and aims to very simply summarise what is at stake for biodiversity at the scale of groupe Sanef and to outline the group's strategy in this area. This document emphasises the use of maps to enable readers to easily situate biodiversity issues in the Sanef network in relation to the main features of the surrounding natural environment (forests, waterways, nature parks, etc.).

The audiences targeted by this brochure are:

- territorial partners: nature parks, nature conservancies, not-for-profit groups
- local government: regional councils, departments, municipalities, etc.
- central government administrations and agencies: DDT, DREAL,...

VII - METHODOLOGICAL ISSUES

BACKGROUND

In 2015 the group changed its ERP (SAP replacing Qualiact) and its corporate organisation (reorganisation starting in June 2015). The effects of this change in management tools continued to be felt in 2016.

VII.1 METHODOLOGY RELATED TO WASTE MANAGEMENT

Waste generation: The waste amounts reported include the waste disposed of during the year. This means that waste held in storage (in dumpsters at a maintenance centre for example) may be generated in year N and disposed of in N+1 (e.g. when the dumpster is full).

VII.2 METHODOLOGY RELATED TO SUSTAINABLE RESOURCE USE

Water consumption: Recorded potable water consumption is water drawn from the public drinking water supply. In 2015 this consumption was established on the basis of all water bills entered in the ERP, covering maintenance centres as well as general services. It does not include water drawn from Sanef private wells nor recovered rainwater. Nor does it integrate water consumed for commercial activities at service areas.

Materials consumption: Figures for materials consumed (aggregate, asphalt, concrete, metal, etc.) are for consumption recorded for operations (worksites) completed during the year. Consumption for worksites in operation over several calendar years is reported for the year when work is completed.

Asphalt consumption: Annual asphalt consumption includes aggregate used to produce the asphalt.

Recycled asphalt consumption: Recycled asphalt is asphalt that contains a proportion of recycled asphalt. As a general rule the proportion of recycled asphalt varies between 10% and 50%.

VII.3 METHODOLOGY RELATED TO GHG EMISSIONS

GHG emissions are calculated on the basis of the mandatory GHG assessment conducted in late 2015, based on consumption data for 2014, and updated using 2016 consumption data (the carbon assessment is required under article 75 of the National Commitment to the Environment Act of 12 July 2010). Applicable emission factors are derived from the Base Carbone database published by the Greenhouse Gas Assessment Resource Centre (French Environment and Energy Management Agency, Ademe).

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT WORKFORCE AND SOCIAL MEASURES

I - EMPLOYMENT	50
II - WORK ORGANISATION	51
III - SOCIAL RELATIONS	51
IV - HEALTH AND SAFETY	52
V - TRAINING	53
VI - EQUAL TREATMENT	54
VII - COMPLIANCE AND SUPPORT FOR THE REQUIREMENTS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION	55

I - EMPLOYMENT

I.1 TOTAL HEADCOUNT AND BREAKDOWN OF EMPLOYEES BY AGE AND SEX

The total number of persons employed by the group comprised 2,617 permanent employment contracts as of 31 December 2016. The consolidated scope in 2016 integrates: Sanef, A65, Bip&Go, Eurotoll and SE BPNL, as well as Sapn and SE A14.

Breakdown by age (all contracts, total headcount as of 31 December 2016)

Age	2016
Under 30 years old	188
30 to 45 years old	1,083
46 to 55 years old	1,065
Over 55 years old	416
TOTAL	2,752

Breakdown by sex (all contracts, total headcount as of 31 December 2016)

	2015
Men	1,741
Women	1,011
TOTAL	2,752

I.3 PAY AND REMUNERATION TRENDS

	2014	2015	2016
Average annual remuneration (before deduction of payroll charges) for women	€34 822	€32 259,32	€37 262
Total remuneration (before charges) – Women (DADS fiscal statement)	30 436,02	30,913,220	33 313 691
Number of employees by bracket	874	958,3	894
Average annual remuneration (before charges) for men	€40 536	€40 137,27	€41 241
Total remuneration (before charges) – Women (DADS fiscal statement)	69 386 728	69 156 971	68 822 583
Number of employees by bracket	1 711,7	1 723	1 668,8
Average annual remuneration (before charges)	€36 271,1	€37 322	€39 853
Total remuneration (before charges) (DADS fiscal statement)	96 341 413	100 070 191	102 136 274
Number of employees by bracket	2 656,2	2681,3	2652,8

I.2 NEW HIRES AND DEPARTURES

Groupe Sanef concluded 44 new permanent employment contracts (not including internal transfers) in 2016 and 833 fixed-term employment contracts, giving a total of 877 new hires for the year (not including internal transfers).

In 2016 24 employees were laid off (all causes and contract types), 86 employees retired, 22 persons voluntarily resigned, and 849 contracts came to an end (mostly seasonal workers), for a total of 981 departures.

This figure does not include negotiated termination agreements, acquisition of permanent employment status, transfers and expiration of probationary periods.

NB: As it habitually does to handle peak traffic and replace absent employees, Sanef employed temporary staff in 2016, including fixed-term contracts, temporary workers from recruitment agencies, seasonal workers.

II - ORGANISATION OF WORK HOURS

II.1 ORGANISATION OF WORK HOURS

Different types of work schedules coexist with groupe Sanef.

- Daytime schedules:
- Shift workers – 2 x 8 h
- Shift workers – 3 x 8 h
- Toll collection employees with variable schedules.

Within groupe Sanef full-time work hours break down as follows:

- 211, 215 or 217 days a year for management-level staff;
- 1,603 hours/year (with or without overtime compensation days) or 1,607 hours/year;
- 35 hours weekly average over a cycle for shift workers;
- 35 hours/week for non-management and non-shift workers (with or without overtime compensation days).

The different companies within the group employ personnel under permanent employment contracts or under fixed-term contracts within the numerical limits set by law.

Under specific and occasional circumstances, Sanef or Sapn may hire under fixed-term contracts when heavy traffic is expected (long weekends and school holidays). Use of this type of contract is authorised by the multi-corporation agreement of 1 June 1979 that applies to Sanef and Sapn (article 54bis).

II.2 ABSENTEEISM

The total number of absences for sickness, work-related and work travel accidents, and occupational and work-related illnesses came to 25,292 working days in 2016.

III - SOCIAL RELATIONS

III.1 ORGANISATION OF SOCIAL DIALOGUE, IN PARTICULAR PROCEDURES FOR INFORMATION, CONSULTATION AND NEGOTIATION WITH PERSONNEL

A number of business and corporate projects were brought before personnel representative bodies throughout the year. The most significant are:

- Changes to the organisation of some divisions in the group, after consultation with the Central Work Council at Sanef and with the Work Councils at Sapn;
- Mobile computer-assisted maintenance manage-

ment system, after consultation with the Central Work Council at Sanef and the Work Councils in other companies;

- Annual economic and financial analysis, after consultation with the Central Work Council at Sanef and the Work Councils at Sapn, Eurotoll, Bip&Go and SE BPNL;
- Social policy, working conditions and employment, after consultation with the Central Work Council at Sanef and the Work Councils at Sapn, Eurotoll, Bip&Go and SE BPNL;
- Presentation of the corporate strategic outlook, after consultation with the Central Work Council at Sanef and the Work Councils at Sapn, Eurotoll, Bip&Go and SE BPNL;
- Presentation of the toll collection modernisation scheme (Programme de Modernisation du Péage, PMP) after consultation with the Work Councils and the health and safety committees of the SE A14 and Sapn companies;
- Presentation of a draft plan to merge SE A14 with Sapn before the Work Councils and health and safety committees of the two companies SE A14 and Sapn.

Other major projects were presented or implemented within the different companies in the group, notably:

- Implementation of the group agreement pertaining to management of job functions and career advancement (Gestion des Emplois et des Parcours Professionnels, GEPP);
- Professional elections at the Bip&Go company and the creation of a Single Extended Personnel Delegate mandate.

The principle subjects of negotiation in 2016 were:

- Mandatory annual salary negotiations;
- Provisional management plans for job functions and skills (GEPP);
- Quality of life at work;
- Professional elections at the Sanef, Bip&Go and Eurotoll companies;
- Profit-sharing.

These negotiations resulted in 23 agreements signed within the group.

II.2 CURRENT STATUS OF COLLECTIVE BARGAINING AGREEMENTS AND ACTION PLANS

The agreements signed within groupe Sanef and its component companies in 2016 are listed below:

Groupe Sanef

- Group-wide agreement on management of job functions and career advancement (GEPP), 1 May 2016.

Sanef

- Agreement pertaining to salaries, 14 June 2016.

Sapn

- Rider to the personnel profit-sharing scheme linked to company performance and earnings, 1 April 2016;
- Agreement pertaining to salaries, 7 June 2016.

Sanef Aquitaine

- Rider to the personnel profit-sharing scheme linked to company performance, 31 March 2016;
- Agreement pertaining to salaries, 23 June 2016.

SE A14

- Rider to the personnel profit-sharing scheme linked to company performance, 31 March 2016;
- Agreement pertaining to salaries, 17 June 2016.

Bip&Go

- Rider to the personnel profit-sharing scheme linked to company performance and earnings, 22 March 2016;
- Agreement pertaining to personnel profit-sharing linked to company performance and earnings, 8 June 2016;
- Agreement pertaining to salaries, 8 June 2016.

Eurotoll

- Rider to the personnel profit-sharing scheme linked to company performance and earnings, 28 April 2016;
- Agreement pertaining to salaries, 2 June 2016;
- Agreement granting a supplement to shared profits, 15 June 2016;
- Agreement on method and prolongation of elective mandates in the framework of the projected legal reorganisation of the company, 7 September 2016;
- Agreement on prolongation of mandates, 17 October 2016.

SE BPNL

- Agreement instituting a mandatory scheme for reimbursement of medical expenses and mandatory group insurance coverage for «incapacity, disability and death», 1 April 2016;
- Agreement pertaining to minimum service requirements in case of strike action, 19 May 2016;
- Agreement pertaining to labour union activity rights and representation of personnel, 19 May 2016;
- Agreement pertaining to salaries, 19 May 2016;
- Agreement on work hours for shift workers, variable schedule workers, non-shift workers and management-level staff under the flat number of days schedule, 19 May 2016;
- Agreement pertaining to salaries, 30 June 2016;
- Agreement pertaining to career bonuses for recipients of the Labour Medal of Honour, 30 June 2016.

IV. - HEALTH AND SAFETY

IV.1 HEALTH AND SAFETY CONDITIONS AT WORK

In its Ethics Charter groupe Sanef reaffirms that the health and safety of its workers, subcontractors and customers are a high priority.

With this in mind the group has implemented specific procedures and structures, especially at the Sapn and Sanef companies.

The coordination of Health and Safety at Work (Santé et Sécurité au Travail, SST) is overseen by the Human Resources Division. Under the responsibility of the coordinator, the prevention department is made up of three prevention officers, three technicians and an assistant.

- The primary missions of the prevention officers are:
- Current awareness of regulatory rules and compliance;
 - Evaluation of occupational risks and ways to minimise these risks in operations;
 - Oversight of the safety management system;
 - Implementation of occupational health and safety training and awareness schemes;
 - Treatment of work-related accidents and occupational illnesses;
 - Management of internal audits;
 - In-house occupation health and safety communication;
 - Communication with in-house and outside interlocutors on occupational health and safety.

OHSAS certification

Groupe Sanef has voluntarily undertaken a programme to continually improve health and safety conditions. To implement this approach Sanef, Sapn and SE BPNL have devised a health and safety management system that has obtained OHSAS 18001 certification (2007 version).

Safety tools

Putting a priority focus on development of a safety culture at Sanef, various measures have been put in place to assist managers and reduce the incidence of work-related accidents and occupational illnesses. These take the form of:

- Campaigns to raise personnel awareness of the main occupational risks;
- «Accident» flash bulletins;
- Safety sessions;
- Specific health and safety rules and procedures to be followed;
- Dynamic screens installed in all roadway viability centres to present information during 15-minute safety sessions and disseminate awareness messages throughout the year.

Sanef continues to pursue its policy of innovation in the service of safety. As an example, Sanef is testing automatic placement of cones on the roadway, to improve working conditions for employees.

In 2016 groupe Sanef also rolled out an awareness campaign urging customers to step up their vigilance and attention when approaching roadway work zones. In addition Sanef currently uses autonomous radar systems at its worksites.

Safety training

In a context where risk management is crucial, Sanef trains its workers to react to risks induced by customer behaviour. Sanef has devised an approval system to vet employees who work on the roadway. These approvals are regularly renewed.

Groupe Sanef is also committed to influencing worker behaviour. Workers receive training to help them perceive how their own behaviour may increase risks.

Policy to mitigate harsh working conditions

In 2016 specific regulatory thresholds and criteria were introduced to characterise employee exposure to harsh working conditions. Groupe Sanef has taken steps to evaluate worker exposure in relation to these thresholds. Groupe Sanef pursues its commitments in the following areas:

- Identifying specific work situations that require close attention in order to improve working conditions;
- Establishing action plans for steps to reduce harsh working conditions and environments as much as possible, in existing and future contexts.

This policy focuses on reducing exposure to multiple risks, improving working conditions and pursuing measures to allow workers to stay on the job.

IV.2 WORK-RELATED ACCIDENTS (FREQUENCY AND GRAVITY) AND OCCUPATIONAL ILLNESSES

In 2016 59 work-related accidents with medically mandated time off occurred within groupe Sanef, and 14 instances of occupational illness were registered in the group's companies.

Across the group as a whole 4,752 days of absence for work-related accidents were reported in 2016 .

Rate over rolling 12-month period	Dec 2016	
	TF	TG
Sanef SA - Sanef SA	11.33	1.11
Sapn SA - Sapn	24.85	1.56
SE A14 - SE A14	17.11	3.35
SE BPNL	48.51	1.72
Sanef Aquitaine	14.77	0.38
Eurotoll	0	0
Bip&Go	0	0

V - FORMATION

V.1 THREE-YEAR OUTLOOK FOR TRAINING IN THE GROUP

The future development of the group calls for ongoing and continual adaptation of its organisation and resources to ensure they are consistent with the group's strategy and projects. The different trades and job functions that constitute our assets may evolve as our ambitions grow.

To prepare for these changes it is essential that we identify the skills and competences needed for our development and success in achieving transformation in the future.

Occupational training is a prime lever for preparing workers for change. Training gives access to new knowledge, and fosters development of competences and acquisition of new skills. It strengthens the professional attitude of teams, contributes to personal development and boosts employability. It casts a new light on the tasks of each worker, and builds cohesion and team spirit.

Training should also give each worker the chance to become a pro-active agent of his or her career, through annual individual professional development

interviews and new mandatory provisions stipulating access to training introduced by the Social Modernisation Act of 5 March 2014.

The directions outlined for occupational training in the group for the next three years take into account the priorities set in the jobs and careers advancement agreement signed on 4 May 2016. Training objectives are guided by five major principles:

- Develop the skills required to pursue group strategy in its companies, according to activities and needs;
- Develop the skills required to transform our organisation, working methods and management tools;
- Encourage professional mobility and facilitate integration of workers in their new positions;
- Underscore the competences of all workers and guarantee professional advancement;
- Reinforce managerial skills.

In addition, the group wishes to promote training to boost the qualifications of as many workers as possible, in particular those in positions that are being phased out or transformed.

In compliance with legal requirements, the general directions of occupational training are updated annually, in keeping with the strategic outlook of the companies in the group.

The training programme is drawn up annually, within the allotted budget, and in keeping with:

- The strategic orientation of the company;
- The needs of each division (unit) as required for development and future projects;
- Development plans drawn up on the basis of individual professional development for each worker.

The corporate training plans include both collective and individual measures.

As required by law these plans are submitted to personnel representatives for consultative review.

For all subsidiaries: Sanef, Sapn, SE A14, Bip&Go, Eurotoll, A65 and SE BPNL.

V.2 TOTAL HOURS OF TRAINING

Training is offered to all employees regardless of status (executive staff, management-level staff, employees, workers), sex or type of contract (permanent or fixed-term).

However apprentices, interns and workers under qualification contracts (school and work schemes) are not included in the training programme, unless their assignments require them to perform tasks for which certification is necessary (e.g. travel with the network, electrical work).

In 2016 30,258 hours of training were dispensed within Sanef, Sapn, SE A14, Bip&Go, Eurotoll, A65 and SE BPNL (34,687 hours in 2015).

Training expenditures came to 811,144 euros in 2016 (compared to 782,793 euros in 2015).

VI - EQUAL TREATMENT

VI.1 MEASURES TAKEN TO FOSTER EQUALITY BETWEEN WOMEN AND MEN

In compliance with the international conventions of the International Labour Organisation, the Groupe Sanef companies work to promote equality between men and women in equivalent job positions, to ensure comparable career advancement, remuneration, access to training, positions of responsibility in the company hierarchy, as well as in hiring policy.

The comparative situation of men and women is reviewed annually with company social partners, on the basis of a document submitted at the time of annual salary negotiations. Groupe Sanef companies have action plans in place or collective bargaining agreements on equality between men and women at work.

The average annual salary (before deduction of payroll charges) of male management-level staff in the group is 68,839 euros, compared to 56,837 euros for women at the same level.

Average annual remuneration (before charges) for men in non-management positions is 36,619 euros for men, compared to 34,408 euros for women.

VI.2 MEASURES TAKEN TO FOSTER EMPLOYMENT AND INTEGRATION OF PERSONS WITH DISABILITIES

Groupe Sanef is very pro-active in matters of social responsibility, and has focused strongly in recent years on action to integrate and support people with disabilities.

The disabilities mission is conducted by the Human Resources Division, with the main tasks of coordinating, driving and enhancing the disabilities policy across the group as a whole, with a focus on «employment-retention-purchasing». To facilitate implementation of support measures for persons with disabilities, the group has also created an in-house network of disabilities reference persons, ready to act for each employee.

