INFRA PARK

Management report for the first half of 2018

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Details on figures in the report

To make its performance easier to understand and to improve its presentation, the Group presents operational figures (revenue, EBITDA, operating income) on a "global proportionate" (GP) basis, including the Group's share of joint ventures (mainly in the USA, Colombia, Panama and Smovengo) as if they were consolidated proportionately and not under the equity method applied in accordance with IFRSs when preparing the consolidated financial statements.

For the same reason, the Group uses Free Cash-Flow – which is a measure of cash flow from recurring operating activities – as a performance indicator. It equals EBITDA less disbursements related to fixed fees as part of concession contracts, the change in the working capital requirement and current provisions, maintenance expenditure and any other operating items that have a cash impact but that are not included in EBITDA. A reconciliation with the figures in the consolidated cash flow statement is presented in Note 8 "Notes to the cash flow statement" to the consolidated financial statements for the six months ended 30 June 2018.

EBITDA (earnings before tax, interest, depreciation and amortisation) is intended to measure the Group's operational performance. It is based on operating income before taking into account net depreciation, amortisation and additions to provisions for the impairment of non-current assets, net additions to non-current provisions, capital gains or losses on disposals of non-current assets, goodwill impairment, income from equity-accounted companies, expense associated with share-based payments (IFRS 2) and income and expense deemed to be non-recurring, material and exceptional.

Finally, the Group adopted IFRS 15 "Revenue from contracts with customers" on 1 January 2018, the date on which the standard came into force in the European Union. IFRS 15 is the new IFRS accounting standard governing revenue recognition. It replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" and the corresponding interpretations, particularly IFRIC 15 "Agreements for the Construction of Real Estate".

The Group has decided to apply IFRS 15 according to the "full retrospective" transitional approach. Figures for the first half of 2017 and for full-year 2017, presented for comparison purposes, have been adjusted and are presented in accordance with IFRS 15 (see Note 4 to the consolidated financial statements for the six months ended 30 June 2018).

The total impact of the first-time adoption of IFRS 15 on global proportionate revenue for the first half of 2018 is a net increase of €17.3 million, equal to around 3.9% of revenue, and a net increase of €16.5 million for the comparable figure for the first half of 2017.

This change of method has no impact on EBITDA or net income, only on the presentation of the income statement.

Summary and key figures

The first half of 2018 was a transitional six-month period for the Group, during which it strengthened its position as a major global player in all segments of individual mobility by continuing to develop its parking activities in the most mature countries while streamlining its expansion in new geographical areas such as Brazil, Colombia and Panama. The Group also invested in new businesses such as Smovengo, Streeteo and INDIGO® weel, which, after its early-2018 launch was accompanied by some technical and organisational difficulties, took action to turn the situation around: the positive results of that action are now showing through.

The Group also started to implement its new Goal 2025 strategic plan by selling activities in non-core countries (Qatar and Russia) and increasing investment in wholly owned facilities and long-term contracts.

Key global proportionate figures in Infra Park's consolidated income statement are as follows:

€ million	H1-17	H1-18	Change at current exchange rate (%)	Change at constant exchange rate (%)
Revenue [1]	**469.9**	**467.5**	**-0.5%**	**+4.2%**
EBITDA	**155.7**	**156.6**	**+0.6%**	**+1.9%**
% Margin	*33.1%*	*33.5%*	*+0.4 pts*	
Operating income	**63.8**	**64.6**	**+1.2%**	**+2.2%**
% Margin	*13.6%*	*13.8%*	*+0.2 pts*	
Cost of net financial debt	(19.2)	(39.3)	+104.6%	+104.6%
Other financial income and expense	(4.0)	(2.5)	-36.9%	-36.9%
Net income before tax	**40.6**	**22.8**	**-43.9%**	**-44.4%**
Income tax expense	(17.1)	(25.1)	+47.1%	+47.1%
Net income	**23.5**	**(2.3)**	**-110.0%**	**-109.8%**
Net income attribuable to non-controlling interests	(0.3)	(0.3)	-2.6%	-2.6%
Net income attributable to owners of the parent	**23.2**	**(2.7)**	**-111.5%**	**-111.4%**

At 30 June 2018, the Group managed 2,369,000 parking spaces across 5,693 facilities (based on a 100% share of operations, including in countries where the Group operates through a joint venture). Of those spaces, 57.6% were in North America and the United Kingdom, 19.0% in France, 15.4% in the IBSA region (Spain, Brazil, Colombia and Panama) and 8.0% in other Continental European countries.

The Group's consolidated global proportionate revenue[1] for the first half of 2018 was €467.5 million, up 4.2% on the first half of 2017 at constant exchange rates and down 0.5% (down €2.4 million) unadjusted for currency movements, due to a negative exchange difference of €21.0 million. The increase in revenue at constant exchange rates was due to expansion in France, where revenue rose 4.7%, in the North America-United Kingdom zone (up 5.2%) and in other European markets (up 0.7%), while it fell 4.4% in the Iberica and South America zone (Spain, Brazil, Colombia and Panama). The Mobility and Digital Solutions business line contributed €5.6 million.

Global proportionate consolidated EBITDA was €156.6 million in the first half of 2018, up 1.9% (up €3.0 million) at constant exchange rates compared with the first half of 2017 and up 0.6% (up €0.9 million) unadjusted for exchange-rate movements, despite a negative exchange difference of €2.0 million. EBITDA as a proportion of revenue was 33.5%, 0.4 point more than in the year-earlier period (33.1%), despite the 2018 figure including the cost of

[1] Amounts adjusted in accordance with the change in method relating to revenue recognition as part of the first-time adoption of IFRS 15 from 1 January 2018 (see Note 4 "Change in accounting method" of the consolidated financial statements for the six months ended 30 June 2018).

launching the on-street enforcement activities in France (Streeteo) and starting Smovengo's Velib 2 contract. EBITDA margin was 55.7% in France, 43.1% in other Continental Europe countries, 8.7% in the North America-United Kingdom region and 25.8% in Iberica-South America. These figures reflect the different business models used in the latter two geographical zones which, with the exception of Spain, mainly involve contracts under which the Group bears no traffic-level risk and carries out little investment but in return generates lower margins.

