HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2017

Management report for the first half of 2017

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In the first half of 2017, VINCI Group companies performed well overall, with solid growth in both business activity and profits. In Concessions, growth was driven by good momentum in motorway traffic and airport passenger numbers, along with the integration of companies acquired in 2016, particularly Aerodom in the Dominican Republic, ADL (Aéroports de Lyon) in France and Lamsac in Peru. In Contracting, the recovery in France continued at VINCI Construction and Eurovia, resulting in higher business levels and order intake. VINCI Energies continued expanding outside France with 17 acquisitions in Europe, including Novabase IMS in Portugal in the information and communication technology (ICT). The Group also took advantage of buoyant financial markets to complete successfully several refinancing transactions.

Consolidated revenue totalled €18.5 billion in the first half of 2017, up 5.1% relative to the first half of 2016. The increase was due to organic growth of 3.6% and a positive 1.7% impact from changes in the consolidation scope, partly offset by a 0.2% negative currency effect. Of VINCI's total revenue, 40.7% was generated outside France in the first half of 2017 (41.3% in the first half of 2016).

Ebitda[1] totalled €2.8 billion, up 7.7%, and equal to 15.2% of revenue (14.8% of revenue in the first half of 2016).

Operating income from ordinary activities (Ebit) was €1,883 million, an increase of 9.5% compared with the first half of 2016 (€1,720 million). The Ebit margin rose to 10.2% (9.8% in the first half of 2016).

Recurring operating income – including the impact of share-based payments (IFRS 2), the Group's share of the income or loss of companies accounted for under the equity method, and other recurring operating items – rose 8.9% to €1,853 million (€1,702 million in the first half of 2016).

Consolidated net income attributable to owners of the parent was €1,030 million in the first half of 2017, up €110 million or 11.9% compared with the first half of 2016 (€920 million). Earnings per share, after taking account of dilutive instruments, amounted to €1.84 (€1.65 in the first half of 2016), up 12%.

Net financial debt stood at €15.5 billion at 30 June 2017, up €1.2 billion relative to 30 June 2016. By comparison with 31 December 2016, net financial debt was up €1.6 billion, mainly reflecting the seasonal increase in the working capital requirement and financial investments during the period (€0.5 billion).

In the first half of 2017, the Group carried out several refinancing transactions and bond issues totalling €2.5 billion.
At 30 June 2017, the Group had liquidity of €8.5 billion, comprising €2.5 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities due to expire in 2021.

Order intake in the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction) amounted to €18.5 billion in the first half of 2017, up 9% year-on-year, with a 10% increase in France and a 7% rise elsewhere.
At 30 June 2017, the order book stood at €30.7 billion, a year-on-year increase of 5%, both in France (+8%) and outside France (+2%), and an increase of 12% relative to 31 December 2016. It represents 11.6 months of average business activity in the Contracting business.

1. Key events in the period

1.1 Main changes in scope/New contracts

Acquisitions by VINCI Energies
In January, VINCI Energies acquired Portuguese company Novabase IMS, a leading IT systems integrator and IT outsourcing company. The company employs 400 people and generated revenue of around €80 million in 2016.
VINCI Energies also acquired several medium-sized companies, thus bolstering its positions in Europe and taking part in sector consolidation. Those companies included ASAS Systems and Acuntia in Spain, VCD Healthcare BV in the Netherlands and Redtoo in Switzerland. The 17 new acquisitions made by VINCI Energies from the beginning of the year represent additional full-year revenue of €440 million.

(1) Ebitda = Cash flow from operations before tax and financing costs.

Concession for Salvador airport in Brazil
In March, VINCI Airports was granted the concession for Deputado Luís Eduardo Magalhães International Airport in Salvador, Brazil. The 30-year concession contract covers the operation, maintenance, extension and renovation of the existing terminal and runways. It will come into force on 1 January 2018. Salvador's international airport is the ninth largest in Brazil, handling more than 7.5 million passengers in 2016.

New contracts
Major contracts won by the Group in the first half of 2017 included the following.

- In France:
  - A contract to build the T3C section of Line 15 South of the future Grand Paris Express transport network, involving the construction of an 8.2 km tunnel, eight shafts and five new stations between Issy les Moulineaux and Villejuif;
  - a contract to build the T2A section of the same line, between Villejuif and Créteil, as part of a consortium led by Bouygues, involving the construction of a 6.6 km tunnel, two shafts and four stations;
  - in July, the Group won two other Grand Paris Express-related projects, taking the total value of works awarded to VINCI to almost €1.3 billion. The projects involve the construction of the new Noisy-Champs station, which will ultimately connect Line 16, Line 11 and the RER A rapid transit line, and the construction of Line 15 - T3A between Boulogne-Billancourt and Issy-les-Moulineaux. These two contracts were not yet included in the order book at 30 June 2017;
  - the contract to build the Tours Duo complex, designed by Jean Nouvel, in the 13th arrondissement of Paris. On completion in 2021, this complex will include 90,000 sq. metres of office space, a hotel and shops;
  - the modernisation contract for 180 km of catenaries along Line C of the RER regional express system between Paris and Bretigny-sur-Orge, awarded by SNCF Réseau to the R² consortium, notably made up of ETF (Eurovia) and Mobility (VINCI Energies).