VI.3 ANTI-DISCRIMINATION POLICY

Under article 9 of its Ethics Charter (appended to the different internal rules of each company the group) groupe Sanef ensures equal opportunity for all its employees and non-discrimination between employees with regard to sex, origins, religion, beliefs, ideology, age, sexual orientation, nationality, political opinions, labour union activity, disability, family or marital status.

VII - COMPLIANCE AND SUPPORT FOR THE REQUIREMENTS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION, PERTAINING TO

- Freedom of association and the right to collective bargaining;
- Elimination of discrimination in employment and choice of profession;
- Elimination of forced or mandatory work;
- Effective abolition of child labour.

Groupe Sanef complies with all legislation in force and fully respects human rights and fundamental freedoms.

Groupe Sanef guarantees equal opportunity for all its employees and non-discrimination between employees with regard to sex, origins, religion, beliefs, ideology, age, sexual orientation, nationality, political opinions, labour union activity, disability, family or marital status. Groupe Sanef advocates mutual respect, benevolence, integrity, honesty, transparency, confidence and respect for human dignity in relationships between its employees.

AUDITOR'S REVIEW OF THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION PRESENTED IN THE ANNUAL ACTIVITY RAPPORT AUDIT PERFORMED BY A DESIGNATED INDEPENDENT THIRD PARTY

FY ending 31 December 2016

To the shareholders,

In our capacity as designated independent third-party Auditor of Sanef corporate accounts, accredited by COFRAC under the number 3-10481¹, we submit to shareholders our report on the consolidated social, environmental and corporate information for the financial year ending 31 December 2016 (hereafter referred to as CSR information) presented in the annual corporate activity report, in keeping with the provisions of article L.225-102-1 of the Commercial Code.

CORPORATE RESPONSIBILITY

The Board of Directors has a duty to draw up an activity report that includes the CSR information stipulated by article R.225-105-1 of the Commercial Code, in compliance with the company guidelines (hereafter referred to as the Guidelines). A summary of the guidelines is included in the activity report, and is available upon request at the corporate headquarters.

INDEPENDENCE AND QUALITY CONTROL

The independence of our organisation is governed by regulations, the ethics code of our profession and by the terms of article L.822-11 of the Commercial Code. We have in addition implemented a quality control mechanism that includes explicitly stated policies and procedures to ensure compliance with deontological rules, professional doctrine and applicable laws and regulations.

RESPONSIBILITY OF THE AUDITOR

Our duty as auditor is:

- To certify that the required CSR information is included in the activity report, or, if not included, that this omission is explained as required by item 3 of article R.225-105 of the Commercial Code (Certification of inclusion of CSR information);
- To conclude with reasonable confidence that overall the CSR information presents and reports with sincerity all significant items, in compliance with the Guidelines (Reasoned opinion on the sincerity of CSR information).

Our review was conducted by six people over some four weeks between November 2016 and February 2017. We also called upon specialists in corporate social responsibility to assist us in our audit.

Our review described below, was carried out in compliance with the order of 13 May 2013 governing the execution of this mission by independent third-party auditors and according to the professional code of the Compagnie nationale des commissaires aux comptes as it applies to these tasks. The Reasoned opinion on sincerity complies with the international ISAE 3000 standard².

1. CERTIFICATION OF INCLUSION OF CSR INFORMATION

SCOPE AND EXTENT OF THE REVIEW

Through interviews with the executive management of the relevant corporate divisions we were informed of the company's sustainable development policy, as it relates to the social and environmental consequences of the company's business activity and its impact on society, and as the case might be of measures and programmes pursued under this policy.

We compared the CSR information presented in the activity report with the list of items given in article R.225-105-1 of the Commercial Code.

In the absence of certain consolidated information we verified that explanations had been given for these omissions, as required under article R.225-105, item 3, of the Commercial Code.

We ascertained that the CSR information covered the consolidated corporate scope, i.e. the company and its subsidiaries as defined by article L.233-1 and the companies that it controls as defined by article L.233-3 of the Commercial Code, with the limitations specified in the note on methodology in section VII of the environment report and in the section on social relations in the activity report.

1 - The scope of this certification is available at www.cofrac.fr.

2 - ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

CONCLUSION

On the basis of our review and considering the limitations mentioned above, we certify that the requisite CSR information is included in the Activity Report.

2. REASONED OPINION ON THE SINCERITY OF REPORTED CSR INFORMATION

SCOPE AND EXTENT OF THE REVIEW

We conducted interviews with some ten people in charge of compiling CSR information from the corporate divisions tasked with collecting this information, and in some instances with the persons in charge of internal control and risk management. We sought to:

- Assess the appropriateness of the Guidelines, regarding their pertinence, completeness, trustworthiness, neutrality and comprehensibility, in the light of good practices in this business sector;
- Ascertain that procedures to gather, compile, process and verify CSR information are in place and are designed to ensure that the information is complete and consistent; to review the internal control and risk management procedures for the elaboration of CSR information.

We defined the nature and scope of our tests and verifications in keeping with the nature and importance of the CSR information in relation to the characteristics of the company, the social and environmental impacts of its activity, and its policy options for sustainable development and pursuit of good practices established in the business sector.

To determine which CSR information was most important³:

- At the level of the consolidating entity, We consulted documentation and conducted interviews to corroborate qualitative information on organisational aspects, policies and action, and we subjected quantitative data to analytical procedures, on the basis of sampling, data calculations and consolidation, and we cross-checked these

³ - **Social indicators:** Total workforce as of 31/12, Number of women in workforce as of 31/12, Permanent contract and fixed-term contract hires, Number of lay-offs, Total number of employees leaving the company, Average gross annual remuneration (men), Total absences (days), Total work accidents resulting in absences, Number of days of absence due to work accidents, Number of fatal work accidents, Accident frequency and seriousness rates, Number of occupational illnesses recorded, Number of hours worked, Total training hours.

Environmental indicators: Well water consumed (m3), Collected rainwater consumed (m3), Water purchased from another company (m3), Salt consumed, Aggregate consumed, Asphalt consumed, Recycled asphalt consumed, Concrete consumed, Metals consumed, Vehicle fuel consumed, Fuel consumed by vehicles other than corporate fleet, Electricity consumption, Natural gas consumption, Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions, Total internal hazardous waste, Total internal non-hazardous waste, External waste (household waste at rest areas), Worksite waste.

data for consistency and coherence with other data in the activity report.

- In a representative sample of entities in the corporate group and sites selected⁴ by type of activity, contribution to consolidated indicators, location, and on the basis of a risk analysis, we conducted interviews to ascertain that procedures were properly applied, and we carried out detailed tests on samples, to verify calculations and correlated data with supporting documentation. The sample covered all published environmental and social data.

We assessed the coherence of the rest of consolidated CSR information in the light of our knowledge of the company.

Lastly we assessed the relevance of the explanations furnished, as the case might be, for information that was lacking, either totally or in part.

It is our opinion that the sampling methods and the size of the samples we selected, using our professional judgement, authorise us to issue a conclusion of moderate assurance. More extensive verification would have been necessary to support a conclusion of higher level of assurance. Given the use of sampling techniques and other limitations inherent to any information system and internal control mechanism, the risk of failure to detect a significant anomaly in the CSR information cannot be entirely ruled out.

CONCLUSION

Our review did not reveal any significant anomaly of a nature to contradict the assessment that overall the CSR information is presented sincerely and keeping with the Guidelines.

Neuilly-sur-Seine, 10 March 2017,

Independent auditor

Deloitte & Associés

Laurent ODOBEZ
Associé

Julien RIVALS
Associate, Sustainable
development

⁴ - Social scope: Sanef SA, Eurotoll, Bip&Go, SAPN, SEA14, Sanef Aquitaine, SE BPNL.

Environmental scope: Sanef SA, Eurotoll, Bip&Go, SAPN, SEA14, Sanef Aquitaine, SE BPNL and the Beauvais maintenance centre.

REPORT
BY THE CHAIRMAN
OF THE BOARD
OF DIRECTORS
on the conditions of
preparation and organisation of work
undertaken by the board of directors
and internal control procedures
ARTICLE L. 225-37 OF THE COMMERCIAL CODE

This report has been drawn up in compliance with the terms of article L.225-37, final section, of the Commercial Code. It was approved by the Board of Directors of Sanef at the meeting convened 21 February 2017. The report is appended to the activity report for financial year 2016.

CHAPTER I - PREPARATION AND ORGANISATION OF WORK UNDERTAKEN BY THE BOARD OF DIRECTORS

I - ORGANISATION AND FUNCTIONING OF THE BOARD OF DIRECTORS

Directors serve for a term of two years (article 12 of the company by-laws).

The current directors were elected by the Annual Meeting of 19 April 2016. Their terms will expire at the Annual Meeting to be held in 2018 to review the FY 2017 accounts. All incumbent members are eligible for re-election.

At the end of FY 2016 the membership of the Board of Directors was as follows:

Physical persons (8):

- Mr Alain MINC, Chairman of the Board of Directors and members of the Strategy and Commitments Committee,
- Ms Sophie BOISSARD,
- Mr Jose Luis GIMENEZ,
- Mr José Aljaro NAVARRO, member of the Audit Committee,
- Mr Martí CARBONELL,
- Ms Marta CASAS,
- M Guy DE PANAFIEU, chair of the Audit Committee and member of the Remuneration and Appointments Committee,
- Mr Francisco REYNÉS, chair of the Strategy and Commitments Committee and member of the Remuneration and Appointments Committee.

There was no modification of the membership of the board in the course of FY 2015.

Moral persons (4):

- CDC Infrastructure, represented by Ms Marie-Laure MAZAUD, member of the Strategy and Commitments Committee,
- Predica S.A., represented by Mr Jean-Jacques DU-CHAMP, member of the Audit Committee,
- Axa République, represented by Mr Mathias BURGHARDT, member of the Strategy and Commitments Committee,
- FFP Invest, represented by Mr Robert PEUGEOT, chairman of the Remuneration and Appointments Committee.

The shareholders seek to nominate a board in keeping with the obligations imposed under the legislation of 27 January 2011 that requires balanced representation of men and women on corporate boards, with effect as of the first annual meeting held after 1 January 2017.

The Remuneration Committee has followed this issue of balanced representation at each of its meetings. The overall executive management of the company is exercised by M Lluís Deulofeu, appointed to this position by the board meeting of 17 October 2014.

At the suggestion of the director general the Board of Directors also appointed Ms Odile Georges-Picot to the position of deputy director general on 9 February 2015. Ms Georges-Picot resigned from her position on 11 July 2016.

In addition to the corporate by-laws the functioning of the Board of Directors is governed by the board's rules of procedure, most recently amended by the board on 15 February 2007.

These rules of procedure for the board pertain to the relationships between corporate officers and the deontology of these officers. The operating procedures for the board's committees (see below) are appended to the rules of procedure along with the conditions for participating in board meetings via video or telecoms conference calls.

Official notification of the convening of board meetings is sent to board members in general five working days before the date of the meeting. Seeing that Spanish citizens participate in board meetings, meeting documents are sent out by electronic means. The official notification includes the agenda and documents related to the points to be discussed. Pertaining to urgent matters, documentation may be distributed at the time of the meeting.

The Director General attends all meetings of the Board of Directors, and is accompanied by the executive directors of the company who report to the board on technical matters. The delegates of the Works Committee are invited to board meetings, and attended all meetings held in 2016 (excepting the meeting of 19 April). The accounts auditors are invited to board meetings, and attended the board meeting devoted to approving the corporate accounts.

The secretariat of the Board of Directors is assumed by an executive member of the legal staff.

The State, conceding party represented by the commissioner of the government, is systematically notified of all board meetings, but did not attend any of the meetings in 2016.

II – ACTIVITY OF THE BOARD AND ITS COMMITTEES DURING THE PAST FINANCIAL YEAR

The Board of Directors

The board met six times in the course of the past financial year, at the initiative of the chairman.

At each meeting the chairman and the director general presented the noteworthy events and developments in the life of the company since the preceding meeting.

A detailed account of business activities, concessions and finances is also presented at each meeting.

In addition to the recurrent matters that fall within the purview of the Board of Directors (approval of annual accounts and provisional budgets, approval of regulated agreements, convening of the Annual Meeting, activity report by the director general) noteworthy items on the agenda for meetings in 2016 included the following:

- Authorisation of a «Euro Medium Term Note» for a maximum nominal amount of 2 billion euros, with proxy given to the director general to carry out bond issues up to a maximum nominal value of 600 million euros per issue. The authorisation is given for one year.
- Authorisation to conclude refinancing paperwork for the ALIS company of which groupe Sanef owns 20%, by bond issue;
- Validation of an action plan to prevent insider trading and for management of privileged information with groupe Sanef;
- Monitoring of interaction with the State, conceding party, in particular on the advancement of the stimulus plan and integration of the components of this plan in the 12th rider to the Sanef concession agreement.

The decisions of the board are made in keeping with the rules of quorum and majority stipulated by law. Board meetings and decisions are formally reported in minutes drawn up after each meeting, and signed by the chairman and one board member.

The average rate of attendance by board members in 2016 was 78%.

Board committees

The Board of Directors has created three working committees, in keeping with article R. 225-29 of the Commercial Code:

- Strategy and Commitments Committee
- Remuneration and Appointments Committee
- Audit Committee.

The board committees were regularly convened to prepare matters for discussion by the Board of Directors:

- Strategy and Commitments Committee: in the absence of items for its agenda, this committee was not convened;
- Remuneration and Appointments Committee: this committee met three times, to discuss the remuneration of the director general and of the deputy director general, the sharing out of attendance fees, and the implementation of gender parity on the board;
- Audit Committee: this committee met twice, to review the work of the accounts auditors, to study financial documentation and to follow audits and risk assessments.

III – RESTRICTIONS, IF ANY, ON THE POWERS OF THE DIRECTOR GENERAL

The terms of article L.225-51 of the Commercial Code, reiterated in article 15.I of the by-laws, allow the Board of Directors to choose between Executive Management of the company exercised, under the responsibility of the board, either by the Chairman of the Board of Directors (joint functions), or by another physical person appointed by the Board of Directors, with the title of Director General (separation of functions). At the meeting of 19 April 2016, convened immediately following the Annual Meeting that had renewed the terms of office of the board members, the Board of Directors confirmed its choice of separation of functions between Mr Lluís Deulofeu, Director General, and Mr Alain Minc, Chairman of the Board.

The Board of Directors did not place any restrictions on the powers exercised by the director general at the time of his appointment. The board's rules of procedure, however, stipulate that express authorisation from the Board of Directors is required for certain decisions, in particular:

- Any plans for new diversification that is not included in the strategy decided by the Board of Directors;
- Any investment or divestment (not approved under the annual budget) of more than 25 million euros, and on the advice of the Strategy and Commitments Committee, any investment or divestment valued at between five and 25 million euros;
- Any modification of the company contract, concession agreement or pricing policy that might alter the economic parameters of the concession (investments, tariffs, length of the concession, etc.) by more than 50 million euros in terms of net present value.

CHAPTER II - INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

I - GENERAL ORGANISATION OF INTERNAL CONTROL PROCEDURES WITHIN THE COMPANY

I.1 SCOPE OF CONTROL PROCEDURES

This report covers the parent company of the group, Sanef S.A., as well as all the companies it controls that are included in the bounds of the group's consolidated accounts.

I.2 OBJECTIVES OF INTERNAL CONTROL AND/OR OBJECTIVES OF INTERNAL CONTROL PROCEDURES

The internal control of the company relies on the full range of control activities and mechanisms (notably audit, management audit, control bodies, compliance) designed to provide reasonable assurance that the following objectives are attained:

- Compliance with legislation and regulations
- Accuracy of financial information. The financial information control system is integrated into that of the Abertis group, the parent company of Sanef that is governed by Spanish law. This system is based on the principles set forth in June 2010 by its internal control working group on financial information, for application of Spanish legislation on sustainable economic development (Law 24/1988 of 28 July 1988, amended by Law 2/2011 of 4 March 2011).
- Design and implementation of control mechanisms for business operations.

Initiatives taken by company executive bodies or management, for example setting company strategy, determining objectives, management decisions, risk treatment or performance monitoring, are not included in the scope of internal control.

Furthermore, internal control cannot absolutely guarantee that the company's objectives will be attained.

I.3 THE COMPONENTS OF INTERNAL CONTROL AND THEIR RESPECTIVE ROLES

In addition to the Board of Directors committees, the roles and functioning of which are described in the first section of this report, control action is exercised through various mechanisms.

A first level of control is found in the organisation of the company itself, and then in permanent bodies and entities:

- **Executive Committee**

The Executive Committee meets every other month; headed by the director general, it is made up of Sanef executive directors.

This committee reviews the monthly business report that includes a financial report, action plans from business divisions and company production indicators.

- **Investment Committee**

This committee is in charge of developing programmes and validating projects. It is chaired by the director general, and includes the chief financial officer and executives involved in the projects.

- **Contracts Commission**

The Contracts Commissions set up by Sanef S.A. and Sapn respectively, in application of article L.122-17 of the Highway Code, met three times, and examined seven contracts in all, for which it issued a favourable assessment.

A similar Contracts Commission created by the group for the Sanef S.A. and Sapn companies under article 6 of the Sanef S.A. and Sapn concession contracts met ten times, and examined 39 contracts, for which it issued a favourable assessment.

- **Opex Capex Committee**

The Opex Capex Committee headed by the CFO checks purchases above stated thresholds, ensures that there is synergy between purchases, and ensures budget guidance to stay on course to achieve the desired savings.

All expenditures engaged by the group exceeding 100,000 euros for investments and 30,000 euros for operating expenses are reviewed.

- **Staffing Committee**

The Staffing Committee was set up in October 2016 under the responsibility of the CFO, with input from the Human Resources Division and the Organisation and Quality Division. The committee reviews and validates requests for hiring, ensures that teams are of the proper size, and takes steps to encourage good practices and synergy in terms of staffing levels. In 2016 the committee reviewed 25 case files.

- **Audit and Quality Division**

This division is tasked with evaluating internal control mechanisms.