Taking into account global proportionate operating income of €64.6 million in the first half of 2018, as opposed to €63.8 million in the year-earlier period, Infra Park posted a consolidated net loss attributable to owners of the parent of €2.7 million as opposed to income of €23.2 million in the first half of 2017. The year-on-year change includes €19.8 million of non-recurring financial expenses arising from the early redemption, in May 2018, of the €500.0 million of bonds due to mature in 2020.

IFRS net financial debt was €1,819.5 million at 30 June 2018 after a €80.0 million dividend payment as opposed to €1,665.7 million at 31 December 2017 and 1,707,8 million at 30 June 2017. This change in debt reflects the Group's continued investment at a sustained pace, both in its parking activities and in the launch of its new MDS activities. At the same time, Infra Park's Free Cash-Flow IFRS increased slightly between the two periods, reaching €107.1 million in the first half of 2018, representing a cash conversion ratio of 70.4% over the period.

1. Key events

1.1 Key events in the first half of 2018

- Successful refinancing

On 19 April 2018, Infra Park launched a new €700 million issue of bonds with a 10-year maturity (April 2028) and a fixed coupon of 1.625%.

The order book exceeded €1.4 billion, meaning the offer was twice oversubscribed, confirming the market's confidence in the long-term strength of Infra Park's business model.

The funds raised allowed Infra Park to repay early, in May 2018, €500 million of bonds due to mature in 2020 by exercising its make-whole clause, as well as the €100 million shareholder loan from Infra Foch Topco.

- Confirmation of the Group's BBB credit rating

On 10 April 2018, S&P confirmed the BBB rating of Infra Park and adjusted its outlook from positive to stable.

The confirmation of the BBB rating emphasises the Group's good performance in 2017 as well as the strength of its infrastructure model and its credit ratios and takes into account the consequences of the aforementioned refinancing transaction.

- Infra Park's extra-financial rating

In March 2018, extra-financial rating agency Vigeo awarded Infra Park a score of 61/100, making the Group the leading European company in its sector. This rating reflects the Group's workforce-related and environmental commitments.

- Acquisition of Besix Park NV

In accordance with the strategy that was confirmed in March 2018, consisting of consolidating the market in countries where the Group could become a leader or co-leader, Infra Park in June 2018 formed an agreement to acquire 100% of Besix Park NV, a major player in the Belgian parking market, managing around 17% of Belgium's parking spaces and generating annual revenue of over €12 million. The transaction was completed on 4 July 2018, making the Group the number-one player in the Belgian parking market in terms of the number of spaces managed, and brought it closer to the number-two player in terms of revenue.

- Geographical refocusing

Consistent with that strategy, the Group has started to refocus its business geographically, resulting in the sale of all its shares in Qatari company QDVP P.Q.S.C. to its Qatari co-shareholder QDVC Q.S.C. on 7 February 2018. That sale did not have a material impact on the Group's financial statements for the first half of 2018. In April 2018, it also sold the Russian car park held indirectly through the Russia Parkinvest joint venture, in which the Group owns 50.13%. That disposal had a positive impact of €2.7 million in the first half of 2018, presented under income from companies accounted for under the equity method.

In the first half of 2018, the Group also started exploring disposals of its subsidiaries in the United Kingdom, Germany, the Czech Republic and Slovakia. Together, those countries accounted for less than 6% of the Group's EBITDA in 2017.

1.2 Key events in the previous period

- Discontinuation of the disposal process

On 23 November 2017, the Infra Park group's owners decided to discontinue the disposal process they had started in early 2017. As a result, the acquisition of an additional 40% in LAZ Parking, which was contingent on a change of control over Infra Park, did not take place and Infra Park maintained its indirect 50% stake in LAZ Parking.

- Two successful new bond issues

Infra Park carried out two new bond issues in July 2017 in the form of private placements: on 6 July 2017, €100 million of 12-year bonds with a coupon of 2.000%, and on 27 July 2017, €125 million of 20-year bonds with a coupon of 2.951%.

Those two bond issues confirmed Infra Park's status as a regular issuer in the bond markets, as well as extending the average maturity of its debt and giving it the resources, it needs to continue its development.

The two bond issues are rated BBB by Standard & Poor's.

- Acquisition of the Alpha Park contract portfolio

On 4 January 2017, Infra Park acquired the portfolio of contracts operated by Alpha Park in Denver via its indirect subsidiary LAZ Parking. The acquisition added 49 new car parks to LAZ Parking's portfolio, making it one of Denver's largest parking operators with 80 locations and more than 125 employees in the city.

- Purchase of an additional 10% stake in AGE

On 28 August 2017, in accordance with its previous undertakings and via its Indigo Estacionamento Ltda subsidiary, Infra Park acquired an additional 10% stake in its Brazilian subsidiary AGE, taking its interest to 70% at 31 December 2017 and 30 June 2018.

- Significant contract wins in French on-street parking

With respect to the on-street enforcement activity in France, effective from 1 January 2018, Infra Park has set up a dedicated organisation called Streeteo. By anticipating this development and with the expertise it has acquired in countries such as Spain and Belgium, the Group has been able to win a large proportion of the related tenders, including two out of three contracts in Paris.

- Launch of a business line focusing on shared individual mobility

In July 2017, the Group set up an organisation focusing on shared individual mobility solutions, in order to offer services including free-floating bike sharing in cities in which the Group operates. The business line's first project began in Metz in December 2017.

In late 2017, this new business line was combined with the Digital business line within a new business line called Mobility and Digital Solutions (MDS).

On 24 March 2017, via its NOW! Innovations Solutions BV subsidiary, Infra Park also purchased a 12.60% stake in sPARK, which develops the Polly app, and increased its stake to 22.01% on 20 November 2017, for a total investment of €0.8 million.