- Outside France:
  - A 30-year public-private partnership (A-Modell) contract to operate a 60 km section of the A7-2 motorway in Germany and to widen a 29 km section of that motorway;
  - the contract to build a new 8 km section of the D1 motorway near Presov, Eastern Slovakia;
  - the contract to design and build student residences at the University of Hull in the United Kingdom;
  - the 15-year contract to perform maintenance and improvement works on 1,695 km of roads and motorways in south-west England;
  - the contract to build the first section of the RijnlandRoute in the Netherlands, awarded to the consortium Comol5.

Motorway investment plan
On 26 January 2017, as announced by the French president on 28 July 2016, VINCI Autoroutes signed a €432 million motorway investment plan.
The plan consists of 25 operations across ASF, Escota and Cofiroute's networks, intended in particular to improve connections to urban and suburban areas by upgrading 19 interchanges.
These operations will be co-financed by the regional authorities concerned and by ASF, Escota and Cofiroute through additional toll increases in 2019, 2020 and 2021.
Draft amendments to the specifications and master plans were agreed with government departments in early 2017 and then submitted to the French rail and road activities regulation authority (Arafer) on 13 March 2017 for its advisory opinion. In that advisory opinion, which was delivered on 14 June, Arafer suggested some changes, currently being examined.

Other key events in the period
In Greece, the two new sections of motorway – between Corinth and Patras (120 km) and between Maliakos and Kleidi (240 km) – built by VINCI Construction along with its consortium partners, were brought into service by VINCI Concessions and its partners. The motorway will be operated until 2038.

VINCI Railways successfully opened the 302 km South Europe Atlantique high-speed rail line connecting Tours and Bordeaux on 2 July, one month ahead of the original schedule. This new line has reduced the journey time between Paris and Bordeaux to 2 hours and 4 minutes.

In July 2017, VINCI Airports strengthened its position in airport retail by acquiring a 51% stake in Lojas Francas Portugal (LFP) from TAG GER, a subsidiary of Portugal's national airline TAP. LFP operates 31 stores located in seven of the ten Portuguese airports operated by VINCI Airports, including Lisbon Airport. The other shares in LFP are still owned by Dufry Group, the world leader in airport retail.

In July 2017, VINCI Airports has been selected as the preferred bidder for a 42-year concession to operate Kobe Airport in Japan, through a consortium comprising VINCI Airports (40 %), Orix Corporation (40 %) and Kansai Airports (20 %).

1.2 Financing activities

New corporate financing
- ASF carried out two bond issues: the first, in January, consisted of €1 billion of bonds maturing in 2027 with a coupon of 1.25%; the second, in April, consisted of €500 million of bonds maturing in April 2026 with a coupon of 1.125%;
- In January, Aerodom issued $317 million of 12-year amortising bonds as part of a Rule 144A placement, as well as arranging a seven-year $216 million bank loan;

- In February, VINCI placed $450 million of five-year non-dilutive cash-settled synthetic convertible bonds with a coupon of 0.375 %. In May, VINCI placed by a further $125 million of identical bonds. The risk related to the bonds' conversion option was fully hedged by the purchase of cash-settled call options on VINCI shares.

Since the start of 2016, the Group has secured €4.9 billion of new financing with an average maturity of 9 years and an average interest rate of 1.12% after taking into account derivatives.

Debt repayments

In the first half of 2017, the Group repaid €2.3 billion of debt. The ASF group repaid €670 million of loans from the Caisse Nationale des Autoroutes (CNA). In January, Aerodom repaid $518 million of external debt following the refinancing transaction mentioned above. Finally, in January and February, VINCI redeemed bond issues of €100 million and €1 billion respectively.

At 30 June 2017, the Group's gross long-term financial debt totalled €18 billion. Its average maturity was 5.5 years, and the average interest rate was 2.61% (3.0% at 31 December 2016 and 3.17% at 30 June 2016).

2. Revenue

Consolidated revenue totalled €18.5 billion in the first half of 2017, up 5.1% on an actual basis. That includes organic growth of 3.6% and a positive 1.7% impact from changes in the consolidation scope, partly offset by a 0.2% negative currency effect. The impact of changes in scope related in the first half of 2017 arose from acquisitions carried out in 2016 by VINCI Airports (Aerodom and ADL) and VINCI Highways (Lamsac), along with acquisitions in 2017 by VINCI Energies, VINCI Construction Terrassement (Benedetti Guelpa in France) and Soletanche Freyssinet (Carpi Tech in Italy and Switzerland).