- **Legal Division**

The Legal Division ensures the legal security of the company, its executives and workers. It is associated with all phases of business activity, from the upstream stages of projects to their conclusion. This division is also in charge of ensuring that all contracts

are in compliance with the law, and follows risk and compliance issues.

• **Financial Division**

The tasks of the Financial Division are to:

- Produce monthly company accounts according to the schedule set by Executive Management that are accurate, trustworthy and in compliance with standards and regulatory requirements;
- Consolidate the accounts of all groupe Sanef subsidiaries each month;
- Explain divergence between budgeted and actual costs;
- Supply relevant financial information to investors and analysts;
- Implement financial policy, optimally manage cash flow and investments, if any;
- Ensure communication with the accounts auditors.

1.4 DUE DILIGENCE FOR DRAWING UP THIS REPORT

The Director of Audit was consulted for the writing of this report.

II – SUMMARY OF INFORMATION ON INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY

Internal control is carried out under the procedural framework set up within the Abertis group.

• **Ethics charter**

The groupe Sanef ethics charter reiterates the values held by the group – Trust, Responsibility, Openness, Innovation, Rigour and Effectiveness. It establishes a reference framework of ethical positions and states the principles of appropriate behaviour that should be the goal of all employees in the group. The charter broaches in particular the issues of conflict of interest, use and protection of assets, relationships with suppliers and with public authorities.

• **Comprehensive management system framework**

The Sanef Quality Management System is reinforced, with the aims of improving the performance of company procedures and ensuring satisfaction of stakeholders. This system provides the reference framework for other management systems, in particular the Health and Safety at Work systems for the Sanef and Sapn networks, now being harmonised. Procedures are common to Sanef and Sapn and defined at a centralised echelon. The other companies work with their own management systems, in coordination with the group system.

Group Sanef has set up group procedures for the

following supporting activities:

- Legal: delegations of authority, insurance
- Finances: tracking fixed operating assets, fixed assets, immobilised production stocks, accounting of purchases and stocks, operating revenue, statutory consolidation, etc.
- Human resources: hiring authorisation, management staff, travel policy, vehicles, etc.
- Contracts: guiding principles for contracts, procedures pertaining to devolution and transmission of contracts, etc.

• **Audits**

Audits are conducted by the Sanef Audit Division, working with the Risk Management and Internal Audit Division of Abertis.

Audits are carried out in the framework of an audit procedure following a calendar of periodic audits by domain for the main companies in the Sanef group (Sanef and Sapn), and overall reviews for the subsidiaries. Audit recommendations are regularly followed.

The audit plan is validated by the Audit Committee. Audits are conducted by the Risk Management and Internal Audit Division of Abertis that has seconded an auditor to Sanef. Between six and ten audits are carried out each year (ten audit procedures in 2016).

Each audit is conducted in keeping with the reference guidelines, and conclusions are presented and communicated to the executive directors involved.

The Sanef Audit Division follows up on the recommendations. Of 111 recommendations issued from 2009 to 2015, 37 recommendations remain to be implemented.

An annual review is presented to the Audit Committee.

The tolls management department in the Operations Division is in charge of oversight of motorway toll collection at the Sanef, Sapn, SEA A14 and Sanef Aquitaine companies.

• **Risk management**

A risk management process has been set up, using methodology identical to that of the Abertis group.

The map of risk distribution is updated annually. The director of audits and risks meets individually with each executive director, and the risk summaries are reviewed with the directors of each business pole. Risk scoring is discussed with the risk department at Abertis.

The risk distribution map was presented to the Audit Committee in October 2016.

An update on the main risk factors is given at each meeting of the Audit Committee, along with information on major emerging risks, if any.

III – THE INTERNAL CONTROL PROCEDURES THAT ARE THE MOST USEFUL FOR COMPILING AND PROCESSING FINANCIAL AND ACCOUNTING DATA

III.1 THE ORGANISATIONAL FRAMEWORK FOR COMPILING FINANCIAL AND ACCOUNTING DATA TO BE PRESENTED TO SHAREHOLDERS

The Financial Division is organised in five departments: Accounting and fiscal matters, Management audit, Consolidation and reporting, Finances and cash flow, and Purchasing. The first three departments work together directly on establishing accounts and jointly ensure their accuracy.

- **Managing finances and cash flow**

The cash flow positions of Sanef S.A. and all the consolidated subsidiaries of the group are centralised at the Sanef S.A. level.

Cash flow, needs or surplus are managed in keeping with the projections for annual cash flow on a monthly basis and according to estimates for the month updated daily. All these documents are updated monthly for end-of-month balances.

Decisions on new financing and debt management are made by the Board of Directors.

The fixed rate/variable rate debt position is regulated by Sanef bank documentation. By principle Sanef refuses to be net seller of options in its operations on financial rate markets.

Exchange risk positions are systematically covered when the Financial Division is aware of these positions.

- **Business plan**

A five-year business plan is drawn up every year (year N: budget for the year plus projections for four years). The plan includes for the five years to come:

- Traffic projections
- Group earnings
- Cash flows

- **Budget and reporting cycle**

The group management audit team works to develop and implement the budget cycle. Working with the management audit team each division in the group

draws up its projections. These budgets are then submitted to Executive Management by each division. After validation they are sent to the various departments and business poles, and constitute their budgets for the year N+1.

These commitments are revised twice a year, in June and October.

The management audit office issues a monthly report to business departments. This report includes monthly tracking of financial data compared to the annual budget (earnings), workforce data and operational indicators (traffic, transactions, productivity figures).

Quarterly business meetings are held with operational business departments to discuss their current accounts and progress towards annual objectives.

- **Investments**

Investment programmes are drawn up in the framework of the five-year business plan, and updated each time projections or budgets are revised.

The group pursues two types of investment:

- Investment for expansion: investments with a financial counterpart (concession contract, objectives contract, stimulus plan, contracts with outside customers, etc.) or programmes that offer productivity gains (toll automation for instance).
- Operational investments: these are essentially fixed assets for operations.

The investment programme is validated twice yearly by Executive Management, in March when the five-year plan is adopted, and in October when the budget is drawn up.

Expansion investments are managed in project mode: they must be authorised beforehand by the Investment Committee (DG + business pole directors + Financial Division) according to a predefined threshold.

The Investment Committee meets monthly to approve projects above the threshold level. The committee also reviews the monitoring of the investment programme for the year and verifies that investments are consistent with the commitments made under negotiated contracts (objectives contract, concession contract, stimulus plan, among others).

The committees formed to monitor contracts with the State meet quarterly, to make sure that projects are carried out in keeping with contractual commitments.

All investments are reviewed quarterly, project by project with the divisions involved.

- **Fiscal matters**

Fiscal intelligence is gathered, with close attention to taxes and fees related to the business activity.

- **Accounting**

This department verifies that all requested payments have been approved at the operations level.

The accounting department reviews immobilisations of fixed assets to verify that they are appropriate, with proper value and amortisation periods.

Specific audits are carried out for amounts reported for tolls turnover, for amounts of transactions between companies and for remote toll collection.

- **Management reporting and audit**

Monthly reporting to the Abertis group includes:

- A consolidated earnings account with monitoring of discrepancies in relation to the budget
- A consolidated balance sheet
- Group debt tracking

Activity indicators (workforce, traffic, transactions, etc.)

- **Finalisation**

Groupe Sanef draws up its consolidated accounts in compliance with the International Financial Reporting Standards (IFRS) in effect in the European Union, as required by regulations.

Social and consolidated accounts are established monthly by the Financial Division for reporting purposes.

The head of the Consolidation Department is in charge of contact with the accounts auditors to maintain continual liaison.

The accounts auditors may be invited to attend Audit Committee meetings, as the case may be.

Chairman of the Board
Alain Minc

INDEPENDENT AUDITOR'S REVIEW OF THE REPORT BY THE CHAIRMAN OF THE SANEF BOARD OF DIRECTORS REVIEW ESTABLISHED IN COMPLIANCE WITH ARTICLE L.225-235 OF THE COMMERCIAL CODE

FY ending 31 December 2016

To the shareholders,

In our capacity as Independent Auditor of the Sanef corporate accounts, and in compliance with the stipulations of article L.225-235 of the Commercial Code, we hereby submit our review of the report by the Chairman of the Board of Directors for the financial year ending 31 December 2016 as required by article L.225-37 of the Commercial Code.

It is the Chairman's duty to draw up and submit to the Board of Directors for approval a report outlining the internal control and risk management procedures in place in the company, and to give other information stipulated by article L.225-37 of the Commercial Code, in particular regarding corporate governance.

It is our duty:

- To communicate to shareholders our observations elicited by the information contained in the Chairman's report, with respect to internal control and risk management procedures pertaining to the compilation and processing of accounting and financial information, and
- To certify that the report contains the other information required under article L.225-37 of the Commercial Code. It should be noted that it is not our duty to verify the sincerity of the other information.

We have conducted our review in keeping with professional standards in effect in France.

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES PERTAINING TO COMPILATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Professional standards call for the implementation of due diligence to assess the sincerity of the information given in the Chairman's report on internal control and risk management procedures pertaining to the compilation and processing of accounting and financial information.

This due diligence includes:

- Review of the internal control and risk management procedures pertaining to the compilation and processing of accounting and financial information that underpins the information presented in the Chairman's report, and of existing documentation;
- Review of the work carried out to draw up this information and existing documentation;
- Steps to determine whether any major shortcomings of internal control pertaining to compilation and processing of accounting and financial information that we may have noted in the course of our mission are properly reported in the Chairman's report.

On the basis of our review, we have no observations to make on the information provided on internal control and risk management procedures pertaining to the compilation and processing of accounting and financial information, as reported in the report by the Chairman of the Board of Directors drawn up in compliance with the stipulations of article L.225-37 of the Commercial Code.

OTHER INFORMATION

We certify that the report by the Chairman of the Board of Directors contains the other information required under article L.225-37 of the Commercial Code.

Paris and Neuilly-sur-Seine, 19 April 2017

Independent auditors

PHM-AEC
Philippe MOURARET

Deloitte & Associés
Laurent ODOBEZ

CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY FINANCIAL STATEMENTS	68
I – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	68
II – CONSOLIDATED STATEMENT OF FINANCIAL POSITION	70
III – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	72
IV – CONSOLIDATED STATEMENT OF CASH FLOWS	73
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	74
I – INFORMATION CONCERNING THE GROUP	74
II – ACCOUNTING POLICIES	75
III – DETAILS OF THE SUMMARY FINANCIAL STATEMENTS	82
INDEPENDENT AUDITOR’S REVIEW OF CONSOLIDATED ACCOUNTS	108

SUMMARY FINANCIAL STATEMENTS

I - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	Notes	2016	2015
Operating income		1,768,187	1,733,157
Revenue	3.2	1,733,837	1,702,190
<i>of which revenue excluding construction</i>		1,624,433	1,595,191
<i>of which revenue from construction</i>		109,404	106,999
Other income	3.5	34,351	30,967
Operating expenses		(922,338)	(976,652)
Purchases and external expenses	3.3	(201,351)	(216,355)
<i>of which construction costs</i>		(109,404)	(106,999)
Payroll costs	3.4	(170,051)	(208,690)
Other expense	3.5	1,491	(6,175)
Taxes other than on income	3.6	(244,914)	(226,114)
Depreciation, amortization and provision	3.7	(307,513)	(319,318)
Operating income, net		845,850	756,505
Interest expense	3.8	(126,459)	(160,134)
Interest income	3.9		(162,997)
Other financial expenses	3.8	(22,350)	(75,781)
Financial income	3.8	8,327	39,408
Income before tax		705,369	559,998
Income tax	3.9	(259,142)	(216,720)
Share in net income of associates	3.1	4,441	1,051
Net income before non-controlling interests		450,668	344,329
Non-controlling interests		42	13
Net income attributable to owners of Sanef		450,625	344,316
Basic earnings per share (in euros)		5.88	4.49
Weighted average number of shares		76,615,132	76,615,132
Diluted earnings per share (in euros)		5.88	4.49
Weighted average number of shares		76,615,132	76,615,132

OTHER COMPONENTS OF COMPREHENSIVE INCOME

(in € thousands)	2016	2015
Net income	450 668	344 329
Actuarial gains and losses on post-employment programs	(13 440)	2 083
Tax effect	4 627	(717)
Effect of regularization tax rate as of 2020	(370)	
Items not potentially reclassifiable to profit and loss	(9 183)	1 366
Fair value adjustment on cash flow hedges		
Tax effect		
Fair value adjustment on cash flow hedges of associates (net of tax)	(559)	851
Items potentially reclassifiable to profit and loss	(559)	851
Total income and expenses recognized directly in equity	(9 742)	2 217
Total income and expenses recognized during the period	440 926	346 545
Attributable to the owner of Sanef	440 884	346 531
Non-controlling interests	42	13

II - BILAN CONSOLIDE

ASSETS (In € thousands)	Notes	31/12/2016	31/12/2015
Goodwill	3.11		
Intangible assets	3.12	3 751 489	3 866 936
Property, plant and equipment	3.13	181 324	184 932
Investments in associates	3.1	54 799	51 192
Non-current financial assets	3.14	17 731	59 656
Deferred tax assets		100 212	92 001
Total non-current assets		4 105 556	4 254 717
Inventories		5 764	6 579
Trade and other accounts receivable	3.15	204 696	313 598
Current financial assets	3.14	1 176	2 961
Cash and cash equivalents	3.16	578 233	143 503
Group of assets held for sale	3.11	111 672	
Total current assets		901 540	466 641
TOTAL ASSETS		5 007 096	4 721 358

EQUITY AND LIABILITIES (in € thousands)	Notes	31/12/2016	31/12/2015
Capital stock	3.17	53 090	53 090
Additional paid-in capital	3.17	654 413	654 413
Reserves and net income		167 098	6 352
Equity attributable to the owners of Sanef		874 602	713 855
Equity attributable to the non-controlling interests		120	106
Total equity		874 722	713 961
Non-current provisions	3.18	416 900	413 723
Provisions for long-term employment benefits	3.19	67 738	58 006
Non-current financial liabilities	3.20	2 875 925	2 723 470
Total non-current liabilities		3 360 563	3 195 199
Current provisions	3.18	43 138	31 477
Current financial liabilities	3.20	314 516	380 663
Trade and other accounts payable	3.21	269 544	371 252
Current tax liabilities		39 220	28 806
Group of liabilities held for sale	3.11	105 393	
Total current liabilities		771 811	812 198
TOTAL EQUITY AND LIABILITIES		5 007 096	4 721 358

III - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In € thousands)	Capital stock	Additional paid-in capital	Foreign exchange differences	Consolidated reserves and net income	Shareholders' equity	Non-controlling interests	Total Equity
As of January 1, 2016	53 090	654 413		6 352	713 855	106	713 961
Dividends				(280 000)	(280 000)	(21)	(280 021)
Recognized income and expenses				440 926	440 926	41	440 968
Share-based compensation							
Change in scope							
Others				(180)	(180)	(6)	(186)
As of December 31, 2016	53 090	654 413		167 099	874 602	120	874 722

(In € thousands)	Capital stock	Additional paid-in capital	Foreign exchange differences	Consolidated reserves and net income	Shareholders' equity	Non-controlling interests	Total Equity
As of January 1, 2015	53 090	654 413	47	(40 830)	666 720	98	666 818
Dividends				(293 000)	(293 000)	(23)	(293 023)
Recognized income and expenses				346 532	346 532	13	346 545
Share-based compensation							
Change in scope			(47)	(7 187)	(7 234)		(7 234)
Others				837	837	18	855
As of December 31, 2015	53 090	654 413		6 352	713 855	106	713 961

IV - CONSOLIDATED STATEMENT OF CASH FLOWS

	2016	2015
OPERATING ACTIVITIES		
Operating income, net	845 850	756 505
Depreciation, amortization and provisions	311 481	331 600
Recoveries of depreciation, amortization and provisions	(2 448)	(4 234)
Disposal gains and losses	957	(27)
Change in inventories	(815)	3 074
Change in trade and other accounts receivable	(9 529)	(13 413)
Change in trade and other accounts payable	(5 665)	(33 244)
Taxes paid	(241 974)	(226 687)
	897 857	813 574
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(35 973)	(41 915)
Additions to intangible assets	(158 483)	(101 239)
Proceeds from disposals of property, plant and equipment and intangible assets	1 977	899
Additions to non-current financial assets	(30)	(30)
Proceeds from disposal of non-current financial assets		
Net cash held by subsidiaries on acquisition/disposal		(2 415)
Interest income	252	476
	(192 257)	(144 224)
FINANCING ACTIVITIES		
New equity or capital contributions		-964
Dividends paid to owners of SANEF	(280 000)	(250 000)
Dividends paid to non-controlling shareholders	(21)	(23)
Loan payments credited	439 123	702 095
Reimbursement of borrowings	(304 850)	(930 523)
Investment grants (gross)	441	4 125
Interest expense	(125 563)	(186 416)
Premium paid on Liability Management operation in 2014 and 2015		(58 917)
	(270 870)	(720 623)
NET CHANGE IN CASH AND CASH EQUIVALENTS	434 729	(51 273)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	143 503	194 776
CASH AND CASH EQUIVALENTS – END OF PERIOD	578 233	143 503

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I - INFORMATION CONCERNING THE GROUP

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, 2015, the group's network in service consisted of 1,773 kilometers.

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

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

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

1. Expanded investment in infrastructure:
 - (i) Direct investments through the Stimulus Plan:
 - For Sanef, the Stimulus Plan represents an investment program of about €330 million and a two-year extension of the concession.
 - 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:
 - 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.
 - The creation by Vinci, APRR and the Sanef shareholders of a €200 million fund for the ecological modernization of transportation (French acronym FMET). The contribution to this made by Sanef group shareholders was €50 million.
2. Stabilizing the contractual relationship with

Sanef and Sapn and the economic balance of the concessions:

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

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

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

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

The provisions most likely to influence the outlook of the group's operations include:

- the obligation to maintain all engineering structures in a good state of repair and to ensure the continuity of traffic circulation under good safety conditions and in good working order;
- the provisions setting toll rates and the conditions for changes thereto;
- the clauses providing for applicable provisions in the event of regulatory changes of a technical or tax nature applicable to toll road operators. If such a change was liable to seriously compromise the financial equilibrium of the concessions, the French government and the concession operators would agree the compensation to be envisaged by

- mutual agreement;
- the provisions liable to guarantee that all of the engineering structures of the concession have been placed in a proper state of repair on the date the contract expires;
- the conditions under which the assets are to be turned back over to the French government at the end of concession and the restrictions placed upon the assets;
- the ability of the French government to buy out the concession arrangements in the general interest.