Polly is a predictive navigation app that guides drivers to parking spaces (on- or off-street). The acquisition allows Infra Park to broaden the functions offered to OPnGO customers and to optimise the user experience, from searching for a parking space to payment.

- Smovengo

In early May 2017, the Smovengo consortium, consisting of Indigo Infra, Mobivia, Moventia and Smoove, signed a new 15-year self-service bicycle operation contract in the city of Paris with the Autolib' et Velib' Metropole association starting on 1 January 2018. Indigo Infra owns a 35% stake in Smovengo.

1.3 Events taking place after 30 June 2018

In early May 2017, the Smovengo consortium – consisting of Indigo Infra (subsidiary of Infra Park), Mobivia, Moventia and Smoove – had signed a new contract with the Syndicat Autolib' et Velib' Metropole (SAVM) association to provide self-service bicycles (the Velib service) in the city of Paris, for a 15-year period starting on 1 January 2018. Smovengo experienced difficulties in early 2018 due to delays in introducing new docking stations, followed by technical and mechanical problems that adversely affected the quality of service provided by Smovengo to Velib users.

Against that background, in agreement with SAVM, in June 2018 Smovengo adopted a relaunch plan intended to achieve certain operational targets by the end of August.

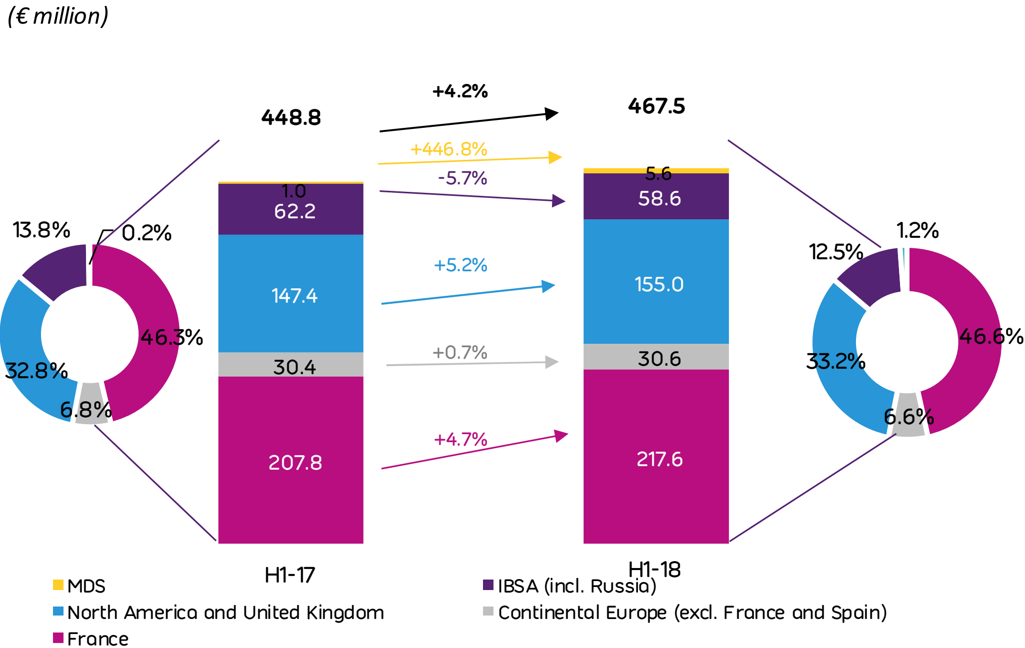
All of those targets were hit, as regards the number of open docking stations (over 800 currently), the number of bicycles in circulation (over 10,000 including 3,000 electrically assisted bikes) and the number of journeys made every day, which exceeded the target of 30,000 in late August. At the same time, the company successfully took action to build up and strengthen its operational activities.

Those efforts, the initial results of which were welcomed by SAVM, will continue in the second half of 2018.

2. Revenue (GP)

The Group's consolidated global proportionate revenue for the first half of 2018 was €467.5 million, up 4.2% (up €18.7 million) relative to the first half of 2017 at constant exchange rates and down 0.5% (down €2.4 million) unadjusted for currency movements, due to a negative exchange difference of €21.0 million.

Revenue by region at constant exchange rates



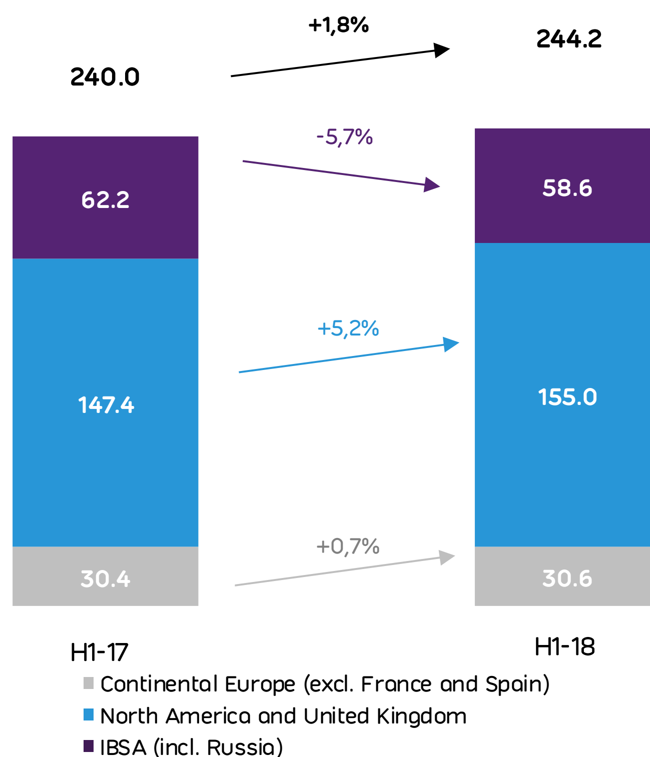
Revenue grew at constant exchange rates both in France and abroad.