Concessions revenue totalled €3.2 billion, up 11.8% on an actual basis, with 5.9% coming from acquisitions by VINCI Airports and VINCI Highways. On a comparable structure basis, revenue was up 5.7%, driven by good performance at VINCI Autoroutes and VINCI Airports.
Contracting revenue was €15.1 billion, up 2.8% on an actual basis or up 2.2% on a comparable structure basis.

In France, revenue totalled €11.0 billion, an increase of 6.0% (up 4.8% on a comparable structure basis). Revenue was up 7.3% in Concessions (up 3.7% at constant scope) and up 3.5% in Contracting (up 3.0% at constant scope).

Outside France, revenue was €7.5 billion. It rose 3.7% on an actual basis relative to the first half of 2016 and 1.9% on a comparable structure basis, excluding a 0.7% negative currency effect and a positive 2.5% impact from changes in scope.
In the first half of 2017, the proportion of revenue generated outside France was 40.7% (41.3% in the first half of 2016).
Business outside France accounted for 18.0% of revenue in Concessions (14.5% in the first half of 2016) and 46.3% of revenue in Contracting (46.7% in the first half of 2016).

Revenue by business line

	First half 2017	First half 2016	2017/2016 change	
(in € millions)			**Actual**	**Comparable**
Concessions	3,223	2,882	+ 11.8%	+ 5.7%
VINCI Autoroutes	2,453	2,365	+ 3.7%	+ 3.7%
VINCI Airports	664	455	+ 46.0%	+ 14.0%
Other concessions	106	62	+ 71.6%	+ 5.0%
Contracting	15,104	14,695	+ 2.8%	+ 2.2%
VINCI Energies	5,061	4,960	+ 2.0%	(0.2%)
Eurovia	3,494	3,282	+ 6.4%	+ 6.5%
VINCI Construction	6,550	6,453	+ 1.5%	+ 1.9%
VINCI Immobilier	388	265	+ 46.4%	+ 46.4%
Intragroup eliminations	*(203)*	*(223)*		
Revenue(*)	**18,513**	**17,619**	**+ 5.1%**	**+ 3.6%**
Concession subsidiaries' works revenue	*421*	*340*	*+ 23.6%*	*+ 4.1%*
Intragroup eliminations	*(96)*	*(157)*		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	**325**	**183**	**+ 77.2%**	**+ 41.2%**
Total consolidated revenue	**18,838**	**17,802**	**+ 5.8%**	**+ 4.0%**

(*) Excluding concession subsidiaries' works revenue.

CONCESSIONS €3,223 million (up 11.8% actual; up 5.7% on a comparable basis)

VINCI Autoroutes: revenue amounted to €2,453 million in the first half of 2017, up 3.7% from the first half of 2016. Toll revenue increased 3.6% due to a 2.2% rise in traffic on the intercity network (light vehicles up 1.9%, heavy vehicles up 3.7%). There was also a positive impact from the A86 Duplex (0.1%), and price effects (1.3%).

VINCI Airports generated revenue of €664 million in the first half of 2017, an increase of 46% driven by the integration of airports in the Dominican Republic and in Lyon, which accounted for 28 percentage points of the improvement. On a comparable structure basis, revenue rose 14.0%, boosted by airports in Portugal and Cambodia. In the first half of 2017, passenger numbers across all airports managed by VINCI Airports, including those in Chile and Japan, increased by 12.8% to more than 70 million, with increases of 19.9% in Portugal, 23.2% in Cambodia, 8.7% in France (including 8.2% in Lyon) and 7.1% in the Dominican Republic.

Other concessions: revenue totalled €106 million in the first half of 2017, representing an increase of more than 70% because of the integration of Peruvian Lamsac and Pex, which contributed €42 million to first-half revenue.

CONTRACTING: €15,104 million (up 2.8% actual; up 2.2% on a comparable structure basis)

In France, revenue grew 3.5% to €8,105 million (up 3.0% at constant scope). The decline in business levels caused by progress with the SEA HSL project – which was completed on 2 July 2017 and generated €90 million of revenue in the first half of 2017 as opposed to €132 million in the year-earlier period – dragged revenue growth down by 0.6 percentage points.

Outside France, revenue totalled €6,999 million, up 1.9% on an actual basis. Organic growth of 1.2% and the 1.5% boost from changes in scope more than offset the 0.8% negative currency effect.

VINCI Energies: €5,061 million (up 2.0% actual; down 0.2% on a comparable structure basis)

In France, revenue totalled €2,646 million, up 0.7% compared with the first half of 2016 on an actual basis. Revenue was stable on a comparable structure basis (up 0.1%), with performance varying between business areas. Growth in the Information and Communication Technology (ICT) sector and, to a lesser extent, the infrastructure business offset the non-recurrence of revenue following completion of the GSM-R project and flat revenue in the service and manufacturing sectors.

