

Rating object	Rating information	
<p><b>Long-Term Local Currency Senior Unsecured Issues</b></p> <p>Type of issues: Long-term local currency senior unsecured issues                      Home Market: Luxembourg Stock Exchange                      Issuer: Autoroute du Sud de la France S.A.                      Guarantor: --</p>	<p>Corporate Issuer Rating:  <b>A- / stable</b></p> <p>LT Senior Unsecured Issues, LC:  <b>A-</b></p> <p>Rating Date: 5 October 2018                      Monitoring until: withdrawal of the rating                      Publication Date: 15 October 2018                      Rating methodology: CRA „Corporate Issue Ratings“                      Rating history: www.creditreform-rating.de</p>	<p>Type:                      Initial rating                      Unsolicited</p> <p>Other:  <b>n.r.</b></p>

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## Transaction summary

Object of this rating are the long-term (“LT”) local currency (“LC”) senior unsecured issues (“Notes”) issued by Autoroute du Sud de la France S.A. (“ASF”). The Notes have been issued within the framework of a Euro Medium Term Note Programme (“EMTN Programme”), of which the latest base prospectus is dated 29 June 2018. The Notes are unsecured and are issued in Series from time to time with different interest payments and maturities. The issues proceeds are applied to finance the general financing requirements of the issuer unless otherwise specified in the final terms of each Note.

The rating of A- attests a high level of credit quality of the LT LC senior unsecured issues of ASF with a low investment risk.

In accordance with CRA methods, this unsolicited corporate issue rating is derived from Autoroute du Sud de la France S.A.’s unsolicited corporate issuer rating, which was first prepared on 12 April 2017 (initial rating). Information about the current unsolicited corporate issuer rating of ASF and its rating report are available on the website of Creditreform Rating AG.

## Issue rating details

### Issuer

Autoroute du Sud de la France S.A. (Group) is a French motorway operator, part of the VINCI Group, which is composed by ASF (2,714km motorways) and Escota (459km motorway roads). The company holds concessions from the French State for a defined period: ASF has a concession contract for operating toll motorways in France with end date April 2036 and Escota with end date February 2032. The Group’s mission is the construction, maintenance and exploitation of a motorway infrastructure in exchange for the right to collect toll revenues from the infrastructure users.

With a network traffic increase of 1.9% in 2017, revenues grew by 1.6%, amounting to EUR 4,291 million in 2017 (previous year: EUR 4,225 million). Despite robust operating performance, the Group achieved a slightly lower net profit of EUR 1,063.1 million in 2017 (2016: EUR 1,143.3 million) due to a rise in income tax.

The company invested EUR 537.7 million in 2017 (2016: EUR 605.4 million) in its infrastructure. In addition, ASF and Escota are committed to invest in line with the multi-annual plans and the Motorway Stimulus Plan implemented in 2015 as part of their contractual investment obligations. The commitments under this plan amounted to EUR 1,381.3 million in 2017 (2016: EUR 1,716 million). A new Motorway Investment Plan amounting to EUR 300 million is underway. This plan will be co-

**Analysts**  
 Marie Watelet  
 Lead Analyst  
 m.watelet@creditreform-rating.de

Christian Konieczny  
 Co-Analyst  
 c.konieczny@creditreform-rating.de

Neuss, Germany

financed by the regional authorities concerned and by the concession companies through additional annual toll increases in 2019, 2020 and 2021.

In 2017, ASF issued two bonds amounting to EUR 1 bn in January (10 years) and EUR 500 million in April (9 years) within the framework of its EMTN programme and repaid CNA-EIB loans of EUR 669.5 million and EIB loans of EUR 27.9 million. ASF decreased also the amount outstanding of its credit facility with VINCI by EUR 1.6 bn.

Net debt (CRA calculations) amounted to EUR 12.2 bn at the end of 2017 (2016: EUR 13.2 bn). The cost of net financial debt fell (also thanks to the favourable conditions of the latest bond issues). The ratio of net debt / EBITDA adj. ratio decreased to 4.5x (2016: 4.9x), reflecting both the debt decrease and the good performance of ASF in 2017. Overall, the company disposes of enough credit facilities and access to capital markets to cover its short-term financing needs.

The following table shows some key financials of ASF for the last 2 years.