In France, revenue was up 4.7% (up €9.8 million). Based on a constant scope of contracts, revenue was up 2.3% (up €4.4 million), including a €1.6 million increase in revenue from hourly customers, a €0.9 million increase from subscribers and a €1.0 million increase from on-street customers.

Contracts won and lost between the first halves of 2017 and 2018 had a €5.7 million net positive impact on revenue. The Group won some contracts to operate the on-street enforcement activity in Paris, while new contracts in Strasbourg, Bordeaux and Paris continued their build-up after beginning in 2017 and the operation of certain facilities ended, particularly in Paris and Nancy.

Outside France, revenue rose 1.8% (€4.2 million) at constant exchange rates year-on-year in the first half of 2018, while unadjusted for exchange-rate movements it fell by 6.4% (€16.8 million). Movements in revenue in the various geographical zones were as follows:

Movements in revenue at constant exchange rates



Continental Europe (excluding France and Spain)

At constant exchange rates, revenue rose 0.7% (€0.2 million) while, unadjusted for exchange-rate movements, it was in line with the figure for the first half of 2017. It included an increase of 6.0% (€0.8 million) in Belgium, with €0.5 million attributable to the existing scope and €0.3 million to several new contracts, an increase of 2.1% (€0.1 million) in Luxembourg, with €0.5 million attributable to the existing portfolio and a €0.4 million negative impact from movements in contracts, and a decrease of 43.5% (€0.8 million) in the Czech Republic following the scheduled end of the on-street parking contract in Prague.

North America-United Kingdom

Revenue in this zone rose 5.2% (€7.6 million) at constant exchange rates between the first half of 2017 and the first half of 2018 and fell 3.3% (€5.3 million) unadjusted for exchange-rate movements, with a negative exchange difference of €12.9 million. Revenue in the United Kingdom amounted to €26.8 million (down 7.0% at constant exchange rates, a decrease of €2.0 million). That came despite a €0.2 million increase at constant scope of contracts, because of a negative effect from movements in contracts, with some contracts generating large amounts of revenue lost or coming to an end. Revenue in Canada (up 6.6% at constant exchange rates to €36.8 million) was boosted by €0.7 million by net contract wins and renewals, while revenue from the existing portfolio grew €1.5 million. Finally, revenue from the LAZ Parking joint venture in the United States, in which the Group owns a 50% stake, grew 8.7% at constant exchange rates, resulting in revenue of €91.3 million. There was very strong growth in the Southwest, Southeast, Midwest, Connecticut and Northern California regions.

IBSA (Spain and South America)

Revenue fell 4.4% at constant exchange rates and 15.3% unadjusted for exchange-rate movements between the first half of 2017 and the first half of 2018, or by €10.6 million. Brazil contributed €32.6 million to revenue, down 11.6% year-on-year at constant exchange rates. Revenue from Spain rose 5.9%, with a €0.9 million increase from the existing portfolio and a €0.3 million positive effect from movements in contracts. Revenue in Colombia rose by 12.7% to €4.1 million at constant exchange rates.

The business in Qatar (sold in February 2018) generated €0.9 million of revenue in the first half of 2017.

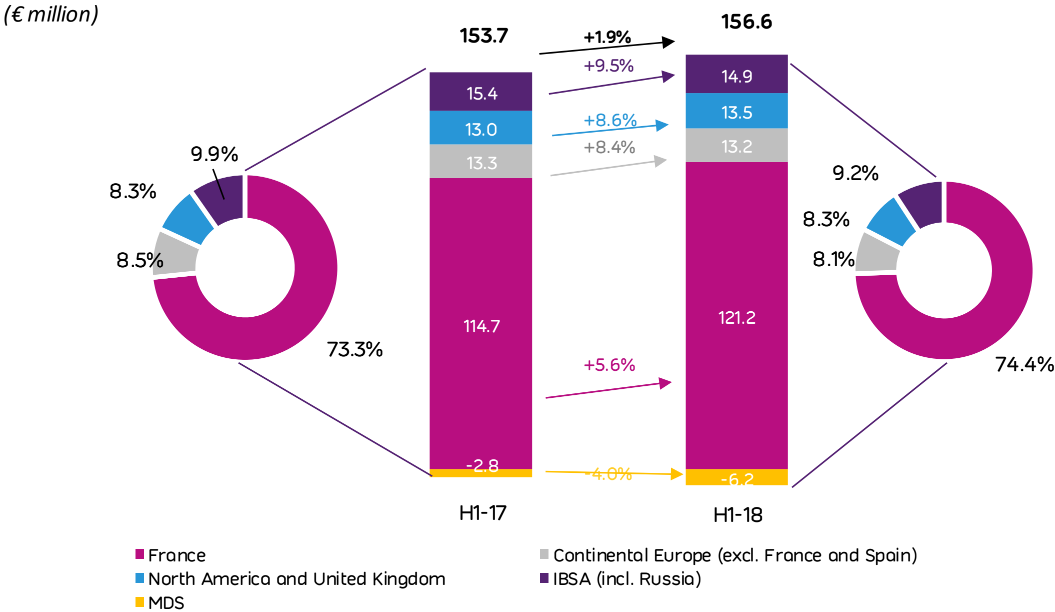
The Mobility and Digital Solutions business line generated revenue of €5.6 million in the first half of 2018 as opposed to €1.0 million in the year-earlier period, including €4.2 million from its 35% stake in Smovengo. At the end of 2017, the Group launched its new free-floating bike-sharing service under the INDIGO® weel brand, and by 30 June 2018 had introduced around 7,000 bicycles in six French cities.

3. Earnings

3.1 EBITDA (GP)

In the first half of 2018, the Group's consolidated global proportionate EBITDA amounted to €156.6 million, an increase of 1.9% (€3.0 million) at constant exchange rates and 0.6% (€0.9 million) unadjusted for exchange-rate movements compared with the first half of 2017.