Outside France, revenue totalled €2,415 million (up 3.6% actual; down 0.5% on a comparable structure basis). The growth on an actual basis was driven by acquisitions in Europe, particularly that of Novabase IMS in Portugal. The decline in revenue at constant scope and exchange rates reflects varying situations between regions. In Europe, business levels fell slightly in Germany and grew in the Netherlands, Spain and Central Europe. Outside Europe, business growth in Indonesia and New Zealand was offset by declines in Morocco and Australia.

Eurovia: €3,494 million (up 6.4% actual; up 6.5% on a comparable structure basis)

In France, revenue was €2,067 million, up 7.7% on an actual basis and up 7.5% on a comparable structure basis, reflecting an upturn in traditional road markets and higher commodity prices.

Outside France, revenue totalled €1,427 million, up 4.6% on an actual basis and up 5.1% on a comparable structure basis. In Europe, markets were buoyant in Germany and Poland, whereas business in the Czech Republic suffered because of the completion of major rail projects and poor weather conditions. Business levels grew in the United States and United Kingdom (at constant exchange rates), offsetting a decline in Chile.

Seasonal variations are significant at Eurovia, with first-half revenue accounting for only 43% of the full-year total in 2016. Such variations are particularly pronounced in Central Europe and Canada.

VINCI Construction: €6,550 million (up 1.5% actual; up 1.9% on a comparable structure basis)

In France, revenue was €3,392 million, up 3.3% on an actual basis and up 2.8% on a comparable structure basis. That growth was driven by a recovery in building markets, more specifically in the Paris region, and in civil engineering. Growth was supported by a few large projects such as La Samaritaine, Arena 92, the Iter project in Cadarache and the New Coastal Highway project on Reunion Island. However, Grand Paris Express-related projects (Eole-CNIT; line 15 South) are still only at the study and preparation phase.

Outside France, revenue totalled €3,158 million, down 0.4% on an actual basis because of a 1.7% negative currency effect. Organic growth was 0.9%, driven by New Zealand and progress with the TAP project at Entrepose. However, business levels continued to fall at Sogea-Satom in Africa, as well as in the United Kingdom and, to a lesser extent, at VCGP and in Central Europe, mainly because of the timing of project phases.

VINCI Immobilier: €388 million (up 46% actual and on a comparable structure basis)

VINCI Immobilier's strong growth was the result of a buoyant residential sector and progress with works on commercial property projects (particularly involving offices and hotels in the Paris region). The number of units covered by notarized deeds rose 67% to 2,553 in the first half of 2017, apartment reservations were up 30% to 3,067 units and the start of construction work on new projects reached 1,924 units, an increase of 9%.

Revenue by geographical area

(in € millions)	First half 2017	% of total	First half 2016	2017/2016 change Actual	At constant exchange rates
France	**10,974**	**59.3%**	**10,348**	**+ 6.0%**	**+ 6.0%**
United Kingdom	1,147	6.2%	1,261	(9.0%)	(0.5%)
Germany	1,206	6.5%	1,192	+ 1.2%	+ 1.2%
Central and Eastern Europe	711	3.8%	626	+ 13.5%	+ 12.5%
Rest of Europe	1,551	8.4%	1,378	+ 12.6%	+ 12.5%
Europe excluding France	**4,615**	**24.9%**	**4,457**	**+ 3.5%**	**+ 6.0%**
Americas	1,223	6.6%	1,074	+ 13.9%	+ 10.5%
Africa	594	3.2%	661	(10.2%)	(8.9%)
Russia, Asia Pacific and Middle East	1,107	6.0%	1,078	+ 2.7%	(0.3%)
International excluding Europe	**2,924**	**15.8%**	**2,814**	**+ 3.9%**	**+ 1.9%**
Total International	**7,539**	**40.7%**	**7,271**	**+ 3.7%**	**+ 4.4%**
Revenue(*)	**18,513**	**100.0%**	**17,619**	**+ 5.1%**	**+ 5.3%**

(*) Excluding concession subsidiaries' works revenue.

3. Results

3.1 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) was €1,883 million, an increase of 9.5% compared with the first half of 2016 (€1,720 million).

The Ebit margin rose from 9.8% in the first half of 2016 to 10.2% in the first half of 2017, due in particular to VINCI Airports accounting for a larger share of the Group's business mix.

Operating income from ordinary activities/operating income

(in € millions)	First half 2017	% of revenue(*)	First half 2016	% of revenue(*)	change 2017/2016
Concessions	1,530	47.5%	1,361	47.2%	12.4%
VINCI Autoroutes	1,264	51.5%	1,205	51.0%	4.9%
VINCI Airports	269	40.5%	160	35.3%	67.9%
Other concessions	(3)	-	(4)	-	-
Contracting	349	2.3%	338	2.3%	3.1%
VINCI Energies	278	5.5%	274	5.5%	1.2%
Eurovia	(19)	(0.5%)	(28)	(0.9%)	33.4%
VINCI Construction	90	1.4%	92	1.4%	(2.3%)
VINCI Immobilier	12	3.2%	8	3.1%	51.9%
Holding companies	(8)	-	12	-	-
Operating income from ordinary activities (Ebit)	**1,883**	**10.2%**	**1,720**	**9.8%**	**9.5%**
Share-based payments (IFRS 2)	(57)	-	(43)	-	-
Income/(loss) of companies accounted for under the equity method	34	-	2	-	-
Other recurring operating items	(7)	-	23	-	-
Recurring operating income	**1,853**	**10.0%**	**1,702**	**9.7%**	**8.9%**
Non-recurring operating items	(7)	-	5	-	-
Operating income	**1,846**	**10.0%**	**1,706**	**9.7%**	**8.2%**