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

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

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

II - ACCOUNTING POLICIES

II.1 APPLICABLE ACCOUNTING PRINCIPLES

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

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

- Annual IFRS improvement process (2010-2012 cycle) of December 2013: the amendments included in this annual IFRS improvement process

are applicable to the fiscal years beginning on February 1, 2015 and pertain to six standards. These amendments did not have a material impact on the group’s consolidated financial statements.

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

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

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.

II.2 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

II.3 CONSOLIDATION METHOD

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

Subsidiaries are fully consolidated when they are

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

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

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

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

II.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.

II.5 SEGMENT DATA

The group is not obliged to provide segment data, as defined in IFRS 8. However, some indicators present-

ing the concessions separately from other activities (basically telematics) are presented in note 3.25.

II.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.

Following the removal of the sanef-its group, there is no more goodwill in the Sanef group consolidated statement of financial position.

II.7 INTANGIBLE ASSETS

II.7.1 - INTANGIBLE ASSETS HELD UNDER CONCESSION ARRANGEMENTS

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

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

On initial recognition, the assets are measured based on the fair value of the construction or improvement work performed on the infrastructure with a contra-entry in profit or loss, corresponding to the revenue recognized for the services performed for

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

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

II.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

II.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 Sanef 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

II.9 FINANCIAL INSTRUMENTS

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

II.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, Sanef 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 Sanef 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.

II.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.

II.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.

II.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.

II.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.

II.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.

II.13 EQUITY

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

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

II.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.

II.15 INTEREST EXPENSES

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

II.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".

II.17 EMPLOYEE DEFINED BENEFIT OBLIGATIONS

Salaried employees of the Sanef group receive lump-sum termination benefits which are paid to those employees who are actively employed by the Sanef group 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.

II.18 REVENUE RECOGNITION

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

In accordance with IFRIC 12, the Sanef 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.

II.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.

II.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 the Sanef group 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 ap-

proximation of their fair value, taking into account the short payment and settlement periods used by the Sanef group.

The valuations generated by these models are adjusted in order to take into account changes in the Sanef group's credit risk.

II.21 NON-CURRENT ASSETS HELD FOR SALE

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

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

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

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

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

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

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

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

Details of assets and liabilities associated with these assets held for sale are presented in note 3.11.

II.22 REPORTING STANDARDS AND INTERPRETATIONS NOT YET IN EFFECT

Certain standards and interpretations formally adopted by the IASB and IFRIC, some of which are in the process of being approved by the European authorities and thus not yet applicable, were not given early application by the Sanef Group in its 2015 consolidated financial statements.

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

III - DETAILS OF THE SUMMARY FINANCIAL STATEMENTS

III.1 SCOPE OF CONSOLIDATION

The Sanef group consists of the parent company Sanef and the following subsidiaries:

Sociétés	Activité	Méthode de consolidation
Sapn	Toll road concession operator	Full consolidation
SEA 14	Toll road operator	Full consolidation
Bip&Go	Distribution (Telematics)	Full consolidation
Eurotoll	Telematics	Full consolidation*
Eurotoll Central Europe zrt	Distribution	Full consolidation*
SE BPNL	Toll road operator	Full consolidation
Léonord Exploitation	Toll road operator	Full consolidation
Léonord	Toll road concession operator	Equity method
Alis	Toll road concession operator	Equity method
Routalis	Toll road operator	Equity method
ALienor	Toll road concession operator	Equity method
Sanef Aquitaine	Toll road operator	Full consolidation
Sanef-Saba Parkings France	Parking garage concessions	Equity method

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

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

III.1.1 - INVESTMENTS IN ASSOCIATES

Summary financial highlights of associates:

2016 (in € thousands)	ALIENOR	ALIS	ROUTALIS	SSPF	LEONORD
% Interest	35,00%	19,67%	30,00%	50,00%	35,00%
In local currency	Euro	Euro	Euro	Euro	Euro
Assets	1 173 598	1 120 721	2 812	181	73 374
Liabilities	747 062	963 871	1 934	8	73 334
Equity	426 536	156 850	878	173	40
Revenue	58 000	90 481	10 466	4	13 947
Operating profit (loss)	25 382	38 363	1 402	-4	0
Profit (loss) before tax	10 194	3 289	1 223	-4	0
NET INCOME (LOSS)	8 822	2 505	834	-4	0
2015 (in € thousands)	ALIENOR	ALIS	ROUTALIS	SSPF	LEONORD
% interest	35,00%	19,67%	30,00%	50,00%	35,00%
In local currency	Euro	Euro	Euro	Euro	Euro
Assets	1 186 455	949 055	3 041	194	8 366
Liabilities	893 427	788 179	2 068	26	8 326
Equity	293 028	160 876	973	168	40
Revenue	53 589	69 783	10 815	11 534	13 990
Operating profit (loss)	21 084	38 713	1 542	-147	0
Profit (loss) before tax	1 326	7 364	1 357	-147	0
NET INCOME (LOSS)	1 326	6 304	929	-147	0

The Sanef 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.»

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

The companies of the Sanef group also hold claims against Alis in the amount of €15 million (see note 3.24).

III.2 REVENUE

(in € thousands)	2016	2015 (*)
Toll receipts	1 537 904	1 485 227
Subscription sales and telematics services	29 781	27 227
Fees from service area operators	29 943	31 407
Telecommunications fees	6 634	6 461
Engineering services and other	20 170	44 869
Revenue from activities other than toll collection	86 529	109 964
Revenue from construction work performed by third parties	109 404	106 999
REVENUE	1 733 837	1 702 190

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

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

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

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

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

III.3 PURCHASES AND EXTERNAL EXPENSES

(in € thousands)	2016	2015 (*)
Maintenance of infrastructure	(12 060)	(13 394)
Maintenance and repair	(20 645)	(20 087)
Consumption and expenses related to operations	(20 281)	(30 248)
Other external expenses	(38 960)	(45 627)
Expenses for construction work carried out by third parties	(109 404)	(106 999)
PURCHASES AND EXTERNAL EXPENSES	(201 351)	(216 355)

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

III.4 PAYROLL COSTS

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

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

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

III.5 OTHER INCOME AND EXPENSES

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

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

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

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

III.6 TAXES OTHER THAN ON INCOME

(in € thousands)	2016	2015 (*)
Regional development tax	(107 621)	(104 964)
Local business tax	(47 243)	(44 375)
Local government royalties	(80 076)	(68 688)
Other taxes	(9 974)	(8 087)
TOTAL OTHER FINANCIAL EXPENSES	(244 914)	(226 114)

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

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

The royalty paid to local governments (also known as the annual royalty for occupation of a public do-

main) 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 tax is paid in July of each year, to cover the period from July 1 to June 30 of the following 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.

III.7 DEPRECIATION, AMORTIZATION AND PROVISIONS

(In € thousands)	2016	2015 (*)
Amortization of intangible assets	(229 350)	(237 917)
Depreciation of PP&E: concessions (including Bip&Go)	(35 578)	(39 453)
Depreciation of PP&E: other companies	(2 689)	(743)
Total depreciation and amortization	(267 617)	(278 113)
Additional provisions on infrastructures under concession	(39 896)	(41 124)
Net provisions for impairment of other companies' assets		(81)
DEPRECIATION, AMORTIZATION AND PROVISIONS	(307 513)	(319 318)

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

III.8 FINANCIAL INCOME AND EXPENSES

Analysis of financial income and expenses:

(in € thousands)	2016	2015
Interest expenses on debt stated at amortized cost	(126 459)	(160 134)
Total interest expenses	(126 459)	(160 134)
(in € thousands)	2016	2015
Other financial expenses		
Interest expenses on interest rate derivatives		
Amortization of the cash equalization payments on the partial unwinding of swaps	(21 954)	(14 883)
Cash equalization payments in 2015		(58 917)
Miscellaneous financial expenses	(395)	(1 981)
Total financial expenses	(22 350)	(75 781)

In 2016 'Other financial expenses' mainly related to the effects of the unwinding of the discount on CVE provisions.

In 2015 Other financial expenses consist largely of repurchase premiums (equalization payments) on CNA loans maturing in 2018 and to a degree those maturing in 2017 (see Note 3.20) in the amount of €58,917 thousand.

(in € thousands)	2016	2015
Financial income		
Income from equity investments	48	114
Income from other receivables and marketable securities	6 036	16 521
Gain on sale of Sanef ITS		21 190
Miscellaneous financial income	2 243	1 583
TOTAL FINANCIAL INCOME	8 327	39 408

In 2016, financial income includes amortization of €5,556,000 (€6,417,000 in 2015) related to the sale of the Sanef and Sapn hedge swaps (see note 3.14.3).

Financial income at December 31, 2015 mainly included the consolidated income from the removal of the sanef-its subgroup (see Note 3.1) for an amount of €21.19 million.

III.9 INCOME TAXES

Tax proof for fiscal years 2015 and 2016:

(in € thousands)	2016	2015
Net income (net of non-controlling interests)	450 668	344 329
Income tax	259 142	216 720
To be excluded: Share in net income of associates	4 441	1 051
Profit before tax	705 369	559 998
Theoretical tax expense (34.43%)	(242 858)	(212 799)
Non deductible expenses - permanent differences	(5 344)	(4 900)
Difference observed in rates on deferred taxes recognized at 34.43%	(4 958)	(1 577)
Tax credits, limitation of deductibility of net financial expenses , temporary differences and other	(5 982)	2 556
EFFECTIVE TAX EXPENSE	(259 142)	(216 720)

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

(in € thousands)	December 31, 2016		December 31, 2015	
	Basis	Taxes	Basis	Taxes
Property, plant and equipment and intangible assets	(105 124)	44 140	(18 871)	6 497
Provisions for risks and charges	444 843	(145 875)	297 630	(102 474)
Debt, derivatives and other	(17 229)	1 523	(11 548)	3 976
TOTAL	322 489	(100 212)	267 211	(92 001)

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

III.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.

III.11 ASSETS AND LIABILITIES ASSOCIATED WITH THE ASSETS HELD FOR SALE

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

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

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

December 31, 2016 (In € thousands)	2016
Group of assets held for sale	
Intangible assets, PP&E	2 006
Others non current assets	172
Cash and cash equivalent	8 165
Trade and other accounts receivable	101 329
Total Assets	111 672
Group of liabilities held for sale	
Non current provisions	3
Others non current liabilities	476
Others current liabilities	104 914
TOTAL LIABILITIES	105 393

III.12 INTANGIBLE ASSETS

Gross amount (In € thousands)	January 1, 2016	Additions	Disposals	Changes in consolidation scope and other	December 31, 2016
Purchased software	81 012	6 140		(3 726)	83 426
Other intangible assets	3 866			(23)	3 843
Concession intangible assets	8 775 252	109 404		(288)	8 884 367
TOTAL	8 860 130	115 544		(4 037)	8 971 637
Gross amount (In € thousands)	January 1, 2015	Additions	Disposals	Changes in consolidation scope and other	December 31, 2015
Purchased software	79 609	2 488	(477)	(608)	81 012
Other intangible assets	12 427			(8 561)	3 866
Concession intangible assets	8 524 766	106 999	(18)	143 505	8 775 252
TOTAL	8 616 802	109 487	(495)	134 336	8 860 130

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)
Purchased software	(3 852)	(8)		22	(3 838)
Other intangible assets	(4 926 230)	(224 223)			(5 150 453)
Concession intangible assets	(4 993 193)	(229 350)		2 396	(5 220 147)

Amortization (In € thousands)	January 1, 2015	Additions	Disposals	Changes in consolidation scope and other	December 31, 2015
Purchased software	(57 711)	(5 867)	73	394	(63 111)
Purchased software	(6 901)	(349)		3 398	(3 852)
Other intangible assets	(4 694 543)	(231 702)		15	(4 926 230)
Concession intangible assets	(4 759 155)	(237 918)	73	3 807	(4 993 193)

Net amount (In € thousands)	January 1, 2016	December 31, 2016
Purchased software	17 901	17 570
Other intangible assets	14	5
Concession intangible assets	3 849 022	3 733 914
TOTAL	3 866 937	3 751 489

Net amount (In € thousands)	January 1, 2015	December 31, 2015
Purchased software	21 898	17 901
Other intangible assets	5 526	14
Concession intangible assets	3 830 223	3 849 022
TOTAL	3 857 647	3 866 937

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

III.13 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

Net amount (In € thousands)	January 1, 2016	December 31, 2016
Concession operating assets	183 425	180 156
Other companies' assets	1 506	1 168
TOTAL	184 931	181 324

Net amount (In € thousands)	January 1, 2015	December 31, 2015
Concession operating assets	180 747	183 425
Other companies' assets	5 709	1 506
TOTAL	186 456	184 931

III.14 CURRENT AND NON-CURRENT FINANCIAL ASSETS

III.14.1 - CARRYING AMOUNT OF FINANCIAL ASSETS BY ACCOUNTING CATEGORY

Non-current financial assets

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 (In € thousands)	December 31, 2016 – Carrying amount					
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	Carrying amount	Fair value
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

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

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

Current financial assets

December 31, 2016 – Carrying amount						
Current financial assets (In € thousands)	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	Carrying amount	Fair value
Interest on loans to equity investments						
Derivative instruments						
Other financial receivables		1 176			1 176	1 176
TOTAL CURRENT FINANCIAL ASSETS		1 176			1 176	1 176

Current financial assets (In € thousands)	December 31, 2015 – Carrying amount					Fair value
	Available-for-sale financial assets	Loans and receivables	Derivatives	Derivatives qualified for hedge accounting	Carrying amount	
Interest on loans to equity investments		2 049			2 049	2 049
Derivative instruments						
Other financial receivables		912			912	912
TOTAL CURRENT FINANCIAL ASSETS		2 961			2 961	2 961

Other financial receivables amounting to €1,176 thousand as of December 31, 2016 (€2,961 thousand as of December 31, 2015) included current account advances to non-consolidated affiliates for €924 thousand as of December 31, 2016.

III.14.2 - NON-CONSOLIDATED AFFILIATES

List of non-consolidated affiliates:

(In € thousands)	% interest held as of December 31, 2016	Carrying amount	
		31/12/2016	31/12/2015
- Soderane	99,99	15	15
- Sonora *			8
- Centaure Pas de Calais	34	259	259
- Centaure Paris Normandie	49	343	343
- Centaure Grand-est	14,44	131	131
- Autoroutes Trafic SNC	20,63	72	72
- GSA Location **			500
- Sanef Concession **			37
- Sanef développement **			21
- Sogarel	5	100	100
- Emetteur Groupe Sanef (EGS)	100	1	1
TOTAL NON-CONSOLIDATED AFFILIATES		922	1 487

* Company merged into Soderane ;

** These three companies were absorbed by Sanef SA during the 2016 financial year.

Non-consolidated affiliates classified as financial assets held for sale include entities controlled by HIT, but not consolidated. If these entities were consolidated, the impact on the consolidated financial statements would not be material.

III.14.3 - DERIVATIVES

The interest rate swaps considered fair value hedging transactions were sold during H1 2013 for a net amount of €33,495,000. This cash equalization payment received is spread over the residual life of the hedged borrowings, i.e. until no later than January 2017. During 2016, the amount of financial income recorded was €5,556,000 (€6,417,000 in 2015). The unamortized amount as of December 31, 2016 was €455,000 (€6,012,000 in 2015) and is shown on the consolidated statement of financial position as deferred income.

III.14.4 - INFORMATION ON LOANS AND RECEIVABLES IN NON-CURRENT FINANCIAL ASSETS

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

III.15 TRADE AND OTHER ACCOUNTS RECEIVABLE

(in € thousands)	December 31, 2016	December 31, 2015
Prepayments and down payments on orders	601	837
Receivables from toll activities	95 764	136 282
Receivables from other activities	11 695	9 447
Doubtful accounts	3 124	8 771
Unbilled receivables	19 347	69 395
Other miscellaneous receivables	15 091	21 829
Provisions for impairment of trade receivables	(6 874)	(8 528)
Trade and other financial receivables⁽¹⁾	138 747	238 035
Miscellaneous non-financial receivables	65 949	75 563
TOTAL TRADE AND OTHER ACCOUNTS RECEIVABLE	204 696	313 598

(1) Financial assets classified as loans and receivables.

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

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

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

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

III.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, 2016	December 31, 2015
Cash equivalents: money-market mutual funds	313 835	83 891
Cash in bank	264 398	59 612
TOTAL CASH AND CASH EQUIVALENTS	578 233	143 503

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

III.17 CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL

As of December 31, 2015 and December 31, 2014, Sanef had capital stock of €53,090,456, divided into 76,615,132 shares with a par value of €0.69295 per share. All shares are entitled to receive dividend payments. Sanef had additional paid-in capital (the amount paid by shareholders in excess of the par value of their shares) of €654,413,000 at December 31, 2015 (unchanged from December 31, 2014).