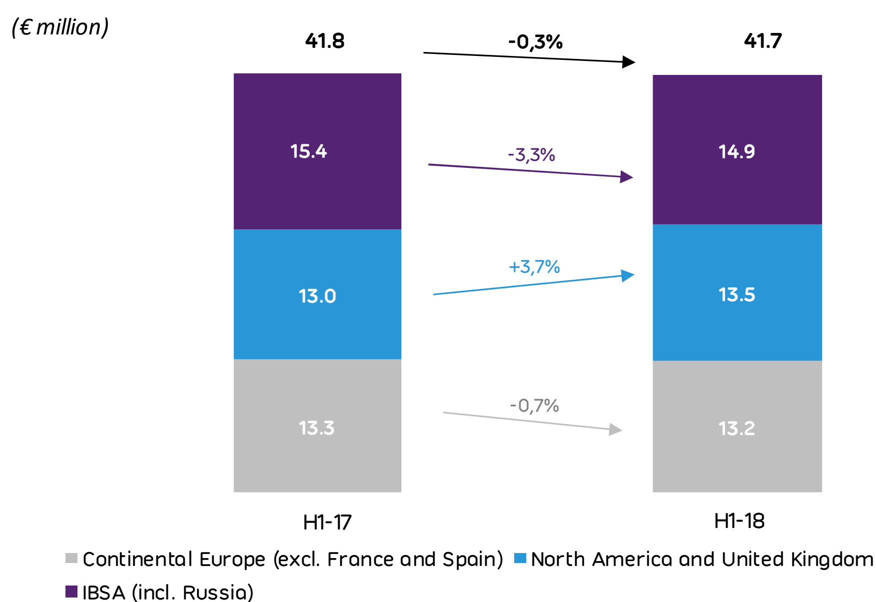
EBITDA by region at constant exchange rates



In France, EBITDA equalled 55.7% of revenue in the first half of 2018 as opposed to 55.2% in the year-earlier period and rose by 5.6% year-on-year or €6.5 million. The increase in EBITDA between 2017 and 2018 included the effect of resolving favourably several legal disputes in 2017 and 2018 for €3.1 million, and a €3.1 million decrease in professional fees in 2018.

Outside France, EBITDA fell 0.3% (€0.1 million) at constant exchange rates and 4.9% (€2.2 million) unadjusted for exchange-rate movements, including a negative exchange difference of €2.0 million, in the first half of 2018 compared with the first half of 2017. Movements in the various geographical zones were as follows:

EBITDA growth at constant exchange rates



Continental Europe (excluding France and Spain)

EBITDA amounted to €13.2 million in the first half of 2018, down from €13.5 million in the year-earlier period, a decrease of 0.7% (€0.1 million) at constant exchange rates and 1.9% (€0.3 million) unadjusted for exchange-rate movements. EBITDA grew 18.0% (€0.2 million) in Luxembourg due to good operational gearing and 14.4% (€0.4 million) in Switzerland. EBITDA in the Czech Republic fell by 58.5% (€0.5 million) after the scheduled loss of an on-street parking contract in Prague.

North America-United Kingdom:

EBITDA rose 3.7% (€0.5 million) at constant exchange rates but fell 2.0% (€0.3 million) unadjusted for exchange-rate movements, because of a €0.8 million negative exchange difference. In the United Kingdom, EBITDA fell 2.4% at constant exchange rates to €6.6 million, but EBITDA margin rose from 23.3% in the first half of 2017 to 24.4% in the first half of 2018, an increase of 1.1 point, due to substantial growth in EBITDA from the existing portfolio and despite some contracts coming to an end. At constant exchange rates, EBITDA in Canada rose 7.1% year-on-year to €2.9 million, driven in particular by revenue growth in the existing portfolio. EBITDA at the LAZ Parking joint venture in the United States, which is 50%-owned by the Group, rose 12.5% or €0.5 million at constant exchange rates year-on-year, on the back of an 8.7% increase in revenue.

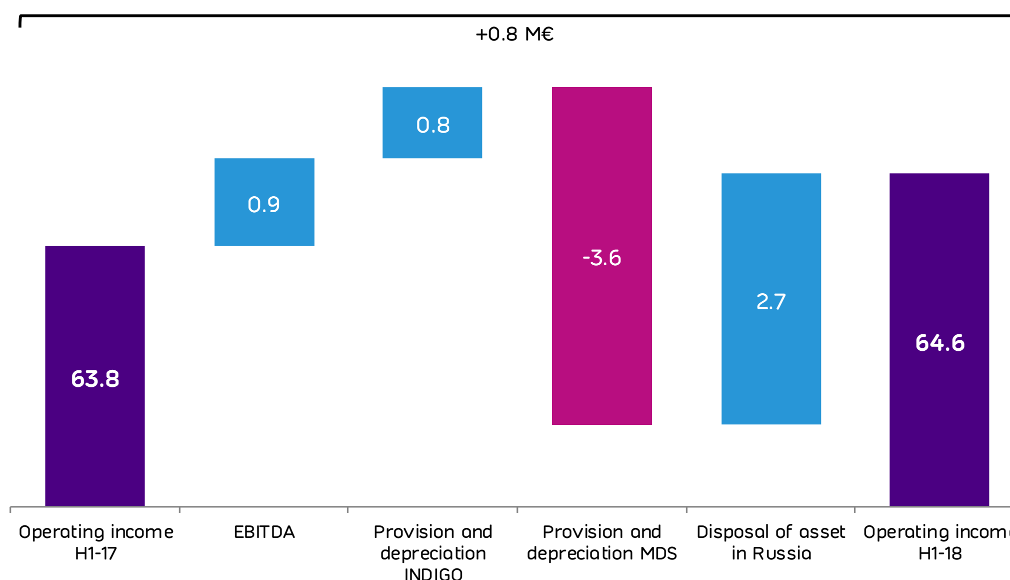
IBSA (Spain and South America):

EBITDA fell 2.3% (€0.4 million) at constant exchange rates between the first half of 2017 and the first half of 2018. Unadjusted for exchange-rate movements, EBITDA fell 8.9% (or €1.5 million) to €15.1 million. EBITDA in Brazil was down 4.9% (€0.3 million) at constant exchange rates, due to the decline in revenue during the period. EBITDA in Spain fell 0.6% (€0.1 million) year-on-year despite a €0.4 million increase in the existing portfolio, dragged down by the non-recurrence of the €0.5 million positive impact from resolving legal disputes in the first half of 2017.