NB: Operating income from ordinary activities is defined as operating income before the effects of share-based payments (IFRS 2), the income or loss of companies accounted for under the equity method and other recurring and non-recurring operating items.
(*) Excluding concession subsidiaries' works revenue.

In **Concessions**, Ebit was €1,530 million, representing 47.5% of revenue, up 12.4% relative to the first-half 2016 figure (€1,361 million, equal to 47.2% of revenue).

At VINCI Autoroutes, Ebit amounted to €1,264 million, up 4.9% relative to the first-half 2016 figure of €1,205 million. The Ebit margin rose from 51.0% in the first half of 2016 to 51.5% in the first half of 2017. The increase was driven by higher revenue and a firm grip on operating expenses.

Ebit at VINCI Airports rose 68% to €269 million, equal to 40.5% of revenue compared with 35.3% in the first half of 2016. Apart from the integration of Aerodom and ADL, the increase was driven by higher business levels and the ongoing improvement in margins at the main airports, particularly in Portugal and Cambodia.

Other concessions made a loss of €3 million at the Ebit level (loss of €4 million in the first half of 2016).

Ebit in the **Contracting** business totalled €349 million, up 3.1% year-on-year. The Ebit margin was stable at 2.3%.

At VINCI Energies, Ebit was €278 million, up €3 million or 1.2% relative to the first half of 2016 (€274 million). The Ebit margin remained high at 5.5%, reflecting good overall performance.

Eurovia made a €19 million loss at the Ebit level, although that was a €9 million improvement on the €28 million loss seen in the first half of 2016. The Ebit margin improved by 40 basis points while remaining negative at 0.5%. The improvement in margins in France, supported by more favourable economic conditions, and in the United Kingdom offset a limited decline in Central Europe and Canada. It should be noted that Eurovia first-half performance is not representative of its expected full-year performance because seasonal variations in business levels affect coverage of overheads.

VINCI Construction's Ebit came in at €90 million, close to the first-half 2016 figure of €92 million, and its Ebit margin was 1.4%. Higher Ebit at VINCI Construction France – particularly following reorganisation work carried out in the last two years – and good performance at HEB Construction in New Zealand offset weaker earnings at Sogea-Satom and Entrepose, which continued to be adversely affected by weak conditions in the oil sector.

VINCI Immobilier: Ebit moved in line with revenue, coming in at €12 million, with an Ebit margin of 3.2% (€8 million and 3.1% in the first half of 2016).

Recurring operating income was €1,853 million, equal to 10.0% of revenue (€1,702 million and 9.7% in the first half of 2016). This item takes into account the following factors:

- share-based payment expense (IFRS 2), which reflects the benefits granted to employees under the Group's savings and performance share plans and amounted to €57 million (€43 million in the first half of 2016);
- the Group's share in the income or loss of companies accounted for under the equity method, which was positive at €34 million (€2 million in the first half of 2016);
- other recurring operating income and expense produced an expense of €7 million versus income of €23 million in the first half of 2016.

Recurring operating income by business line

(in € millions)	First half 2017	First half 2016	2017/2016 change
Concessions	1,533	1,389	10.3%
VINCI Autoroutes	1,264	1,199	5.4%
VINCI Airports	247	187	32.5%
Other concessions	21	3	-
Contracting	310	291	6.5%
VINCI Energies	261	262	(0.2%)
Eurovia	(24)	(30)	18.7%
VINCI Construction	72	58	24.0%
VINCI Immobilier	20	13	54.5%
Holding companies	(9)	9	-
Recurring operating income	**1,853**	**1,702**	**8.9%**

Non-recurring operating items produced a loss of €7 million in the first half of 2017, as opposed to a gain of €5 million in the first half of 2016.

After taking account of both recurring and non-recurring items, **operating income** was €1,846 million in the first half of 2017, up 8.2% relative to the first-half 2016 figure of €1,706 million.

3.2 Net income

Consolidated net income attributable to owners of the parent amounted to €1,030 million (5.6% of revenue), up €110 million or 11.9% compared with the first half of 2016 (€920 million and 5.2% of revenue).

Earnings per share, after taking account of dilutive instruments, amounted to €1.84, up 12% compared with the first half of 2016 (€1.65).