III.18 PROVISIONS

Au 31 décembre 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
Other	14 144	30 320	(6 261)	(3 027)		718	35 894
TOTAL	31 477	34 303	(23 802)	(6 010)	7 170		43 138

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
Other	14 144	30 320	(6 261)	(3 027)		718	35 894
TOTAL	445 200	74 199	(73 408)	(6 010)	21 205	(1 148)	460 038

As of December 31, 2015:

Non-current	January 1, 2015	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2015
			Uses	Surplus provisions			
Provisions on toll roads under concession	280 378	174 554	(55 404)		14 195		413 723
Other							
TOTAL	280 378	174 554	(55 404)		14 195		4 13 723

Current	January 1, 2015	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2015
			Uses	Surplus provisions			
Provisions on toll roads under concession		10 030					10 030
Claims and litigation	4 654	3 272	(115)	(458)		(50)	7 303
Other	5 148	10 086		(651)		(439)	14 144
TOTAL	9 802	23 388	(115)	(1 109)		(489)	31 477

TOTAL	January 1, 2015	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2015
			Uses	Surplus provisions			
Provisions on toll roads under concession	280 378	184 584	(55 404)		14 195		423 753
Claims and litigation	4 654	3 272	(115)	(458)		(50)	7 303
Tax							
Other	5 148	10 086		(651)		(439)	14 144
TOTAL	290 180	197 942	(55 519)	(1 109)	14 195	(489)	445 200

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.

III.19 LONG-TERM EMPLOYEE BENEFITS

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

The supplemental defined benefit retirement plan introduced by Sanef in November 2005 was terminated at end-2016.

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

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

III.19.1 - POST-EMPLOYMENT DEFINED BENEFIT PLANS

Analysis of defined benefit plans:

(in € thousands)	2016	2015
Obligations and rights at the end of the period	52 279	41 745
Fair value of plan assets		(1 617)
TOTAL	52 279	40 128

Analysis of main assumptions used to calculate the above amounts:

	31/12/2016	31/12/2015
Discount rate	1.25%	2.00%
Salary increase rate	2,75%	2,75%

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

(in € thousands)	31/12/2016			
	Discount rate		Salary increase rate	
	Rise of 50 bp: 1.75%	Fall of 50 bp: 0.75%	Rise of 50 bp: 3.25%	Fall of 50 bp: 2.25%
TOTAL OBLIGATIONS AND RIGHTS	49 072	55 873	54 991	49 774

Commitments for defined benefit plans are always fully financed by the group.

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

(in € thousands)	31/12/2015			
	Discount rate		Salary increase rate	
	Rise of 50 bp: 2,5%	Fall of 50 bp: 1,5%	Rise of 50 bp: 3,25%	Fall of 50 bp: 2,25%
TOTAL OBLIGATIONS AND RIGHTS	39 648	44 038	43 911	39 725

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

Employee benefits

(in € thousands)	Termination benefits		Supplemental retirement plan		Supplemental health benefits		TOTAL	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Obligations and rights at beginning of year	34 438	33 414	3 131	3 773	4 176	4 707	41 745	41 894
New commitments and modifications		2 835	(2 744)	(1 310)			-2 744	1 525
Current service costs	1 754	1 889	377	198	10	322	2 141	2 409
Interest expense	631	561	63	66	84	82	778	709
Actuarial (gains) losses	7 859	(1 683)		404	5 581	(804)	13 440	(2 083)
Benefits paid	(1 649)	(1 919)			(122)	(131)	(1 771)	(2 050)
Change in scope	(483)	(659)	(827)				(1 310)	(659)
OBLIGATIONS AND RIGHTS AT END OF YEAR	42 550	34 438	0	3 131	9 729	4 176	52 279	41 745

The new commitments and amendments to the pension plan refer to the provision for assistance measures in the 2016-2018 GEPP (see Note 3.4).

Fair value of plan assets

(in € thousands)	Termination benefits		Supplemental retirement plan		Supplemental health benefits		TOTAL	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Fair value of plan assets at beginning of year			1 617	1 538			1 617	1 491
Expected return on plan assets			32	27			32	49
Actuarial gains (losses)				52				(2)
Employer contributions			(827)				(827)	
Benefits paid			(822)				(822)	
FAIR VALUE OF PLAN ASSETS AT END OF YEAR			0	1 617			0	1 538

Actuarial (gains) losses recognized in reserves

(in € thousands)	Termination benefits		Supplemental retirement plan		Supplemental health benefits		TOTAL	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Actuarial (gain) losses	7 859	(1 683)	0	404	5 581	(804)	13 440	(2 083)
ACTUARIAL (GAINS) LOSSES RECOGNIZED IN RESERVES	7 859	(1 683)	0	404	5 581	(804)	13 440	(2 083)

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

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

(in € thousands)	2016	2015
Actuarial (gains) losses generated during the period	13 440	(2 083)
from changes in financial actuarial assumptions	4 676	(727)
from changes in demographic actuarial assumptions	11 181	0
from experience-related actuarial changes on plan liabilities	(2 417)	(1 356)
from experience-related actuarial changes on plan assets		

III.19.2 - OTHER BENEFITS

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

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

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

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

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

III.20 FINANCIAL LIABILITIES BY ACCOUNTING CATEGORY

Current and non-current financial liabilities

(in € thousands)	December 31, 2016				
	Liabilities at amortized cost	Liabilities held for hedging	Derivatives qualified as hedging	Carrying amount	Fair value
Borrowings: current and non-current portions	3 121 175			3 121 175	3 642 150
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	31 084			31 084	31 084
Total financial liabilities excluding trade accounts payable	3 190 441	0	0	3 190 441	3 711 415
Total trade and other financial payables (see note 3.22)	122 028			122 028	122 028
TOTAL FINANCIAL LIABILITIES AS PER IAS 39	3 312 469	0	0	3 312 469	3 833 443

(in € thousands)	December 31, 2015				
	Liabilities at amortized cost	Liabilities held for hedging	Derivatives qualified as hedging	Carrying amount	Fair value
Borrowings: current and non-current portions	3 028 374			3 028 374	3 529 153
Central government advances	17 318			17 318	17 318
Deposits and guarantees received	24 784			24 784	24 784
Bank overdrafts				0	0
Accrued interest not due	33 657			33 657	33 657
Total financial liabilities excluding trade accounts payable	3 104 133	0	0	3 104 133	3 604 912
Total trade and other financial payables (see note 3.22)	202 957			202 957	202 957
TOTAL FINANCIAL LIABILITIES AS PER IAS 39	3 307 090	0	0	3 307 090	3 807 869

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.

The Sanef group through its Sanef and Sapn subsidiaries, 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%.

III.21 TRADE AND OTHER ACCOUNTS PAYABLE

(in € thousands)	December 31, 2016	December 31, 2015
Advances and down payments received on orders	9 535	34 169
Trade accounts payable	22 644	109 418
Due to suppliers of non-current assets	89 848	58 854
Other financial payables		516
Total trade and other financial payables ⁽¹⁾	122 028	202 957
Taxes and payroll costs	132 642	145 701
Prepaid income	14 874	22 594
Total non-financial payables	147 516	168 295
TOTAL TRADE AND OTHER ACCOUNTS PAYABLE	269 544	371 252

(1) Financial liabilities evaluated at amortized cost.

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

III.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, 2016, the Sanef group 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)	December 31, 2016	December 31, 2015
"1% countryside development" contribution	124	162

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

However, the local authorities' contribution may be claimed only if a government decree is issued listing the toll road work. When the concession operator applies for investment grants based on this list,

the work concerned becomes eligible for the “1% countryside development” scheme and the company becomes committed to paying a contribution.

Guarantees given:

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

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

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

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

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

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

Guarantees received

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

III.23 MANAGEMENT OF FINANCIAL RISKS AND DERIVATIVE INSTRUMENTS

III.23.1 - MARKET RISKS

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

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

(in € thousands)	December 31, 2016	December 31, 2015
Fixed or adjustable rate	2 898 846	2 869 038
Floating rate	222 329	159 336
TOTAL	3 121 175	3 028 374

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

All things considered, Sanef has only a limited risk of its financial expenses increasing should interest rates go up.

The fair value of Sanef'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 Sanef decided to make advance repayments of this debt, in order to respond to market opportunities.

Sensitivity of income and equity to changes in interest rates:

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

(in € thousands)	2016				2015			
	Earnings		Equity		Earnings		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Floating rate debt	(705)	705	-	-	(805)	805	-	-
Interest rate hedges (swaps and some collars)	-	-	-	-	-	-	-	-
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 Sanef group has rather little exposure to currency risk on transactions stemming from its normal course of business.

III.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, 2016	Dec. 31, 2015
Loans to associates	3.14	15 392	55 649
Loans	3.14	1 976	1 958
Deposits and guarantees	3.14	430	562
Trade and other financial receivables	3.15	138 747	238 035
Current financial assets	3.14	1 176	2 961
Cash and cash equivalents	3.16	578 233	143 503
TOTAL		735 954	442 668

As of December 31, 2016, the Sanef group had trade and other accounts receivable totaling €139 million (€238 million as of December 31, 2015) and cash of around €578 million (€143 million as of December 31, 2015). These amounts indicate a very low exposure to credit risk, especially in view of the quality of the group's customers and counterparties and the fact that all operating receivables are paid in cash or settled very quickly.

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

III.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.

Sanef's primary financial debt (loans from CNA and BNP/Dexia) is subject to covenants on the following two ratios:

- net debt/EBITDA
- EBITDA/net financial expenses.

As of December 31, 2016 and December 31, 2015 the Sanef group was in compliance with both covenants.

Analysis of borrowings by maturity:

Year	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
2017	245 250						245 250
2018		120 000					120 000
2019			318 724				318 724
2020				255 240			255 240
2021					219 941		219 941
2022						262 554	262 554
2023						360 269	360 269
2024						452 472	452 472
2025							
2026						592 116	592 116
2027							
2028						294 609	294 609
31/12/2016	245 250	120 000	318 724	255 240	219 941	1 962 020	3 121 175
31/12/2015	304 904	245 129	120 000	318 266	254 608	1 785 467	3 028 374

As Sanef group'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	0	0	0	0	0	0	0
Advances from French central government and regional agencies	3.21	3,121	3,852	283	74	225	1,083	2,187
Deposits, guaranties and other financial debts	3.21	17	17	17	0	0	0	0
Trade accounts payable	3.22	21	21	21	0	0	0	0
Other current liabilities	3.22	122	122	122	0	0	0	0
DERIVATIVE FINANCIAL LIABILITIES								
Interest rate derivatives	3.21	0	0	0	0	0	0	0
Total flows			4 012	443	74	225	1 083	2 187
Derivative rate flows			0					
TOTAL FLOWS AFTER COVERAGE			4 012	443	74	225	1 083	2 187

III.24 RELATED PARTIES

No commercial transactions held between Sanef group and its parent company HIT, neither with shareholders of HIT.

No other information is given for the transactions between related parties insofar as these transactions were not considered significant under IAS 24.

At December 31, 2016, the group had a total receivable of €15 million from Alis (€56 million as of December 31, 2015): the group's loan to Alis, including capitalized interest, amounted to €9.6 million, of which €0.6 million in VAT (€45.9 million as of December 31, 2015), and bore interest at a rate of 6%. The group also had a shareholder advance of €2.8 million at an interest rate of 2.08% (€7.9 million at 2.11% as of December 31, 2015), as well as €2.1 million in trade receivables, excluding VAT (i.e. €2.6 million including tax), at December 31, 2016 (€2.2 million as of December 31, 2015), repayable in a fixed amount of €166 thousands per year until 2028.

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

The table below shows the remuneration and similar benefits, on a full-year basis, granted by HIT and the companies that it controls to persons who, during the year 2015 or at the balance sheet date, are members of the Executive Committee or the Board of Directors of the group:

(in € millions)	2016
Remuneration	2,5
Payroll taxes	1,2
Post-employment benefits	0,3
Other long term benefits	-
Termination benefits	0,1
Share-based payments (*)	

(*) Charge for FY booked in compliance with IFRS 2 Share-based Payments. See note 2.15.

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

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

III.25 SEGMENT DATA

Segment data by contribution of each segment to the Sanef group consolidated financial statements:

(in € thousands)	Sanef	Sapn	Operators of toll road concessions	SUB-TOTAL Toll road concessions (*)	Other	Sanef group
Revenue without construction	1 194 664	396 220	16 435	1 607 319	17 114	1 624 433
EBITDA	856 291	282 778	11 148	1 150 216	3 147	1 153 363
Marge d'EBITDA (%)	71,7%	71,4%	67,8%	71,6%	18,4%	71,0%
OPERATIONAL RESULT	642 186	192 628	8 848	843 661	2 188	845 850

(*) Toll road operators included in 2016 are SEA14 and Bip & Go.

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

III.26 EVENTS AFTER THE END OF THE REPORTING PERIOD

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

All in all, for Sanef and Sapn this €147 million plan will consist of:

- creating or modifying five interchanges that will be of interest to local traffic and highway customers;
- creating 700 carpool parking spaces and amenities for the protection of the natural environment.

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

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

INDEPENDENT AUDITOR'S REVIEW OF CONSOLIDATED ACCOUNTS

FY ending 31 December 2016

To the shareholders,

In the framework of the mission entrusted to us by the Sanef Annual Shareholders' Meetings, we hereby submit our report to shareholders on the financial year ending 31 December 2016, including:

- Review of the consolidated Sanef accounts, as included in the documents appended to this report;
- Explanation of our assessments;
- Specific verification required by law.

The annual accounts were approved by the Board of Directors. It is our duty to issue an opinion on these accounts, on the basis of our audit.

I. OPINION ON CONSOLIDATED ACCOUNTS

We carried out our audit in keeping with professional standards in effect in France. These standards call for implementation of due diligence in order to obtain a reasonable assurance that there are no significant anomalies in the consolidated accounts. The audit process consists in sampling or otherwise selecting data in order to verify the amounts and information presented in the consolidated accounts. It also includes an assessment of the accounting principles and methods used, the significant estimates used and the overall presentation of the accounts. We believe that the data we have collected are sufficient and appropriate to support our opinion.

We certify that, according to the International Financial Reporting Standards adopted by the European Union, the consolidated accounts for the financial year are honest and sincere, and faithfully reflect the property and holdings, financial position and earnings of the group made up of the persons and entities included in the consolidation.

II. EXPLANATION OF OUR ASSESSMENTS

As stipulated by article L.823-9 of the Commercial Code on explanation of the auditor's assessments, we inform you of the following items:

Notes 2.7.1 and 2.16 of the Annex appended to the consolidated accounts describe the accounting methods used by the group to report conceded immobilisations and keep them current. For the purposes of our assessment of the rules and principles

mentioned above and of the information provided in notes 3.12, 3.13 and 3.18 of the Annex, we ascertained that these guidelines were properly applied. Our opinions on the rules and principles form a part of our audit of the consolidated accounts, as a whole, and have helped shape our opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also carried out the legally required specific verification of group information published in the activity report, in compliance with professional standards in effect in France.

We have no remarks to make on the sincerity of this information and its consistency with the consolidated accounts.

Paris and Neuilly-sur-Seine, 19 April 2017

Independent auditors

PHM-AEC
Philippe MOURARET

Deloitte & Associés
Laurent ODOBEZ

CORPORATE ACCOUNTS

SUMMARY FINANCIAL STATEMENTS	110
I – INCOME STATEMENT	110
II – BALANCE SHEET	111
III – CASH FLOW STATEMENT	112
ANNEX TO ACCOUNTS	113
I – PRESENTATION OF THE COMPANY AND NOTEWORTHY EVENTS	113
II – ACCOUNTING PRINCIPLES	114
III – NOTES ON LINE ITEMS IN SUMMARY STATEMENTS	116
IV – SUPPORTING INFORMATION	128
V – LIST OF SANEF SUBSIDIARIES AND INVESTMENT HOLDINGS	131
INDEPENDENT AUDITOR’S REVIEW OF ANNUAL ACCOUNTS	132

SUMMARY FINANCIAL STATEMENTS

I - INCOME STATEMENT

(in thousands of euros)	Notes	2016	2015
Revenue	3.1.1	1 195 040	1 158 123
Other revenue	3.1.2	21 577	25 530
Operating charges		(582 207)	(563 573)
Purchases and external charges	3.1.3	(114 086)	(120 463)
Payroll charges	3.1.4	(116 110)	(137 722)
Other charges	3.1.5	(2 128)	(918)
Taxes and fiscal levies	3.1.6	(133 365)	(120 257)
Depreciation, amortisation and provisions	3.1.7	(216 518)	(184 213)
Operating revenue		634 410	620 080
Financial income	3.1.8	(7 173)	(70 655)
Current income		627 237	549 425
Exceptional income	3.1.9	13 782	28 593
Employee profit-sharing	3.1.10	(10 475)	(9 755)
Income tax	3.1.11	(197 797)	(188 266)
NET INCOME		432 747	379 997

II - BALANCE SHEET

ASSETS (in thousands of euros)	Notes	31/12/2016	31/12/2015
Intangible assets	3.2.1	80 306	75 237
- Amortisations and provisions		(63 838)	(59 291)
Tangible assets	3.2.2		
- Owned property, plant and equipment		14 508	13 645
- Concession assets		6 925 310	6 816 997
- Amortisations and provisions		(4 209 140)	(4 048 929)
Financial assets	3.2.3	885 210	740 880
Total tied-up capital		3 632 356	3 538 540
Inventory and receivables	3.2.4	4 439	4 964
Trade receivables	3.2.5	115 741	115 495
Other accounts receivable and accrual accounts	3.2.6	183 234	413 256
Transferable securities and liquidities	3.2.7	567 729	132 104
Total current assets		871 143	665 819
TOTAL ASSETS		4 503 499	4 204 359
EQUITY AND LIABILITIES (in thousands of euros)	Notes	31/12/2016	31/12/2015
Capital		53 090	53 090
Additional paid-in capital and reserves		658 787	658 787
Retained earnings		261 448	161 451
FY income		432 747	379 997
Investment subsidies		81 376	86 473
Regulated provisions		0	0
Equity	3.2.8	1 487 449	1 339 798
Provisions for risk and charges	3.2.9	104 500	99 490
Borrowing and financial debts	3.2.10	2 666 096	2 533 533
Trade payables	3.2.11	22 227	22 983
Other accounts payable and accrual accounts	3.2.12	223 227	208 554
Total debt		2 911 550	2 765 071
TOTAL LIABILITIES		4 503 499	4 204 359

III - CASH FLOW STATEMENT

(in thousands of euros)	Notes	2016	2015
Net income		432 747	379 997
Charges and revenue not affecting cash flow or not related to business activity:			
Amortisations and provisions (excluding provisions on circulating assets)		228 343	204 944
Capital gains/losses on disposal of assets		(857)	(24 560)
Amortisation of investment subsidies		(5 285)	(5 405)
Gross cash flow	3.3.1	654 949	554 976
Variation of working capital funds required for the business activity			
Receivables and accrual accounts		(148 603)	(55 846)
Inventory and receivables		525	2 313
Operating and other debts		(24 127)	(2 582)
Variation of working capital funds required for the business activity	3.3.2	(172 205)	(56 115)
Net cash flow generated by business activity		482 744	498 861
Acquisition of tangible and intangible assets	3.3.3	(136 465)	(188 237)
Disposal of tangible and intangible assets		1 696	729
Net variation of other financial assets		558	15 009
Net cash flow related to investment activity		(134 211)	(172 499)
Dividends paid to shareholders		(280 000)	(250 000)
Capital increase or reduction			
Investment subsidies received		189	3 945
Debt issue		367 333	684 852
Debt repayment		(229 285)	(701 853)
Other variation		-	(3 154)
Net cash flow related to financial operations		(141 763)	(266 210)
Variation in cash flow		206 770	60 152
Cash and cash equivalents – opening balance		401 850	341 698
Cash and cash equivalents – closing balance ⁽¹⁾		608 619	401 850

(1) Cash and cash equivalents – closing balance:

Transferable securities and liquidities	567 729	132 104
Current bank account balances	-	(285)
Current cash pooling accounts	40 889	270 031
CASH AND CASH EQUIVALENTS – CLOSING BALANCE	608 619	401 850

ANNEX TO ACCOUNTS

This annex is an integral part of the annual accounts.