The **Mobility and Digital Solutions** business line made a loss of €6.2 million in the first half of 2018 compared with a loss of €2.8 million in the year-earlier period. That was partly due to the Group's investment in launching new individual mobility services such as INDIGO® weel and Smovengo.

3.2 Operating income (GP)

The Group's operating income amounted to €64.6 million in the first half of 2018, up from €63.8 million in the year-earlier period, an increase of 1.2% or €0.8 million.



The €0.8 million increase in operating income between the two periods includes the profit on selling a car park in Russia for €2.7 million more than offset by depreciation and amortisation relating to the MDS business line's new activities.

The global proportionate operating income figure of €64.6 million works out as €62.6 million operating income under IFRSs, down 0.8% relative to the first half of 2017.

3.3 Net financial income/expense (IFRS)

The cost of net financial debt rose from €18.9 million in the first half of 2017 to €38.7 million in the first half of 2018. The increase was mainly caused by the cost of exercising the make-whole clause as part of the early redemption of €500 million of bonds due to mature in 2020 (impact of €19.8 million) and coupons on the two private placements of bonds carried out in July 2017 – €100 million of 12-year bonds and €125 million of 20-year bonds which extended the average maturity of the Group's debt (impact of €2.8 million).

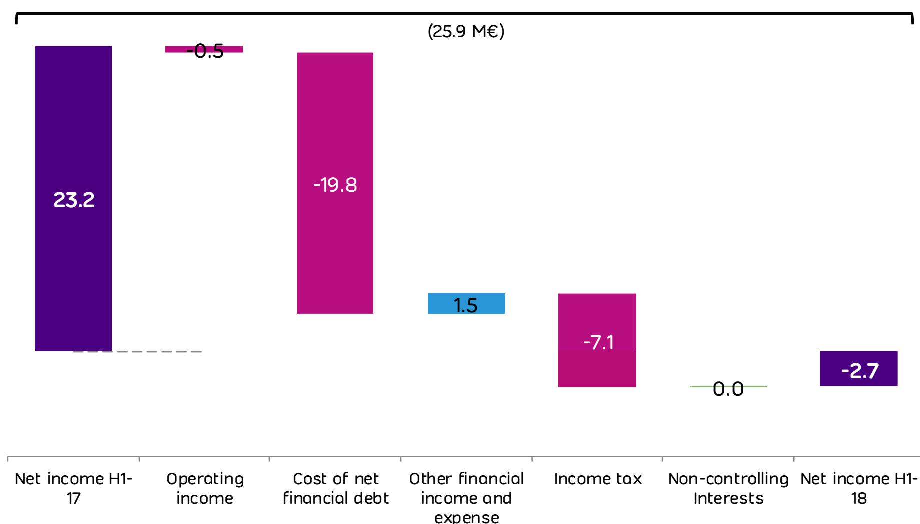
In the first half of 2018, the average interest rate on gross long-term financial debt after adjusting for non-recurring costs was 2.6%[2], as opposed to 2.4% at 31 December 2017.

At the same time, there was a net improvement of €1.5 million in other financial income and expense, due in particular to a smaller accretion expense relating to puts held by non-controlling interests in AGE (€2.9 million in the first half of 2018 versus €4.0 million in the first half of 2017).

[2] Adjusted for the impact of exercising the make-whole clause, the balance of costs to be amortised on the 2020 bonds and the one-off payment related to the early termination of a €150 million swap. The cost of gross financial debt includes the cost of the shareholder loan (over part of the six-month period) and excludes the fixed fee accretion expense.

3.4 Net income (IFRS)

The Group made a consolidated net loss attributable to owners of the parent of €2.7 million in the first half of 2018, versus income of €23.2 million in the year-earlier period.



Net income fell €25.9 million between the first half of 2017 and the first half of 2018, resulting in a loss of €2.7 million, with IFRS operating income down €0.5 million, a €18.3 million increase in the cost of net financial debt mainly due to the make-whole operation mentioned above, and other financial income and expense, and a €7.1 million increase in the net income tax expense.

The tax expense for the first half of 2018 was €23.8 million (€16.7 million in the first half of 2017).

The effective tax rate was 112.3% in the first half of 2018, as opposed to 45.8% in the first half of 2017. That increase was mainly caused by a substantial increase in unused tax losses at Infra Park during the period, particularly as a result of expenses relating to the make-whole transaction, along with the non-use of tax losses in certain countries in which the Group operates, such as Brazil.

Consolidated net income attributable to owners of the parent includes €0.3 million of income attributable to non-controlling interests in 2018, the same as in 2017.

4. Investments (IFRS)

Investments, net of disposals, amounted to €134.6 million in the first half of 2018 after taking into account the effect relating to the accounting treatment of fixed fees (IFRIC 12), which represented net expenditure of €54.4 million.