The cost of net financial debt amounted to €234 million, as opposed to €262 million in the first half of 2016. Refinancing transactions were carried out on very good terms in 2016 and 2017, which enabled the Group to reduce the cost of its long-term debt and thus offset the negative impact caused by the integration of Lamsac in Peru. The average interest rate on long-term financial debt in the first half of 2017 was 2.68% (3.31% in the first half of 2016 and 3.16% in full-year 2016).

Other financial income and expense resulted in income of €18 million, compared with a net expense of €21 million in the first half of 2016. This figure includes:

- the cost of discounting retirement benefit obligations and provisions for the obligation to maintain the condition of concession intangible assets in the amount of €19 million (€26 million in the first half of 2016);
- a €45 million gain relating to capitalised borrowing costs on current concession investments, higher than the first-half 2016 gain €18 million following the integration of Lamsac;
- negative currency effects amounting to €9 million (€13 million in the first half of 2016).

Tax expense totalled €575 million in the first half of 2017, giving an effective tax rate of 36.0%, compared with €483 million and 34.0% in the first half of 2016. That increase was because of higher pre-tax profit both inside and outside France.

Earnings attributable to non-controlling interests totalled €25 million (€20 million in the first half of 2016).

4. Cash flows

Cash flow from operations before tax and financing costs (Ebitda) totalled €2,806 million in the first half of 2017, up 7.7% relative to the first half of 2016 (€2,606 million) and equal to 15.2% of revenue (14.8% in the first half of 2016).

Ebitda in the **Concessions** business (79% of the total) rose 10.4% to €2,229 million (€2,019 million in the first half of 2016) or 69.1% of revenue (70.1% of revenue in the first half of 2016).
VINCI Autoroutes' Ebitda grew in line with revenue, rising 3.7% to €1,831 million versus €1,766 million in the first half of 2016. The Ebitda margin was stable at 74.6%, as opposed to 74.7% in the first half of 2016.
Ebitda at VINCI Airports rose 63% to €390 million (€239 million in the first half of 2016), due in particular to the integration of Aerodom and ADL and good performance in Portugal and Cambodia. The Ebitda margin rose from 52.6% in the first half of 2016 to 58.7% in the first half of 2017.

Ebitda in the **Contracting** business fell at €531 million (€560 million in the first half of 2016). The Ebitda margin fell from 3.8% in the first half of 2016 to 3.5% in the first half of 2017.

Ebitda by business line

(in € millions)	First half 2017	% of revenue(*)	First half 2016	% of revenue(*)	2017/2016 change
Concessions	2,229	69.1%	2,019	70.1%	+ 10.4%
VINCI Autoroutes	1,831	74.6%	1,766	74.7%	+ 3.7%
VINCI Airports	390	58.7%	239	52.6%	+ 63.0%
Other concessions	8	-	13	-	-
Contracting	531	3.5%	560	3.8%	(5.3%)
VINCI Energies	292	5.8%	289	5.8%	+ 1.1%
Eurovia	60	1.7%	59	1.8%	+ 1.4%
VINCI Construction	178	2.7%	211	3.3%	(15.9%)
VINCI Immobilier	11	2.9%	8	2.9%	+ 42.2%
Holding companies	36	-	20	-	-
Total Ebitda	**2,806**	**15.2%**	**2,606**	**14.8%**	**+ 7.7%**

(*) Excluding concession subsidiaries' works revenue.

The change in the working capital requirement relating to business activities and current provisions – which is always negative in the first half of the year due to seasonal variations in the Contracting business – was €1,130 million in the first half of 2017, similar to the first-half 2016 figure of €1,136 million.

Net interest paid totalled €328 million in the first half of 2017, slightly lower than the €331 million seen in the first half of 2016.

Income taxes paid rose €198 million to €693 million (€495 million in the first half of 2016). In particular, advance tax instalments made in 2017 rose in France as a result of higher taxable income in 2016.

Cash flow from operating activities[1] totalled €741 million, up €44 million relative to the first-half 2016 figure of €697 million.

After accounting for operating investments net of disposals amounting to €313 million, up 4% on the year-earlier figure of €299 million, **operating cash flow**[2] was positive at €429 million as opposed to €398 million in the first half of 2016.

Growth investments in concessions and PPPs totalled €557 million (€435 million in the year-earlier period). This figure includes €389 million invested by VINCI Autoroutes (€359 million in the first half of 2016), €100 million invested by VINCI Airports, mainly in Portugal, Cambodia and Lyon (€55 million in the first half of 2016) and €67 million invested by Lamsac in Peru.

Free cash flow produced an outflow of €128 million (compared to a €38 million outflow in the first half of 2016), including a €708 million inflow in Concessions and a €1,085 million outflow in Contracting (€713 million inflow and €982 million outflow respectively in the first half of 2016).

Financial investments, net of disposals, resulted in a net cash outflow of €510 million, mainly resulting from capital contributions and subordinated loans to LISEA and acquisitions made by VINCI Energies.
In the first half of 2016, financial investments totalled €1,043 million and mainly concerned the acquisitions of Aerodom in the Dominican Republic by VINCI Airports and J&P Richardson in Australia by VINCI Energies, along with the purchase of a 40% stake in Kansai Airports in Japan.