Table 1: Financials of ASF | Source: ASF annual report 2017, standardized by CRA

Financial ratios ~ extract Basis: consolidated annual statement per 31.12 (IFRS)	Standardized balance sheet	
	2016	2017
Revenues	EUR 4,225.3 million	EUR 4,290.9 million
EBITDA	EUR 2,701.5 million	EUR 2,753.7 million
EBIT	EUR 2,031.2 million	EUR 2,048.3 million
EAT	EUR 1,143.3 million	EUR 1,063.1 million
Total assets adj.	EUR 13,660.0 million	EUR 13,314.4 million
Equity ratio adj.	2.3 %	7.6 %
Capital lock-up period	6.9 days	9.6 days
Short-term capital lock-up	40.2 %	54.1 %
Return on investment	10.7 %	10.1 %
Net debt / EBITDA adj.	4.9 x	4.5 x
Ratio of interest expenses to debt	2.5 %	2.4 %

We expect a stable development of the company in 2018. As of 30 June 2018, the positive trends in traffic was confirmed (+2.3%) thanks to the current good economic situation in France and indirectly by the rail strikes in the first half-year 2018. However, the results of the Group have been penalized by the rise in the cost of fuel and the climatic conditions (snow) in winter.

As a result of the Group ties, and given that VINCI S.A. is the parent company of ASF, the unsolicited corporate issuer rating of ASF is limited by the unsolicited corporate issuer rating of VINCI S.A. (Group) (A- /stable as of April 12, 2017).

Regarding the business development and outlook of the issuer, we refer to the report on the unsolicited corporate issuer rating of Autoroute du Sud de la France S.A. as of 12 April 2017 (currently A- / stable) and the information published by the Group since then. The company faces specific structural risks, business risks and financial risks that are described in detail in the rating report. The report can be found on the website of CRA. As mentioned above, the rating is monitored on an ongoing basis.

### Rating object

The rating objects of this issue rating are exclusively the in euro denominated long-term senior unsecured issues, issued by Autoroute du Sud de la France S.A. and which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB.

The Notes have been issued within the framework of the EMTN Programme, of which the latest base prospectus is dated 29 June 2018. The current EMTN Programme amounts to maximum EUR 12 bn. The Notes issued under the EMTN Programme benefit from a negative pledge provision and cross-default mechanism. Early redemption at the option of the issuer and/or noteholders is possi-

ble for tax reason, following a change of control, loss of concession, squeeze out option make-whole redemption and residual maturity call option.

### Rating result

We assign a rating of A- to the long-term local currency senior unsecured debt securities issued by ASF. The decision is derived from the corporate issuer rating and its outlook.

The following tables gives overviews of the ratings attributed by CRA as well as of the current EMTN Programme.

Table 2: Summary of CRA ratings | Source: CRA

Rating objects	Detail information	
	Date	Rating
VINCI S.A.	12.04.2017	A- / stable
Autoroute du Sud de la France S.A.	12.04.2017	A- / stable
Long-term LC senior unsecured issues of VINCI S.A.	05.10.2018	A-
Long-term LC senior unsecured issues of Autoroute du Sud de la France S.A.	05.10.2018	A-
Other	--	n.r.

Table 3: Overview of 2018 EMTN Programme | Source: ASF prospectus dated 29 June 2018

Overview 2018 EMTN Programme			
Programme Volume	EUR 12,000,000,000	Maturity	Depending on the respective Notes
Issuer	Autoroute du Sud de la France S.A.	Coupon	Depending on the respective Notes
Arranger	Natixis	Currency	Depending on the respective Notes
Credit Enhancement	--	ISIN	Depending on the respective Notes

At the time of the rating, the following EUR-Notes are rated by Creditreform Rating AG:

Table 4: Unsolicited ratings of ASF's long-term LC senior unsecured issues | Source: ASF

ISIN	EUR	Issue date	Maturity	Unsolicited rating
FR0011119775	500,000,000	23.09.2011	24.09.2018	A-
FR0010724682	200,000,000	16.02.2009	16.02.2019	A-
FR0010737882	969,600,000	20.03.2009	20.03.2019	A-
FR0010883058	650,000,000	12.04.2010	13.04.2020	A-
FR0010491720	1,575,000,000	04.07.2007	04.07.2022	A-
FR0011394907	700,000,000	18.01.2013	18.01.2023	A-
FR0011376599	70,000,000	18.12.2012	31.01.2023	A-
FR0011273440	50,000,000	25.06.2012	25.06.2023	A-
FR0011694033	600,000,000	17.01.2014	17.01.2024	A-
FR0011276906	50,000,000	02.07.2012	02.07.2024	A-
FR0010807503	185,000,000	30.09.2009	30.09.2024	A-