TOTAL IFRS *(€ million)*	H1 2017 Paid	H1 2017 Undertaken	H1 2018 Paid	H1 2018 Undertaken
France	0.2	0.2	(0.1)	(0.1)
International	0.7	0.4	-	-
MDS	-	-	-	-
Financial investments	**0.9**	**0.6**	**(0.1)**	**(0.1)**
France	55.2	45.2	63.4	45.7
International	16.5	16.1	15.1	14.5
MDS	-	-	1.7	1.8
Operational investments	**71.7**	**61.4**	**80.2**	**62.0**
France	55.4	45.4	63.4	45.6
International	17.2	16.6	15.1	14.5
MDS	-	-	1.7	1.8
Net investments	**72.6**	**62.0**	**80.2**	**61.9**
Fixed royalties (IFRIC12)	11.3	11.3	54.4	54.4
IFRIC 12 Modification of contract	-	-	-	-
Net investments including impact of fixed royalties	**83.9**	**73.3**	**134.6**	**116.3**

The main expenditure on investments in France during the period related to work under the contract with the city of Toulouse, the purchase of the Plaza car park in Lille, the development of car parks in Bordeaux (Gare Saint-Jean and Jardins de l'Ars), Neuilly and ongoing car park equipment upgrades.

Outside France, expenditure on investments totalled €15.1 million in the first half of 2018 and included the outright purchase of the Jorge Vigon car park in Logrono, Spain, along with investments in new contracts in Brazil and in an hospital in the United Kingdom.

Maintenance investments, down compared to the first half of 2017, were substantially optimized compared to previous years.

When monitoring performance, the Group now distinguishes between maintenance and growth investments.

Maintenance investments mainly include investments intended to keep assets in line with current standards and technologies. Growth investments correspond to the acquisition, construction or renewal of car parks.

In the first half of 2018, those investments broke down as follows:

(€ million)	H1 2017 Paid	H1 2017 Undertaken	H1 2018 Paid	H1 2018 Undertaken
Development investments	50.2	50.2	53.2	53.2
Car park maintenance investments	9.7	9.7	6.2	6.2
Other maintenance investments	1.4	1.4	2.3	2.3
Variation of debts	10.4	-	18.5	
Net operational investments excluding impact of fixed royalties	**71.7**	**61.4**	**80.2**	**62.0**

5. Cash flows (IFRS)

5.1 Consolidated cash flow statement (IFRS)

In the first half of 2018, cash flow from operations before tax and financing costs amounted to €151.1 million, up 2.0%, versus €148.2 million in the first half of 2017.

The change in the operating working capital requirement and in current provisions produced a cash outflow of €9.4 million (outflow of €6.4 million in the first half of 2017), but the operating working capital surplus remained high at €148.3 million.

Net financial interest payments amounted to €27.9 million in the first half of 2018, slightly higher than the year-earlier figure (€27.4 million), while tax paid amounted to €17.2 million, higher than the €10.7 million paid in the first half of 2017, which included the positive impact of income tax refunds in France.

Dividends received from equity-accounted companies totalled €2.3 million, with half coming from 50%-owned subsidiary LAZ Parking and half from a 50%-owned subsidiary in Switzerland.

Cash flow from operating activities totalled €98.9 million in the first half of 2018 versus €105.7 million in the first half of 2017.

Operating investments (net of disposals) and net financial investments totalled €134.4 million, leading, after taking into account the Group's share of Smovengo's financing (€23.0 million), to a net cash outflow of €156.7 million (€64.4 million more than in the first half of 2017).

Cash flows from financing activities produced an inflow of €28.8 million, as opposed to an outflow of €17.2 million in the first half of 2017. They included cash inflows from a new €700 million bond issue in April 2018, the net proceeds from which amounted to €688.2 million. They also included cash outflows related to the early redemption, in May 2018, of the €500 million of bonds due to mature in 2020 and the cost of exercising the *make-whole* clause (€19.8 million), along with the repayment of a €100 million shareholder loan granted to Infra Park by its parent company Infra Foch Topco.

Taking into account all of these cash flows, the Group’s net cash position decreased by €28.6 million in the first half of 2018 after decreasing by €3.2 million in the first half of 2017.

5.2 Free Cash-Flow (IFRS)

For performance monitoring purposes, the Group uses Free Cash-Flow as a measure of cash flow from recurring operating activities. It equals EBITDA less disbursements related to fixed fees as part of concession contracts, changes in the working capital requirement and changes in payables and receivables on non-current assets, maintenance expenditure and other operating items that have a cash impact but that are not included in EBITDA.

In the first half of 2018, Free Cash-Flow amounted to €107.1 million as opposed to €105.7 million in the year-earlier period. The reconciliation between that figure and the consolidated cash flow statement analysed above is as follows:

(€ million)	H1 2017	H1 2018
EBITDA	**148.9**	**152.2**
Cash element from operating activities without impact on EBITDA	(0.6)	(1.1)
Cash-Flow from operating activities (before tax and financing cost)	**148.2**	**151.1**
Change in WCR and current provision	(6.4)	(9.4)
Fixed fees	(26.5)	(28.3)
Car park maintenance investments (undertaken)	(9.7)	(6.2)
Free Cash-Flow	**105.7**	**107.1**

The cash conversion ratio (Free Cash-Flow as a proportion of EBITDA) remained high at 70.4% in the first half of 2018, as opposed to 71.0% in the first half of 2017.

6. Balance sheet and net financial debt (IFRS)

Consolidated non-current assets were €2,777.0 million at 30 June 2018 as opposed to €2,760.9 million at 31 December 2017. They included concession intangible assets of €1,094.4 million, including €336.9 million in respect of the adjustment of fixed fees on the consolidated balance sheet, along with total goodwill of €790.8 million versus €797.8 million at 31 December 2017.

Consolidated equity was €550.2 million at 30 June 2018, including €539.6 million attributable to owners of the parent, versus €592.6 million at 30 June 2017 and €623.5 million at 31 December 2017. The share capital consisted of 160,044,282 shares at 30 June 2018, the same number as at 31 December 2017.