Dividends paid by the Group in the first half of 2017 totalled €840 million (€720 million in the first half of 2016), including €814 million paid by VINCI SA as the final dividend for 2016 (€1.47 per share).

Capital increases resulted in the creation of 3.7 million new shares and totalled €207 million in the first half of 2017, including €161 million relating to Group savings plans and €46 million relating to the exercise of share subscription options.
To neutralise the dilutive effect of these operations, VINCI purchased 5.1 million shares in the market through its share buy-back programme for a total investment of €365 million at an average price of €72.14 per share.

As a result of these cash flows, there was a €1,603 million increase in net financial debt in the first half of 2017, taking the total to €15,541 million at 30 June 2017. That figure reflects long-term gross financial debt of €18,043 million (€18,067 million at 31 December 2016) and managed net cash of €2,501 million (€4,129 million at 31 December 2016).

5. Balance sheet and net financial debt

Consolidated non-current assets amounted to €40.4 billion at 30 June 2017 (€37.5 billion at 30 June 2016, €40.3 billion at 31 December 2016), including €31.0 billion in the Concessions business (€28.5 billion at 30 June 2016, €31.0 billion at 31 December 2016) and €9.0 billion in Contracting (€8.9 billion at 30 June 2016, €9.0 billion at 31 December 2016).
After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €5.3 billion, down €1.4 billion compared with 31 December 2016, capital employed was €35.1 billion at 30 June 2017 (€33.6 billion at end-2016, €32.1 billion at 30 June 2016).
Capital employed in the Concessions business amounted to €29.6 billion, accounting for 85% of the total (85% at 30 June 2016 and 87% at 31 December 2016).

(1) Cash flow from operating activities: cash flow from operations adjusted for changes in operating working capital requirement and current provisions, interest paid, income taxes paid and dividends received from companies accounted for under the equity method.
(2) Operating cash flow: cash flow from operating activities adjusted for net investments in operating assets (excluding growth investments in concessions and PPPs).

The Group's consolidated equity totalled €16.9 billion at 30 June 2017, up €1.7 billion compared with 30 June 2016 and down €0.1 billion compared with 31 December 2016 (€17.0 billion). It includes €0.5 billion relating to non-controlling interests.
The number of shares, excluding treasury shares, was 593,043,910 at 30 June 2017 (589,305,520 at 31 December 2016). Treasury shares amounted to 6.5% of the total capital at 30 June 2017 (5.9% at 31 December 2016, 6.6% at 30 June 2016).

Consolidated net financial debt at end-June 2017 was €15.5 billion, up €1.2 billion relative to 30 June 2016 (€14.4 billion) and up €1.6 billion relative to 31 December 2016 (€13.9 billion).
For the Concessions business, net financial debt stood at €28.0 billion, down nearly €0.6 billion relative to 31 December 2016 (€28.5 billion). The Contracting business showed net financial debt of €0.5 billion, a €1.4 billion change during the first-half period compared with the net cash surplus of €0.9 billion at 31 December 2016 (€0.1 billion net financial debt at 30 June 2016). The holding companies and other activities posted a net financial surplus of €12.9 billion, down €0.8 billion relative to 31 December 2016 (€13.7 billion).
The ratio of net financial debt to equity was 0.9 at 30 June 2017 (0.8 at 31 December 2016). The ratio of net financial debt to Ebitda on a rolling 12-month basis was 2.5 at 30 June 2017 (2.3 at 31 December 2016).

Liquidity at end-June 2017 amounted to €8.5 billion, versus €8.7 billion at end-June 2016 and €10.1 billion at 31 December 2016. The liquidity figure comprises €2.5 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities expiring in 2021.

Net financial surplus (debt)

(in € millions)	30/06/2017	Net financial debt/Ebitda	30/06/2016	31/12/2016	Change 30/06/2017 vs. 30/06/2016	Change 30/06/2017 vs. 31/12/2016
Concessions	(27,954)	x 6,2	(23,884)	(28,515)	(4,070)	561
VINCI Autoroutes	(21,647)	x 5,7	(19,643)	(22,309)	(2,004)	662
VINCI Airports	(4,092)	x 5,7	(3,826)	(4,295)	(266)	204
VINCI Concessions	(2,215)		(415)	(1,910)	(1,800)	(305)
Contracting	(492)		(94)	872	(398)	(1,364)
VINCI Energies	(846)		(761)	(420)	(85)	(427)
Eurovia	(294)		(258)	159	(36)	(453)
VINCI Construction	648		925	1,133	(277)	(484)
Holding companies and miscellaneous	12,905		9,588	13,704	3,317	(800)
Total	**(15,541)**	**x 2,5**	**(14,390)**	**(13,938)**	**(1,151)**	**(1,603)**

6. Contracting order book

At 30 June 2017, the order book of the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction) stood at €30.7 billion, up 12% relative to 31 December 2016 and up 5% year-on-year.