It includes information that supplements the balance sheet, the income account and the cash flow statement, so that taken together all these documents faithfully present the property and holdings, financial position and income of the company for the financial year.

Information that is not mandatory is given only if and when it is of substantial significance.

I - PRESENTATION OF THE COMPANY AND NOTEWORTHY EVENTS

I.1 CONCESSION CONTRACT

- The Sanef corporation is the beneficiary of a concession agreement with the French State which has ceded 1 339 kilometres of motorway to the company, of which 1 388 km were in service as of 31 December 2016.
- In late 2004 Sanef signed new terms of reference intended to ensure the long-term equilibrium of the concession following the reform implemented by the government order of 28 March 2001 that voided the State guarantee and prolonged the concession through 2028.
- Sanef also signed the 2004-2008 long-term programme agreement (contrat d'entreprise) guaranteeing tariff increases that will enable the company to implement planned tasks.
- In the framework of taking the company private (see section 1.3) a rider to the terms of reference was approved by the Sanef Board of Directors on 27 April 2006.
- In early 2011 the company signed a long-term programme agreement for 2010-2014.
- Under the Grenelle environmental commitments and the economic stimulus plan of the French government, on 25 January 2010 Sanef pledged to make sustainable development investments on the order of €170 million over three years, in exchange for an extension of the concession agreement by one year, up to 2029.
- In 2015 the concession agreement was prolonged to 31 December 2031 (see section 1.2, Noteworthy events).

The sole shareholder of Sanef is the Holding d'Infrastructures de Transport company (HIT). Sanef is also integrated into the fiscal group headed by HIT.

Events since the close of the financial year

Talks on the Motorway Investment Plan (Plan d'Investissement Autoroutier, PIA) began in Autumn 2016 and were completed with the signature of a Protocol Agreement between Sanef and the French State.

The €147 million investment plan represents in all for Sanef and Sapn:

- Construction or modification of five interchanges to serve local communities and motorway customers;
- Construction of 700 carpooling parking spaces and work to ensure protection of natural habitats.

This construction programme is ensured by a supplemental 0.265% increase in tolls for Sanef and an increase of 0.401% for Sapn between 2019 and 2021. These investments must be carried out by the Sanef group by 2022.

Subject to publication of the corresponding decrees by the Council of State, the Sanef and Sapn concession agreements are expected to be revised in the course of 2017 to integrate the Motorway Investment Plan commitments and related toll increases.

I.2 NOTEWORTHY EVENTS

The French government and the main motorway concession operators have signed a stimulus plan comprising €3.2 billion of funding for the sector as a whole. This stimulus plan follows on the talks completed in 2015 that led to a Protocol Agreement between the French State and the Vinci, APRR-AREA, and Sanef (and Sapn) corporate groups.

This protocol affirms the shared determination of the State and the motorway concession operators to pursue their contractual relationship over the long term and to amend it on the basis of the following principles:

1. Increased investment in infrastructure;
 - (i) Direct investment under the Stimulus Plan.
 - For Sanef the Stimulus Plan represents planned investment of approximately €330 million and a two-year extension of the concession.
 - For Sapn the Stimulus Plan represents planned investment of €260 million and an extension of the concession by three years and eight months.
 - (ii) Indirect investment:
 - The motorway concession operators agree to pay a voluntary contribution (Contribution Volontaire Exceptionnelle, CVE) to the Agence de Financement des Infrastructures de Transport de France (AFITF). This contribution in the amount of €60 million annually will be paid by the group of operators who are signatories to the protocol, up through the end of their respective concession agree-

ments. The share due by groupe Sanef (Sanef and Sapn) represents 17% of the total contribution.

- Vinci, APRR and Sanef shareholders create a €200 million environmental modernisation fund (Fonds de Modernisation Ecologique des Transports, FMET). The shareholders of groupe Sanef contributed €50 million.
2. Measures to stabilise the contractual relationship with Sanef and Sapn, and ensure economic equilibrium of the concessions:
 - (i) Implementation of a “fiscal stability” clause by revision of article 32;
 - (ii) A cap on the profitability of concessions, transposed by revision of article 36 of the Sanef and Sapn concession agreements;
 3. Additional increases in toll charges for 2016, 2017 and 2018, to compensate for higher public property use fees, and additional increases in tolls from 2019 through 2023 to compensate for a freeze on tolls in 2015;
 4. Reinforcement of the concession operators’ commercial policy in support of sustainable development, via action to boost carpooling and environmentally friendly vehicles, and in favour of youth and or students;
 5. Creation of an independent regulation authority for the motorway sector; on 15 October 2015 ARAF was renamed Autorité de Régulation des Activités Ferroviaires et Routières (ARAFER), and took charge of motorway regulation (i.e. consultations for proposed modification of concession contracts and other contracts affecting toll rates or duration of the concession).

Decree no. 2015-1046 of 21 August 2015 approving riders to agreements between the State and Sanef and between the State and Sapn was published in the Official Journal of the French government on 23 August 2015.

The Sanef concession was extended to 31 December 2031 and the Sapn concession to 31 August 2033 (as opposed to extension to 2029 for both concessions as of 30 June 2015 and 31 December 2014).

Sanef distributed all the securities of sub-group Sanef ITS to its shareholder HIT SAS in May 2015, at the time of its dividend distribution. As of 31 December 2016 Sanef is no longer involved in the sale of toll collection equipment.

II - ACCOUNTING PRINCIPLES

The Sanef annual accounts are established in compliance with accounting rules currently in effect in France, and in particular with the regulations issued by the Comité de la Règlements Comptable (CRC).

II.1 INTANGIBLE ASSETS

Intangible assets are for the most part software applications that are amortised over three to five years.

II.2 CONCESSION TANGIBLE ASSETS

The fixed assets listed in the Sanef balance sheet are almost exclusively concession assets; for the most part they will revert free of charge to the State when the concession expires. Rules for entering these assets in accounts and their amortisation are the following:

• Concession assets

The concession comprises the motorways and sections of motorways listed in note 1 and all the lands, infrastructure and facilities required for the construction, upkeep and operation of each motorway or section of motorway, plus secondary installations including existing roadways, dependencies and ancillary installations directly necessary to serve users or intended to improve operations.

The fixed assets on conceded property are either “non-renewable” assets that remain in place during the concession period (notably infrastructure and civil engineering works) or “renewable” assets with a useful life shorter than the concession period (toll booth equipment, signage, remote transmission and video surveillance systems, information technology hardware, vehicles, machinery and tools).

Investments for non-renewable assets are divided between assets corresponding to the initial construction and additional assets acquired for motorways already in service.

Concession assets are recorded in the balance sheet at their historical cost price, including interim interest and some earmarked direct charges.

• Amortisation of concession assets

Non-renewable assets are subject to a “financial depreciation charge” calculated on a straight-line basis over the period between the date when they were commissioned and the expiry of the concession. This amortisation, which is recorded as an operating cost, is not intended to recognise the technical depreciation of the assets but to draw down their net book value to zero at the expiry of the concession.

Renewable assets are those with a useful life shorter than the concession period; they are amortised for depreciation on a straight-line basis over their estimated useful life, between three and ten years.

Useful life	Years
Running (surface) course	10
Equipment, machinery and tools	5 to 8 years
Information technology hardware	3
Vehicles	5
Fitting-out and installations	8

A financial depreciation charge is also calculated on renewable operating assets, for the purpose of spreading across the period of the concession the capital loss that would result from returning the operating assets to the conceding entity free of charge at the expiry of the concession if only an ordinary depreciation charge were applied.

For renewable operating assets the provision for financial depreciation charges is calculated on the basis of the net book value corresponding to the acquisition cost of the assets less the cumulative ordinary depreciation at the end of the financial year and the cumulative financial depreciation at the beginning of the financial year.

To make these amortisations clear for the financial community, the financial and ordinary depreciation amortisations are presented together in the income statement and in the balance sheet. In the income statement they are recorded as an operating charge and in the balance sheet they are deducted from the assets to which they apply.

II.3 COMPONENT-BASED ACCOUNTING FOR ASSETS

Since FY 2002 the company has applied rules 2002-10 and 2003-7 issued by the Comité de la Réglementation Comptable. As stipulated by these rules the resurfacing of roadway running courses is recorded as an asset and amortised on a straight-line basis over ten years, on average.

When this method was first used in 2002, Sanef retrospectively rebooked this category of expense, with the result that at the start of the period on 1 January 2002 the net value of fixed assets increased by €31 184 million and the value of net equity by €15 094 million, after taxes.

II.4 PROVISIONS FOR UPKEEP AND REPAIR OF CONCESSION ENGINEERING STRUCTURES

The company has constituted a provision for upkeep and repair of concession structures since FY 2011. Under the concession agreement the company has contractual obligations to maintain or rebuild civil engineering works. In FY 2011 Sanef conducted a thorough inventory of defects and degradation necessitating repairs to these structures, excluding improvements and upgrades, and set aside a provision to cover the best estimate of the amount needed to carry out these repairs.

II.5 PROVISIONS FOR RESURFACING OF ROADWAY RUNNING COURSES

The company has constituted a provision for resurfacing of roadway running courses since FY 2011, in keeping with article 393-1 of general accounting principles (Plan Comptable Général, PCG). Sanef resurfaces its roadways every ten years on average, and this provision covers the effects of rising costs, which follow the TP09 price index for the supply and application of asphalt (manufacture and implementation of bitumen and aggregate), between the most recent resurfacing and the close of the FY.

II.6 INVESTMENT SUBSIDIES

Investment subsidies received to finance construction assets are recorded as equity. They are recorded as income over the concession period at the same time as provisions are booked for financial depreciation charges on the corresponding construction assets.

II.7 FINANCIAL ASSETS

Investments in subsidiaries are recorded on the balance sheet at historical cost. A provision is set aside if the inventory value, as determined on the basis of financial outlook or the net worth of subsidiaries and investments, is lower than the cost of acquisition.

II.8 INVENTORY

Inventories are stated at weighted average cost. A provision for depreciation is recorded when their value is lower than the cost price.

II.9 ACCOUNTS RECEIVABLE

Receivables are booked at their face value. Doubtful accounts that may not be recovered are written down via a provision for depreciation.

II.10 TRANSFERABLE SECURITIES

Transferable securities are recorded on the balance sheet at their cost of acquisition or their net realisable value if it is lower. Unrealised gains are not stated.

II.11 BOND ISSUES

Premiums pertaining to issuance or repayment of bonds and issuance costs incurred since 1995 for funds subscribed through the Caisse Nationale des Autoroutes (CNA) and bond issues are recorded on the balance as assets in the category of deferred charges and are amortised on a straight-line basis over the period of the loans, which are ultimately paid back.

II.12 CONVERSION OF RECEIVABLES AND DEBT IN FOREIGN CURRENCY

Receivables and debt labelled in foreign currencies are converted at the current exchange rate at the close of the FY. Currency exchange differences resulting from this adjustment are recognised in the currency conversion account and a provision is stated for losses and charges when the differences lead to an unrealised loss.

II.13 PENSIONS AND OTHER EMPLOYEE BENEFITS

Defined benefit obligations are calculated using the projected unit credit actuarial method that involves estimating end-of-career salaries. The sum total of the company's obligations for employee benefits is recognised on the balance sheet and changes in these obligations are stated as payroll charges.

II.14 INCOME TAX

Sanef does not state deferred taxes in its annual accounts.

II.15 FINANCIAL RISKS

Groupe Sanef operates exclusively in Eurozone coun-

tries, mainly in France. The company incurs no currency exchange risk in its transactions.

II.16 RECEIVABLES AND DEBTS BY CATEGORY

Receivables and debts are stated by category in assets and liabilities, regardless of due date. Unless noted otherwise, receivables and debts are due within less than one year.

III - NOTES ON LINE ITEMS IN SUMMARY STATEMENTS

III.1 INCOME STATEMENT

III.1.1 - REVENUE

Revenue is broken down as follows:

(in thousands of euros)	2016	2015
Tolls	1 156 092	1 115 140
Revenue other than tolls	38 948	42 982
REVENUE	1 195 040	1 158 123

Breakdown of revenue other than tolls:

(in thousands of euros)	2016	2015
Sales of subscriptions and remote services	3 678	3 126
Fees for commercial facilities ⁽¹⁾	24 497	25 696
Sales of fuel and other merchandise	1 786	3 635
Telecom services ⁽²⁾	4 090	4 099
Engineering services and system sales ⁽³⁾	4 897	6 426
REVENUE OTHER THAN TOLLS	38 948	42 982

(1) Fees for commercial facilities

These are fees received from third parties who operate commercial establishments at service areas.

(2) Telecom services

These services include rental of optical fibre networks and/or pylons to telecommunications operators.

(3) Engineering services and system sales

III.1.2 - OTHER OPERATING INCOME

(in thousands of euros)	2016	2015
Transfer of charges and capitalised production	5 329	6 494
Reimbursement for damage incurred	4 416	5 236
Various rentals	559	1 530
Seconding of workforce	1 266	1 555
Miscellaneous ancillary income	9 835	12 372
Other revenue	171	(1 657)
OTHER OPERATING INCOME	21 577	25 530

III.1.3 - PURCHASES AND EXTERNAL CHARGES

Purchases and external charges break down as follows:

(in thousands of euros)	2016	2015
Energy, supplies and spare parts	(14 630)	(16 865)
Infrastructure upkeep and repairs	(9 604)	(14 770)
Routine maintenance	(13 300)	(13 524)
Public property use fees	(48 733)	(44 579)
Other external charges and services	(27 819)	(30 725)
PURCHASES AND EXTERNAL CHARGES	(114 086)	(120 463)

The public property use fee instituted by decree no. 97-606 of 31 May 1997 is owed by motorway concession operators for occupation of public lands.

III.1.4 - PAYROLL CHARGES

a) Analysis of charges

Sanef payroll charges break down as follows:

(in thousands of euros)	2016	2015
Salaries and remuneration	(70 259)	(75 862)
Social charges and deferred social obligations ⁽¹⁾	(41 612)	(59 155)
Profit-sharing and contributions to employee savings scheme	(4 239)	(2 706)
PAYROLL CHARGES	(116 110)	(137 722)

(1)Deferred social obligations – see section 3.2.9 Provisions for other charges

The profit-sharing agreement was renewed on 29 June 2012 for a period of three years running from 1 January 2012 to 31 December 2014. A new profit-sharing agreement was concluded on 25 June 2015 for a fixed term of three years. It is in effect for the financial years from 1 January 2015 to 31 December 2017.

b) Weighted average workforce

	31/12/2016	31/12/2015
Executive and management	254	256
Supervisors	644	644
Workers	817	916
WORKFORCE	1715	1816

The information listed above refers to the average weighted number of employees at the company.

III.1.5 - OTHER MANAGEMENT CHARGES

These “other management charges” are essentially the k€363 in attendance fees paid in FY 2016 (k€507 in FY 2015); k€1 444 in losses on receivables (k€14 in FY 2015); and k€309 in negotiated indemnities paid to users to compensate for accidental damage incurred on the motorway network (k€363 in FY 2015).

III.1.6 - TAXES AND FISCAL LEVIES

(in thousands of euros)	2016	2015
Land use planning levy	(82 294)	(80 053)
Territorial economic contribution	(33 705)	(32 922)
Taxes, levies and similar payments due on remuneration	(3 080)	(3 135)
Other taxes and fiscal levies	(14 286)	(4 144)
TAXES AND FISCAL LEVIES	(133 365)	(120 257)

The Territorial Economic Contribution (Contribution économique territoriale, CET) is made up of two assessments: the Corporate Real Estate Tax (Contribution foncière des entreprises, CFE) assessed on holdings subject to property taxes, and the Contribution on Corporate Added Value (Contribution sur la Valeur Ajoutée des Entreprises, CVAE) assessed on the added value produced by the company.

In 2016 the total territorial contribution came to k€16 098 (CVAE) and k€17 607 (CFE) after a k€10 663 rebate allowed to cap the total tax, as a function of added value.

The land use planning levy was raised from €6.86 to €7.32 per 1 000 km of distance covered under the 2011 Finances Act adopted on 29 December 2010.