FR0011430982	100,000,000	11.03.2013	11.03.2025	A-
FR0013251170	500,000,000	20.04.2017	20.04.2026	A-
FR0013169885	500,000,000	13.05.2016	13.05.2026	A-
FR0013231099	1,000,000,000	18.01.2017	18.01.2027	A-
FR0010511758	50,000,000	05.09.2007	05.09.2027	A-
FR0011472034	130,000,000	18.04.2013	18.04.2028	A-
FR0013346137	700,000,000	27.06.2018	27.06.2028	A-
FR0011637750	181,000,000	03.12.2013	21.11.2028	A-
FR0011788868	45,000,000	20.03.2014	06.03.2029	A-
FR0013310455	1,000,000,000	22.01.2018	22.01.2030	A-

All future LT LC senior unsecured Notes denominated in euro and included in the list of ECB-eligible marketable assets, which will be issued by ASF under the current EMTN Programme, will, until further notice, receive the same ratings than the current LT LC senior unsecured issues. Notes issued under the Programme in another currency than euro or other types of debt instruments have not been rated by CRA so far. The current ratings and information can be seen on the website of Creditreform Rating AG.

### Best-case scenario

Best-case scenario: A-  
Worst-case scenario: BBB+

In our best-case scenario for one year, we assume a rating of A-. As the rating of the debt securities is linked to the rating of the issuer, we refer to the rating report on the unsolicited corporate issuer rating of ASF as of 12 April 2017 (A- / stable).

### Worst-case scenario

#### Note:

The scenarios are based on the information available at the time of the rating. Within the forecast horizon, some circumstances could occur that would lead to a rating change out of the indicated range.

In our worst-case scenario for one year, we assume a rating of BBB+. As the rating of the debt securities is linked to the rating of the issuer, we refer to the rating report on the unsolicited corporate issuer rating of ASF as of 12 April 2017 (A- / stable).

## Appendix

### Rating history

Corporate issuer ASF

Event	Rating date	Publication date	Monitoring period until	Result
Initial rating	12.04.2017	24.04.2017	Withdrawal of the rating	A- / stable

LT LC senior unsecured issues issued by ASF

Event	Rating date	Publication date	Monitoring period until	Result
Initial rating	05.10.2018	12.10.2018	Withdrawal of the rating	A-

## Regulatory and legal disclosures

The present rating is an unsolicited rating. Creditreform Rating AG was not commissioned by the issuer with the preparation of the rating. The present analysis was prepared on a voluntary basis.

The rating is based on the analysis of published information and on internal evaluation factors. The quantitative analysis is primarily based on the last annual report of the issuer, the base prospectuses and on press releases of the company. The information and documents meet the requirements and are in accordance with the published Creditreform Rating AG's rating methodology.

The rating was conducted on the basis of Creditreform Rating's "Corporate Issue Ratings" methodology. A complete description of Creditreform Rating's rating methodologies is published on the following internet page: [www.creditreform-rating.de](http://www.creditreform-rating.de).

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodology. A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

[www.creditreform-rating.de/en/regulatory-requirements/](http://www.creditreform-rating.de/en/regulatory-requirements/)

This rating was carried out by analysts Marie Watelet ([m.watelet@creditreform-rating.de](mailto:m.watelet@creditreform-rating.de)) and Christian Konieczny ([c.konieczny@creditreform-rating.de](mailto:c.konieczny@creditreform-rating.de)), both located in Neuss, Germany. A management meeting did not take place.

The rating was presented to the rating committee on 5 October 2018. The company examined the rating report prior to publication and was given at least one full working day to appeal the rating committee's decision and to provide additional information. The rating decision was not amended following this examination.

The rating will be monitored until CRA removes the rating and sets it to non-rated (n.r.).

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### Please note:

This report exists in an English version only. This is the only binding version.

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To prepare this credit rating, CRA has used following substantially material sources:

### Corporate issuer rating:

1. Annual report
2. Website

### 3. Internet research

#### Corporate issue rating:

1. Corporate issuer rating incl. information used for the corporate issuer rating

2. Documents on issues / instruments

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The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the 'Basic Data' card as a "rating action"; initial release is indicated as "initial rating", other updates are indicated as an "update", "upgrade" or "downgrade", "not rated", "confirmed", "selective default" or "default".

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Creditreform Rating AG

## Contacts

Creditreform Rating AG  
Hellersbergstraße 11  
D-41460 Neuss  
Germany

Phone +49 (0) 2131 / 109-626  
Fax +49 (0) 2131 / 109-627

E-mail [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
[www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr. Michael Munsch

Chairman of the Board: Prof. Dr. Helmut Rödl  
HR Neuss B 10522