Consolidated net financial debt was €1,819.5 million at 30 June 2018 (€1,665.7 million at 31 December 2017) and broke down as follows:

€ million	31/12/2017	30/06/2018
Bonds	1,377.9	1,565.3
Revolving credit Facility	(0.6)	(0.6)
Other external debts	23.5	35.0
Shareholder's loan	104.2	-
Accrued interests	13.7	12.0
Long-term financial debt excl. fixed royalties	**1,518.8**	**1,611.7**
Financial debt related to fixed royalties	323.7	353.4
Total long-term financial debt	**1,842.5**	**1,965.1**
Net cash (incl. overdraft)	(174.2)	(145.4)
Hedging instruments FV	(2.6)	(0.4)
Net financial debt	**1,665.7**	**1,819.5**

Group liquidity amounted to €445.4 million at 30 June 2018 (€474.2 million at 31 December 2017). It consisted of €145.4 million of managed net cash and a confirmed bank credit facility of €300 million that was unused at 30 June 2018. This line initially expired in October 2021. The last extension request was granted by all the banks in the pool, bringing the final maturity of this line from €300.0 million to October 2023.

Based on consolidated equity attributable to owners of the parent amounting to €539.6 million at 30 June 2018 (€623.5 million at 31 December 2017), gearing (net debt/equity) was 3.37x at 30 June 2018 as opposed to 2,67x at 31 December 2017. The IFRS leverage ratio (net debt/EBITDA over a rolling 12-month period) was 6.07x at end-June 2017, slightly higher than the 5.62x figure at end-December 2017 given the weight of investments in new activities still in the ramp-up phase, and the IFRIC 12 debts recorded on two new concessions concluded during the first half of 2018 with regard to a still low contribution to EBITDA. The global proportionate leverage ratio was 5.88x at end-June 2018 versus 5.41x at end-December 2017.

7. Main transactions with related parties

The nature of the main transactions with related parties are described in Note 10.1 to the consolidated financial statements for the six months ended 30 June 2018.

8. Risk factors

The main risk factors to which the Infra Park group might be exposed are set out in the "Risk Factors" section on pages 1-20 of the prospectus filed with the AMF in April 2018, and in Note 9.16 "Financial risk management" to the consolidated financial statements for the six months ended 30 June 2018.

9. IFRS data

Revenue, EBITDA and operating income figures presented above are global proportionate figures. Global proportionate figures are IFRS consolidated figures presented in the Group's consolidated financial statements adjusted for the Group's share of joint ventures (mainly in the USA, Colombia, Panama and Smovengo) as if they were consolidated proportionately and not under the equity method applied in accordance with IFRSs when preparing the consolidated financial statements.

The IFRS consolidated revenue and EBITDA figures and joint venture items included in global proportionate figures are shown below:

(€ million)	Actual H1-17	REVENUE Actual H1-18	Var 2018-2017
France	207.8	217.6	+4.7%
Europe	28.7	28.6	-0.1%
NAUK	65.2	62.0	-4.9%
IBSA	64.6	54.0	-16.4%
MDS	1.0	1.4	+36.8%
Revenue IFRS	**367.2**	**363.6**	**-1.0%**
- USA	93.8	91.3	-2.6%
- Colombie - Panama	4.7	4.6	-0.6%
- Smovengo		4.2	-
- Others	4.2	3.7	-11.4%
Revenue Join Venture	**102.6**	**103.8**	**+1.2%**
France	207.8	217.6	+4.7%
Europe	30.6	30.6	+0.0%
NAUK	160.3	155.0	-3.3%
IBSA	70.1	58.6	-16.4%
MDS	1.0	5.6	+446.8%
Revenue Global Proportionate	**469.9**	**467.5**	**-0.5%**

(€ million)	Actual H1-17	EBITDA Actual H1-18	Var 2018-2017
France	114.8	121.2	+5.6%
Europe	12.2	11.8	-2.6%
NAUK	8.6	8.2	-4.1%
IBSA	16.2	14.7	-9.1%
MDS	(2.8)	(3.8)	+35.0%
EBITDA IFRS	**148.9**	**152.2**	**+2.2%**
- USA	4.9	5.0	+0.7%
- Colombie - Panama	0.4	0.3	-14.8%
- Smovengo	-	(2.4)	-
- Others	1.5	1.6	+1.7%
EBITDA co-entreprises	**6.8**	**4.5**	**-34.7%**
France	114.7	121.2	+5.6%
Europe	13.5	13.2	-1.9%
NAUK	13.8	13.5	-2.0%
IBSA	16.6	14.9	-9.8%
MDS	(2.8)	(6.2)	+118.8%
EBITDA Global Proportionate	**155.7**	**156.6**	**+0.6%**

10. Outlook

At constant scope, business levels are expected to continue rising in full-year 2018. That growth will be driven by a new strategic plan called Goal 2025, after the Group's previous Goal 2020 plan was completed two years ahead of schedule.

The new strategic plan is accompanied by a new Group organisation, which consists of two business lines:

1) Car parks, on-street parking and related activities (car, district and personal services), with the ambition of offering cities a comprehensive solution,
2) Mobility and Digital Solutions (MDS), with the aim of providing shared and individual mobility solutions (bicycles, scooters, motorbikes and cars) using a shared platform and shared batteries (INDIGO® weel) and offering digital parking solutions (OPnGO).

With these two business lines, Infra Park is positioning itself clearly as a key partner for cities regarding individual mobility solutions.

The main strategic aims of the Goal 2025 plan are to:

- Strengthen our model based on facilities operated under concession and owned outright through organic growth in key countries, in order to ensure recurring cash flow over the long term,
- Step up acquisitions in "major countries" to allow us to maintain or gain a position as leader or co-leader, while adjusting the scope of operations at the margins as the case may be,
- Use our expertise in international markets, supported by our three existing platforms (Europe, North America and South America), to move into the Asian market,
- Continue our policy of customer-focused innovation and quality,
- Become a leading player in digital and individual mobility services, based on our two main entities of OPnGO and INDIGO® weel.

We will continue to invest in our car parks to prepare them for the arrival of electric, smart and self-driving cars, which is likely to cause a positive shift in our business model.

Finally, in geographical terms, Asia and particularly China remain strategically important markets that we aim to conquer.