III.1.7 - DEPRECIATION, AMORTISATION AND PROVISIONS

(in thousands of euros)	2016	2015
Amortisation for depreciation of roadways	(36 237)	(34 394)
Amortisation for depreciation of tangible and intangible assets (other than roadways)	(31 666)	(34 176)
Financial depreciation charge for assets	(148 137)	(157 424)
Including :		
Financial depreciation charge for non-renewable assets	(148 116)	(156 871)
Financial depreciation of renewable assets	(21)	(553)
Net charge for provisions	(479)	41 780
Including :		
Charges for provisions for resurfacing of roadways	5 871	36 622
Charges for provisions for repair of engineering structures	2 845	5 186
Charges for operating provisions ⁽¹⁾	(18 863)	(123)
Release of operating provisions ⁽¹⁾	9 668	96
CHARGES FOR DEPRECIATION, AMORTISATION AND PROVISIONS	(216 518)	(184 213)

(1) Other than deferred social obligations (see section 3.1.4, Payroll charges)

A provision of k€53 779 for maintaining concession engineering structures in a good state of repair was constituted on 31 December 2011 (see section 2.4).

A provision of k€73 858 for roadway resurfacing was also constituted on 31 December 2011 (see section 2.5).

III.1.8 - FINANCIAL INCOME

(in thousands of euros)	2016	2015
Interest on bonds and other interest	(91 878)	(164 438)
Capitalised interim interest		
Amortisation of bond issuance fees and premiums	(906)	(643)
Other net financial earnings and charges	85 610	94 425
FINANCIAL INCOME	(7 173)	(70 655)

In 2016 the item "Other financial earnings and charges" includes dividends paid by Sapn (k€73 377), Bip&Go (k€9 000), Sanef Aquitaine (k€76), and Centaure Nord-Pas-de-Calais (k€48).

This item also includes k€269 in interest on the Aliénor debt.

In 2015 this item comprised k€78 233 in dividends for Sapn, k€2 258 for Sanef Aquitaine and k€47 for Centaure.

III.1.9 - EXCEPTIONAL INCOME

(in thousands of euros)	2016	2015
Capital gains/losses on disposal of assets	857	24 559
Provisions and releases for risk and charges	698	(3 824)
Amortisation of investment subsidies	5 285	5 405
Other net exceptional earnings and charges	6 943	2 453
EXCEPTIONAL INCOME	13 782	28 593

In 2015 capital gains and losses on disposals were primarily linked to disposal by Sanef of activities related to the Sanef ITS group.

"Net provisions and releases" in 2015 pertained to litigation for k€2 644 and fiscal risk for FYs 2012 to 2015 recognised at k€1 243.

III.1.10 - EMPLOYEE PROFIT-SHARING

(in thousands of euros)	2016	2015
EMPLOYEE PROFIT-SHARING	(10 475)	(9 755)

Sanef reached an agreement that took effect in 2006 for an open-ended period of time.

III.1.11 - INCOME TAX

As of 1 June 2006 Sanef is integrated into the tax consolidation entity of the corporate group headed by HIT. Sanef's income is included in the income determined for the group as a whole.

Only HIT is subject to tax on its profits. Each integrated subsidiary company contributes to the tax, in an amount calculated on each company's income, as if the companies were taxed separately.

The charge for income tax breaks down as follows:

(in thousands of euros)	2016	2015
Income tax pertaining to operations in the FY	(197 797)	(188 266)
TOTAL	(197 797)	(188 266)

An exceptional contribution equal to 5% of the corporate income tax due by companies with gross revenue of over€250 million was instituted by the fourth Amended Finances Act for 2011. The rate of this contribution was increased to 10.7% for FYs ending as of 31 December 2013.

This temporary contribution applies to FYs ending between 31 December 2011 and 30 December 2016. The overall corporate tax rate that rose to 38% in 2013 thus reverted to 34.43% in 2016.

Deferred taxes are not booked. These deferrals are linked to mainly capitalised interim interest that will be reintegrated on a straight-line basis over the remaining time of the concession

III.2 BALANCE SHEET

III.2.1 - INTANGIBLE ASSETS

(in thousands of euros)	31/12 2016	31/12 2015
Intangible assets	80 306	75 237
Amortisation of intangible assets	(63 838)	(59 291)
INTANGIBLE ASSETS	16 468	15 946

Intangible assets are mainly software tools that are amortised over a period of three to five years.

Variations break down as follows:

Gross value (in thousands of euros)	01/01 2016	Acquisitions or transfer	Disposals and releases	Operational start-up	31/12 2016
Intangible assets	69 100	205		1 338	70 643
Current fixed assets	6 137	4 884		(1 357)	9 663
INTANGIBLE ASSETS	75 237	5 089	-	(19)	80 306

Amortisations (in thousands of euros)	01/01 2016	Charges	Reversals and disposals	Other	31/12 2016
Amortisation of intangible assets	59 291	4 548			63 838
INTANGIBLE ASSETS	59 291	4 548	-	-	63 838

III.2.2 - TANGIBLE ASSETS

Gross value (in thousands of euros)	01/01 2016	Acquisitions or transfer	Disposals and releases	Operational start-up	31/12 2016
Private assets	13 645	690	(591)	328	14 072
Operating assets – Buildings in service	5 801 566	13 323	(381)	2 004	5 816 512
Construction assets – Renewable roadways	369 642	32 208	(41 791)	211	360 270
Operating assets – Infrastructure in service	443 385	13 523	(9 358)	3 002	450 553
Current fixed assets	202 404	104 534	(3 002)	(5 525)	298 412
TANGIBLE ASSETS	6 830 642	164 279	(55 122)	19	6 939 818

Amortisations (in thousands of euros)	01/01 2016	Charges	Reversals and disposals	31/12/ 2016
Amortisation for depreciation of private property assets	7 394	2 434	(493)	9 335
Amortisation for depreciation of operating assets	366 063	24 684	(8 998)	381 749
Amortisation for depreciation of renewable roadways	165 290	36 237	(41 791)	159 737
Financial depreciation charge for non-renewable assets	3 441 711	148 358	(242)	3 589 827
Financial depreciation charge for operating assets	68 472	21		68 492
TANGIBLE ASSETS	4 048 929	211 734	(51 524)	4 209 140

III.2.3 - FINANCIAL ASSETS

(in thousands of euros)	31/12 2016	31/12 2015
Participations and shareholdings	717 643	724 588
Receivables linked to these participations	164 878	13 575
Depreciation		
Loans	2 260	2 292
Other financial assets	429	424
FINANCIAL ASSETS	885 210	740 880

The "Participations" item stated k€599 909 of holdings for Sapn as of 31 December 2016.

Via the Leonord partnership created with the Fayat construction and public works group and the FIDEPP 2 investment fund of the BPCE bank, on 24 November 2014 Sanef entered into a contract for safety improvements, maintenance and operation of the northern segment of the Lyons ring road (Boulevard Périphérique Nord de Lyon, BPNL).

Under this contract the Société d'Exploitation du Boulevard Périphérique Nord de Lyon (SE BPNL), wholly owned by Sanef, and the Leonord Exploitation company, of which 85% is owned by Sanef, are responsible for operation and maintenance of the ring road for a period of 20 years starting 2 January 2015.

Sanef controls a 35% stake, valued at k€14, of the Leonord company, and 85%, valued at k€34, of Leonord Exploitation.

Sanef distributed all the securities of sub-group Sanef ITS to its shareholder HIT SAS in May 2015, at the time of its dividend distribution. After this distribution the Abertis group, majority shareholder of Sanef's parent company HIT, acquired all of the Sanef ITS sub-group. In addition Sanef recapitalised its Eurotoll SAS subsidiary by integrating a k€20 400 receivable into the capital of the subsidiary.

Lastly, as part of the winding down of the activity of Sanef Saba Parking France (SSPF), of which Sanef owns 50% of shares, a capital increase was decided to cover future payments. Sanef subscribed in the amount of k€965.

As of 31 December 2016 the item "Receivables linked to participations" comprises essentially a loan made to Sapn in the amount of €160 million and an advance to ALIS in the amount of €4.8 million. The amount stated in "Loans" pertains to the mandatory investment in construction work amounting to k€1 966, and a k€295 cash advance to CNA.

III.2.4 - INVENTORY

(in thousands of euros)	31/12 2016	31/12 2015
Inventory and receivables	4 439	4 964
Depreciation of inventory	-	-
Net inventory and receivables	4 439	4 964

Inventory comprises only salt and vehicle fuel.

III.2.5 - TRADE RECEIVABLES

(in thousands of euros)	31/12 2016	31/12 2015
Customers – Tolls (subscribers, etc.)	84 846	86 019
Customers – Other activities	31 422	30 099
Doubtful debts written off	(526)	(622)
TRADE RECEIVABLES	115 741	115 495

The trade receivables for “Other activities” include future earnings for commercial facilities, stated as k€10 181 as of 31 December 2016 and at k€10 438 as of 31 December 2015. This item also includes future billings: k€4 299 to be billed to Sanef Aquitaine for technical assistance in 2016; k€7 008 to Eurotoll for TIS and k€2 005 to SE BPNL under technical assistance and service contracts.

As of 31 December 2016 the write-offs pertain mainly to toll customers, in the amount of k€212.

III.2.6 - OTHER ACCOUNTS RECEIVABLE AND ACCRUAL ACCOUNTS

(in thousands of euros)	31/12 2016	31/12 2015
French State and other public bodies	39 345	40 113
Other receivables and future earnings	94 091	330 063
Prepaid expenses	40 442	36 987
Deferred charges and accrual accounts	9 356	6 093
OTHER ACCOUNTS RECEIVABLE	183 234	413 256

As of 31 December 2016 the “Other receivables” item include k€86 161 of current balances constituted under an intragroup cash pooling agreement, compared to k€316 527 as of 31 December 2015 (see section 4.5).

The item “Accounts receivable – State and other public bodies” includes k€23 906 of future payments from the State: k€2 840 in tax credits (Crédit d’Impôt Compétitivité Emploi, CICE) for 2016 and k€21 066 due to capping of the territorial contribution at 3% of added value (k€10 403 for 2015 and k€10 663 for

2016).

As of 31 December 2016 “Prepaid expenses” include the pro rata share of the public property use fee for the first half of 2017, stated at k€22 794, compared to k€23 242 for the first semester fee in 2016 (see section 3.1.3).

“Deferred charges” are the amounts for non-amortised bond issue premiums and debt repayment.

III.2.7 - TRANSFERABLE SECURITIES AND LIQUIDITIES

(in thousands of euros)	31/12 2016	31/12 2015
Transferable securities	309 835	83 891
Liquidities	257 894	48 213
TRANSFERABLE SECURITIES AND LIQUIDITIES	567 729	132 104

“Transferable securities” are mainly cash mutual fund investments, savings notes and negotiable certificates of deposit.

The company does not hold any own equity shares.

III.2.8 - EQUITY

The share capital of Sanef amounts to €53 090 462, issued in 76 615 132 shares of the same denomination.

The change in equity is as follows:

(thousands of euros)	01/01 2015	Allocation of income	Dividends	Subsidies received less write-back	Regulated provisions	FY income	31/12 2015
Capital	53 090						53 090
Issuance premiums	652 426						652 426
Legal reserves and long-term gains	6 361						6 361
Retained earnings	108 759	52 692					161 451
Income 31.12.2014	345 692	(345 692)	293 000				-
Income 31.12.2015	-					379 997	379 997
Investment subsidies	87 932			(1 459)			86 473
Regulated provisions	345				(345)		0
	1 254 606	(293 000)	293 000	(1 459)	(345)	379 997	1 339 798
(thousands of euros)	01/01 2016	Allocation of income	Dividends	Subsidies received less write-back	Regulated provisions	FY income	31/12 2016
Capital	53 090						53 090
Issuance premiums	652 426						652 426
Legal reserves and long-term gains	6 361						6 361
Retained earnings	161 451	99 997					261 448
Income 31.12.2015	379 997	(379 997)	280 000				-
Income 31.12.2016	-					432 747	432 747
Investment subsidies	86 473			(5 096)			81 376
Regulated provisions	0				(0)		0

	1 339 798	(280 000)	280 000	(5 096)	(0)	432 747	1 487 449
--	-----------	-----------	---------	---------	-----	---------	-----------

As of 31 December 2016, as at the date of 31 December 2015, there are no instruments giving rise to dilution.

In FY 2015 the investment subsidies had increased by k€3 945, and k€5 405 were written back.

In the course of FY 2016 Sanef received k€188 in investment subsidies, and k€5 285 were written back.

III.2.9 - PROVISIONS FOR RISK AND CHARGES

(in thousands of euros)	01/01 2016	Charges	Releases (provi- sions used)	Releases (provisions not used)	Other	31/12 2016
Pensions and other employee benefits	28 660	5 992		(2 007)		32 645
Including:						
End-of-career benefits	26 208	5 815		(389)		31 634
General employee plan (CATS)	103			(103)		-
Executive management plan	1 514			(1 514)		-
Service medals	834	178				1 011
Litigation	2 373	3 852	(569)	(205)		5 451
Fines	269	200	(204)			265
Roadway resurfacing	7 362			(5 871)		1 491
Repairs to engineering structures	34 160		(2 845)			31 315
Other provisions for risks	13 522	17 947	(3 933)	(5 529)		22 007
Other provisions for charges	13 144	100	(1 918)			11 326
PROVISIONS FOR RISK AND CHARGES	99 490	28 091	(9 469)	(13 612)	-	104 500

Provisions for pensions and other employee benefits

The main assumptions retained by groupe Sanef for end-of-career benefits as of 31 December 2016 are:

- discount rate: 1.25% (yield on bonds issued by blue-chip companies);
- average increase in remuneration: 2.75%.

As of 31 December 2016 the amount recognised for end-of-career benefits is k€29 590.

In late 2016 Sanef cancelled the defined-benefits supplementary pension plan that had been taken out with Assurance Vie SOGECAP in November 2005. The provision of k€1 514 recognised by Sanef for this contract in the 2015 balance sheet was written back at the end of 2016.

An early retirement scheme (Cessation anticipée d'activité de certains travailleurs salariés, CATS) under the decree of 9 February 2000 was approved by a sectoral agreement on 16 March 2007 and subse-

quently by an in-company agreement. Under this plan and subject to rules of seniority and onerous working conditions (shift work) workers from age 57 are entitled to early retirement, financed in part by the State. The corporate share due for this scheme had been booked as employment termination benefits. This provision was written back in the corporate accounts as of 30 June 2016.

Provisions for roadway resurfacing and repairs to engineering structures (See sections 2.4 and 3.1.7)

Provisions for other charges

Groupe Sanef has taken steps to improve its performance, notably by opening talks with personnel representatives with a view to implementing a job functions and career advancement plan for 2016-2018 (Gestion des Emplois et des Parcours Professionnels, GEPP). As of 31 December 2015 Sanef had set aside a provision for measures related to this GEPP 2016-2018 scheme.

III.2.10 - BORROWING AND FINANCIAL DEBTS

(in thousands of euros)	31/12/2016	31/12/2015
Fixed-rate loans	2 445 100	2 282 635
Including		
CNA borrowing	298 000	507 035
BNP-Dexia loans	947 100	875 600
Private bond issue	300 000	300 000
Public bond issue	900 000	600 000
Variable or adjustable rate CNA borrowing	17 000	17 000
Other variable or adjustable rate loans	123 250	143 500
Sub-total for borrowing (capital)	2 585 350	2 443 135
Other debt	52 596	62 632
Sub-total	2 637 946	2 505 767
Interest incurred	28 150	27 766
TOTAL BORROWING AND FINANCIAL DEBTS	2 666 096	2 533 533

In June 2005 Sanef wrote back some fixed-rate CNA loans to Sapn in the amount of k€314 809, as part of a recapitalisation of its subsidiary.

In July 2007 Sanef arranged financing for itself and its subsidiary Sapn in the amount of €1.5 billion underwritten equally by Dexia Crédit Local and BNP Paribas in the form of a fixed-rate loan over 17 years, with funding available over a period of nine years. The loan payments are due from 2020 to 2024. The fixed rate is set at 5.398%.

The total amount of withdrawals since 30 July 2007 is broken down as follows:

(in thousands of euros)	Amount of withdrawal	Sanef share	Sapn share
CUMULATIVE TOTAL	1 500 000	947 100	552 900

Sanef has also established lines of credit with Bankia (formerly Caja Madrid), Banesto and Sabadell since FY 2010. As of 31 December the outstanding debt with these three institutions is nil.

At the date of 30 June 2011 Sanef also took out a loan with the Banque Européenne d'Investissement (BEI) for an amount of €100 million. There have been three withdrawals on this loan: €70 million on 21 December 2011; €30 million on 22 February 2012; and €100 on 16 May 2013. Outstanding debt owed to BEI is €123 million as of 31 December 2016.

Sanef issued €300 million in bonds underwritten by BNP Paribas on 26 July 2013. This bond issue at 2.5% comes due on 26 July 2019.

In the last quarter of FY 2015 Sanef refinanced part of its CNA debt (see below). This operation allowed the company to reduce the need for short-term re-financing (in particular CNA loans maturing in 2018) at lower cost, and diversified its sources of funding.

Sanef bought back the CNA notes due in 2018 and part of those due in 2017, for a total of k€438 817 (including €3 250 million for inflation indexing) and on 16 November 2015 issued ten-year public securities (16 March 2026) in the amount of €600 million with a 1.875 coupon. The buy-back purchase included a €45 million redemption premium paid to CNA and fully booked as charges in FY 2015.

On 19 October 2016 Sanef completed a second bond issue of €300 million coming due in 12 years (19 October 2028) with a coupon of 0.950.

Net debt statement:

(in thousands of euros)	31/12 2016	31/12 2015
Borrowing and financial debts	2 666 096	2 533 533
Transferable securities and liquidities	567 729	132 104
Net debt	2 098 367	2 401 429
VARIATION	(303 062)	31 152

CNA borrowing:

These loans were taken out by Sanef from the Caisse Nationale des Autoroutes (CNA), an administrative public body corporate, under an agreement between CNA and motorway concession operators. Under this agreement the concession operators have access to funds raised by CNA, either through its bond issues or through the BEI or CDC banks.

The CNA loans granted to concession operators carry the same conditions and due dates as the debt CNA has incurred to finance them.

The fixed-rate CNA loans have nominal interest rates ranging between 0.51% and 5.25%; the average nominal rate for outstanding fixed-rate loan debt was 3.50% as of 31 December 2016, and 4.01% as of 31 December 2015.

Outstanding variable-rate loan debt stood at €17 million as of 31 December 2016. The rates are pegged to a market rate.

Since 31 December 2004 Sanef has used swaps (variable-rate payer and fixed-rate receiver) to convert part of its interest to variable rates. These swap contracts were cancelled as of 30 January 2013. This transaction resulted in a positive balance for the company amounting to k€29 242 repaid in instalments up through January 2017.

As of 31 December 2016 the repayment schedule on the principal of the company's financial debts is the following:

Years	Capital at under 1 year	Capital between 1 and 5 years	Capital at over 5 years	TOTAL Remains to be repaid
2017	245 250			245 250
2018		110 000		110 000
2019		320 000		320 000
2020		179 000		179 000
2021		154 600		154 600
2022			181 000	181 000
2023			187 000	187 000
2024			308 500	308 500
2025				-
2026			600 000	600 000
2027				-
2028			300 000	300 000
TOTAL AS OF 31/12/2016	245 250	763 600	1 576 500	2 585 350
TOTAL AS OF 31/12/2015	229 285	854 250	1 359 600	2 443 135

Of which k€140 250 at variable or adjustable rates.

Item "Other borrowing and financial debts":

In addition to deposits and guarantees received in the amount of k€2 479 and a k€5 000 loan from the Bip&Go subsidiary, as of 31 December 2016 this item also includes the current account balances of group companies: k€16 170 for Eurotoll; k€16 457 for Bip&Go, k€3 137 for Sanef Aquitaine, k€4 515 for SE A14 and k€4 984 for SE BPNL. The accounts are linked under an intragroup cash pooling agreement set up in December 2004.

III.2.11 - TRADE PAYABLES

(in thousands of euros)	31/12 2016	31/12 2015
TRADE PAYABLES	22 227	22 983

III.2.12 - OTHER ACCOUNTS PAYABLE AND ACCRUAL ACCOUNTS

(in thousands of euros)	31/12 2016	31/12 2015
Debt tied to assets	81 478	51 578
Fiscal and social benefits debt (including Employee profit-sharing)	102 056	107 885
Deferred earnings and accrual accounts	9 684	16 920
Other debt	30 009	32 171
OTHER ACCOUNTS PAYABLE AND ACCRUAL ACCOUNTS	223 227	208 554

As of 31 December 2016 k€9 680 are stated as “Deferred earnings”.

Fiscal and social debts include k€10.176 in provisions for “Employee profit-sharing”.

“Deferred earnings” from operations are k€2.357 in fees owed by commercial establishments spread out over the remaining time of these contracts, and k€6.651 in access fees for optical fibre networks owed by telecommunications operators.

Deferred financial earnings are the positive balance of k€455 cashed in after cancellation of hedge swaps, spread out over the period the underlying instruments through January 2017 (see section 3.2.10).

The item entitled “Other debt” states operating debt of k€1.502 earmarked for TIS principals and k€1.134 for commissions on TIS billings.

This item also includes the HIT current account in the amount of k€25.817. This amount represents the balance of the pro rata share of corporate income tax due by Sanef to HIT, the head company of the fiscal entity, for FY 2016 (see sections 3.1.11 and 4.5).

III.2.13 - OFF-BALANCE-SHEET COMMITMENTS

a) Commitments to be honoured

(in thousands of euros)	31/12 2016	31/12 2015
Future 1% landscape commitment	124	162
Sureties and guarantees	20 803	20 990
TOTAL	20 927	21 152

Future 1% landscape commitment

Under the French government’s 1% for Landscape and Development policy, groupe Sanef contributes to the cost of work required to build motorway sections (under construction or planned) that are in harmony with the surrounding landscape, on the condition that the local authorities involved match the group’s expenditures.

These “1% Landscape” expenditures are a component of the public action set forth in a policy note dated 12 December 1995 on protection of the environment and economic development in the regions traversed by motorways and major inter-regional itineraries, and are stated in the terms of reference of the concession contract as follows:

“For motorways under construction or planned for future construction, the beneficiary of the concession shall contribute to expenditures required to build the motorway in harmony with the surrounding environment, in the interest of local residents as well as of motorway users, including costs of upkeep for the landscape features that are put in to place. These expenditures may be incurred for measures outside of the concession perimeter, as the case may be. The amount due by the concession operator shall not exceed 0.5% of the cost of work, on the condition that the public authorities contribute to the funding of these expenditures in the same amount, under conditions to be specified by the central government” (Article 12.10).

In order for local governments to exercise their rights under this policy, the motorway works must be listed as eligible by government decree. On the basis of this list local authorities may request subsidies for the work under the 1% Landscape provision, creating an obligation for the company to contribute to the cost of the landscaping work.

Sureties and guarantees

Sanef has furnished the following guarantees to three banks:

- Two sureties as parent company for a total of k€2.367 as guarantees for Alliéonor in execution of the A65 motorway concession and operation con-

tract.

- Two sureties for a total of k€5.000 as guarantees for Eurotoll in execution of the contracts signed with ECOTRANS, the Italian toll road network, and a surety as parent company in the amount of k€234 in relations to its activities in Poland.
- A surety in the amount of k€900 for ALBEA in relation to the A150 motorway project.
- Two sureties for a total of k€7.840 for the Boulevard Périphérique Nord de Lyon project.
- Three sureties for a total of k€4.000 for the AGES group (Germany).

Other sureties given as of 31 December 2016:

(in thousands of euros)	Amount of the surety
Beneficiary	
Swiss Federal Customs Union (CHF 500 000)	462
TOTAL	462

As part of group refinancing operations (see section 3.2.10) Sanef has given guarantees benefiting Sapn for an amount corresponding to the funds called by Sapn, plus the associated interest and fees. The amount called by Sapn came to k€552.900 as of 31 December 2016.

b) Commitments received

Commitments received include bank guarantees on contracts. These performance bonds are taken out by the construction companies to cover their contractual obligations to complete work or services commissioned by Sanef.

(in thousands of euros)	31/12 2016	31/12 2015
Bank sureties	13 319	12 167
TOTAL	13 319	12 167

c) Orders for assets or major repairs

(in thousands of euros)	31/12 2016	31/12 2015
Contracted work (signed but not started)	126 814	97 510
TOTAL	126 814	97 510

No major off-balance-sheet commitments as defined by existing standards are omitted from the statement by Sanef of its off-balance-sheet commitments.

III.3 CASH FLOW STATEMENT

III.3.1 - DETERMINING GROSS CASH FLOW

Provisions on circulating assets are not included in the amortisations and provisions used to calculate gross cash flow. The latter include:

- net provisions for fixed assets;
- net provisions for risk and charges;
- variation in deferred charges;
- debt indexing.

(in thousands of euros)	2016	2015
Net provisions for fixed assets	213 711	183 840
Net provisions for risk and charges	13 726	23 614
Variation in deferred charges	906	643
Debt indexing	-	(3 154)
TOTAL AMORTISATION AND PROVISIONS EXCLUDING CIRCULATING ASSETS	228 343	204 943

III.3.2 - VARIATION OF WORKING CAPITAL FUNDS REQUIRED FOR THE BUSINESS ACTIVITY

Variation in outstanding current interest and in deposits received are integrated in "Operating debt and miscellaneous" (cash flow generated by company activity).

III.3.3 - ACQUISITION OF ASSETS

Variation in cash flow generated by acquisition of assets is determined by FY investments less the variation in the balance of suppliers' accounts on the assets side of the ledger.

IV - SUPPORTING INFORMATION

IV.1 ACCOUNTING CONSOLIDATION

Sanef consolidated accounts cover Sanef and its subsidiaries.

- Sapn, Sanef Aquitaine, Eurotoll, SE A14, Bip&Go, Leonord Exploitation, SE BPNL, are fully consolidated.
- Sanef Saba Parkings France is integrated using the equity method.

- Minority holdings in ALIS, Routalis, Aliénor and Leonord are also integrated using the equity method. Sanef accounts are themselves consolidated in the HIT group, itself consolidated in Abertis, Spain.

IV.2 ACCOUNTING AND FINANCIAL INDICATORS

(in thousands of euros)	2016	2015
Added value	1 090 699	1 047 517
Gross operating surplus	845 286	809 136
Gross operating margin (%)	70,73	69,87
EBITDA ⁽¹⁾	844 439	813 984
EBITDA margin (%)	70,66	70,28
Gross cash flow	654 949	554 976

(1) Operating earnings adjusted for employee profit-sharing and before amortisations, depreciation and provisions.

IV.3 LITIGATION

Sanef is a party in a number of instances of litigation that arise in the normal course of its business. As of 31 December 2016 Sanef is of the opinion that none of the current litigation related to its business activity is of a nature to have a significant negative effect on its earnings, its activity or its financial position (other than risks already provisioned in its corporate accounts).

IV.4 TERMS OF REFERENCE

The main concession agreement and the associated terms of reference appended to this agreement are the fundamental instruments that frame the relationship between the French State and the Sanef company. The clauses of the terms of reference concern the construction and operation of motorways, the applicable financial conditions, the duration of the concession and the mechanisms governing reversion of the infrastructure at the end of the concession period.

The principal clauses that could influence the operating outlook include:

- the obligation to maintain all infrastructure in a good state of repair, and to employ all possible means to ensure uninterrupted traffic flow that is safe and convenient,
- clauses stipulating toll rates and rate increases,

- clauses stipulating mechanisms to be applied in case of changes in technical regulations or fiscal rules applicable to motorway operators. If these changes were to jeopardise the financial equilibrium of the concession operations, the French State and the concession holder would agree upon compensation,
- the clauses intended to ensure that concession infrastructure is returned in a good state of repair at the expiration date of the contract,
- conditions governing the reversion of assets to the State at the end of the concession and restrictions placed on assets,
- the option allowing the State to buy out the concession contracts for reasons invoking the general interest as of 1 January 2013.

IV.5 INFORMATION ON ASSOCIATED PARTIES

The principal third parties with privileged position in relation to Sanef are:

- the majority shareholder, Holding d'Infrastructures de Transport (HIT), owning 99.99% of Sanef;
- Sanef subsidiaries and holdings in other companies, listed in note 5, in particular Sapn.

The current account for HIT in the item "Other debt" stated by Sanef as of 31 December 2016 in the amount of k€25.817 represents the balance of the share of corporate income tax due by Sanef to HIT as head of the fiscal group for 2016. This amount is equal to k€196.703 less k€170.852 in intermediate payments by Sanef in FY 2016. The difference of k€34 is due to regularisation of tax credits for earlier periods.

Current accounts for subsidiaries in the following items:

- "Other financial debt": k€16 170 for Eurotoll; k€16 457 for Bip&Go, k€3 137 for Sanef Aquitaine, k€4 515 for SE A14 and k€4 984 for SE BPNL;
- "Other receivables", i.e. Sapn for k€86.150, are cash pooling accounts under an intragroup agreement.

The items "Trade payables" and "Debt tied to assets" include Bip&Go accounts in the amount of k€3.503. The item "Trade receivables" includes the Eurotoll account for k€7.836 of which k€411 are future billings; the Sanef Aquitaine account for k€4.299 in future billings; the SE BPNL account for k€2.611, of which k€2.004 are future billings; and the Sapn account for k€1.367.

Sanef booked k€3.387 in interest on the loan made to Sapn (see section 3.2.3)).

In the course of FY 2016 Sanef booked k€195 in

earnings and Sapn interest credit, associated with loans managed under the intragroup cash pooling agreement. Interest payments booked as charges stand at k€124, of which k€98 for Bip&Go.

Sanef also booked as earnings k€269 in interest on the A'liénor debt in 2016.

Interest on the ALIS loan in the amount of k€54 was booked in FY 2016.

The relationships with other subsidiaries and investment holdings do not represent significant amounts.

IV.6 REMUNERATION OF EXECUTIVE OFFICERS

Remuneration of corporate officers came to k€883 in FY 2016. This includes k€406 in remuneration (including benefits in-kind) paid by Sanef and k€477 rebilled to the Abertis group. This remuneration was k€1.110 in FY 2015. No remuneration was paid to other administrators.

In FY 2016 k€363 was paid out in attendance fees. The amount of attendance fees paid in FY 2015 was k€498.

IV.7 INDEPENDENT AUDITORS' HONORARIA

The Deloitte & Associés and PHM – Audit Expertise et Conseil firms and their associated firms are the independent auditors of the company as of 31 December 2016.

Honoraria in the amount of k€287 were paid to the independent auditors for the mandatory audit of corporate accounts and for services rendered in execution of the due diligence directly related to this mission in FY 2016.

V - LIST OF SANEF SUBSIDIARIES AND INVESTMENT HOLDINGS

List of subsidiaries and investment holdings (in thousands of euros)	Capital	Other equity ⁽¹⁾	Pro rata capital	Book value of equity holdings		Loans and cash advances Net value	Be-fore-tax revenue	Income
				Gross	Net			
Subsidiaries (over 50% of shares)								
- Sapn	14 000	339 819	99,97 %	599 909	599 909	160 000	398 478	86 709
- SODERANE	15	471	99,90 %	15	15	902	1 682	216
- Eurotoll	3 300	1 011	100,00 %	23 400	18 000		489 481	1 512
- Bip&Go	1	312	100,00 %	1	1		22 769	5 538
- Sanef Aquitaine	500	50	100,00 %	500	500		7 298	184
- SE Bd Périphérique Nord Lyon	40	208	100,00 %	53	53		11 765	366
- Leonord Exploitation	40	(57)	85,00 %	34	34		12 939	69
Participations and shareholdings								
- Sanef Saba Parkings France	2 117	(1 947)	50,00 %	1 059	71		-	4
- ALiénor	275 632	142 083	35,00 %	96 471	96 471	38	56 199	8 822
- Leonord	40	-	35,00 %	14	14		13 947	-
- CENTAURE NORD P-d-C ^(*)	320	1 145	34,00 %	259	259		1 114	141
- CENTAURE GRAND EST ^(*)	450	696	14,44 %	131	131		1 259	23
- Autoroutes Trafic ^(*)	349	276	15,47 %	54	54		1 751	49
- ALIS	2 850	151 495	11,67 %	2 030	2 030	4 783	75 898	2 505
- SOGAREL ^(*)	2 000	15 093	5,00 %	100	100		24 184	839

Capital and other equity in foreign companies, outside of the euro currency zone, may be expressed in other currency (in thousands).

(1) Not included in FY income.

(*) Figures available as of 31 December 2015.

In the course of FY 2016 Sanef received dividends of k€73.377 from Sapn, k€9.000 from Bip&Go, k€76 from Sanef Aquitaine and k€48 from Centaure Nord Pas-de-Calais.

INDEPENDENT AUDITOR'S REVIEW OF ANNUAL ACCOUNTS

FY ending 31 December 2016

In the framework of the mission entrusted to us by the Sanef Annual Shareholders' Meetings, we hereby submit our report to shareholders on the financial year ending 31 December 2016, including:

- Review of Sanef annual accounts, as included in the documents appended to this report;
- Explanation of our assessments;
- Specific information and verifications required by law.

The annual accounts were approved by the Board of Directors. It is our duty to issue an opinion on these accounts, on the basis of our audit.

I. OPINION ON ANNUAL ACCOUNTS

We carried out our audit in keeping with professional standards in effect in France. These standards call for implementation of due diligence in order to obtain a reasonable assurance that there are no significant anomalies in the annual accounts. The audit process consists in sampling or otherwise selecting data in order to verify the amounts and information presented in the consolidated accounts. It also includes an assessment of the accounting principles and methods used, the significant estimates used and the overall presentation of the accounts. We believe that the data we have collected are sufficient and appropriate to support our opinion.

We certify that the annual accounts are honest and sincere, according to the rules and principles of accounting in France, and that they faithfully reflect the earnings of the financial year, and the financial position, property and holdings of the company at the end of the financial year.

II. EXPLANATION OF OUR ASSESSMENTS

As stipulated by article L.823-9 of the Commercial Code on explanation of the auditor's assessments, we inform you of the following items:

The Annex appended to the annual accounts states the applicable accounting rules and methods for:

- Immobilisation and amortisation of the conceded lands in note 2.2;
- Expenditures for upkeep of infrastructure in note 2.3;
- Stipulations for conservation of conceded infrastructure in its existing state and for renewal

of roadway running courses, in notes 2.4 and 2.5 respectively.

In the course of our assessment of the accounting rules and principles followed by your company we verified that the accounting methods specified above and the information provided in the annex notes are suitable and that they are properly applied.

Our opinions on the rules and principles form a part of our audit of the annual accounts, as a whole, and have helped shape our opinion expressed in the first part of this report.

III. SPECIFIC INFORMATION AND VERIFICATIONS

We also carried out the legally required specific verification operations, in compliance with professional standards in effect in France.

We have no observations to make regarding the sincerity of the information given in the activity report by the Board of Directors and in the documents submitted to the shareholders on the financial position and the annual accounts, nor on the consistency of this information with the annual accounts.

With regard to information on remuneration and advantages granted to the company officers and commitments in their favour, as furnished in compliance with article L.225-102-1 of the Commercial Code, we have verified that the information reported is consistent with the accounts or with the data used to establish the accounts, and as the case may be with other information gathered by your company from other companies that control or are controlled by your company. On the basis of this review we attest that this information is accurate and sincere.

Paris and Neuilly-sur-Seine, 19 April 2017

Independent auditors

PHM-AEC
Philippe MOURARET

Deloitte & Associés
Laurent ODOBEZ



groupe Sanef

Le Crossing - 30, boulevard Gallieni - 92130 Issy-les-Moulineaux
Tél. : +33 (1) 41 90 59 00 - www.sanefgroupe.com