VINCI Energies' order book stood at €7.0 billion at 30 June 2017, up 19% compared with 31 December 2016 (up 16% in France and up 24% outside France) and up 8.5% over 12 months (up 10% in France and up 7% outside France). It represents more than eight months of VINCI Energies' average business activity.

Eurovia's order book stood at €6.3 billion, up 13% since the start of the year (up 14% in France and up 12% outside France) and up 8% relative to end-June 2016 (up 8% both in France and outside France), representing almost 10 months of Eurovia's average business activity.

VINCI Construction's order book stood at €17.4 billion at 30 June 2017, up 9% compared with 31 December 2016 (up 19% in France and down 1% outside France) and up 2.5% over 12 months (up 7.5% in France and down 3% outside France). It represents 15 months of VINCI Construction's average business activity.

Order book (*)

(in € billions)	30/06/2017	of which France	of which outside France	30/06/2016	31/12/2016
VINCI Energies	7.0	3.8	3.2	6.4	5.9
Eurovia	6.3	2.7	3.6	5.9	5.6
VINCI Construction	17.4	9.6	7.7	16.9	15.9
Contracting	**30.7**	**16.1**	**14.5**	**29.2**	**27.4**

(*) Unaudited figures

7. Interim dividend

On 27 July 2017, the Board of Directors decided to pay an interim dividend of €0.69 per share in respect of 2017, up 9.5% relative to the interim dividend paid in 2016 (€0.63).

This interim dividend will be paid in cash on 9 November 2017 (ex-dividend date: 7 November 2017).

8. Main transactions with related parties

The main transactions with related parties are described in Note K.26 to the condensed half-year consolidated financial statements.

9. Risk factors

The main risk factors that VINCI could face are described in Section C "Risk factors" of the Report of the Board of Directors contained in the 2016 registration document.

Condensed half-year consolidated financial statements at 30 June 2017

Half-year consolidated financial statements

Key figures

(in € millions)	First half 2017	First half 2016	Change first half 2017/2016	Full year 2016
Revenue (*)	**18,513**	**17,619**	**5.1%**	**38,073**
Revenue generated in France (*)	10,974	10,348	6.0%	22,418
% of revenue (*)	*59.3%*	*58.7%*		*58.9%*
Revenue generated outside France (*)	7,539	7,271	3.7%	15,654
% of revenue (*)	*40.7%*	*41.3%*		*41.1%*
Operating income from ordinary activities	1,883	1,720	9.5%	4,174
% of revenue (*)	*10.2%*	*9.8%*		*11.0%*
Recurring operating income	1,853	1,702	8.9%	4,167
Operating income	1,846	1,706	8.2%	4,118
Net income attributable to owners of the parent including non-recurring changes in deferred tax (**)	1,030	920	11.9%	2,505
% of revenue (*)	*5.6%*	*5.2%*		*6.6%*
Diluted earnings per share including non-recurring changes in deferred tax *(in €)* (**)	1.84	1.65	12.0%	4.48
Net income attributable to owners of the parent excluding non-recurring changes in deferred tax (**)	**1,030**	**920**	**11.9%**	**2,376**
Diluted earnings per share excluding non-recurring changes in deferred tax *(in €)* (**)	1.84	1.65	12.0%	4.24
Dividend per share *(in €)*	0.69 (***)	0.63	9.5%	2.10
Cash flows from operations before tax and financing costs	**2,806**	**2,606**	**7.7%**	**5,966**
Operating investments (net of disposals)	(313)	(299)	4.4%	(558)
Growth investments in concessions and PPPs	(557)	(435)	27.9%	(839)
Free cash flow (after investments)	**(128)**	**(38)**	**240.6%**	**2,948**
Equity including non-controlling interests	16,859	15,180	1,679	17,006
Net financial debt	(15,541)	(14,390)	(1,151)	(13,938)

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) The Group's deferred tax at 31 December 2016 was revalued mainly following the adoption of the 2017 Finance Act in France, which provides for a reduction in the corporate income tax rate from 33.33% to 28% for all companies from 2020. At 31 December 2016, the impact on net income attributable to owners of the parent was €129 million (€0.23 per share). At 30 June 2017, deferred tax was valued using the same assumptions.
(***) Interim dividend to be paid on 9 November 2017.

Consolidated income statement for the period

(in € millions)	Notes	First half 2017	First half 2016	Full year 2016
Revenue (*)	**1-2**	**18,513**	**17,619**	**38,073**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		325	183	475
Total revenue		18,838	17,802	38,547
Revenue from ancillary activities		101	74	130
Operating expenses	4	(17,055)	(16,156)	(34,503)
Operating income from ordinary activities	**1-4**	**1,883**	**1,720**	**4,174**
Share-based payments (IFRS 2)	25	(57)	(43)	(118)
Profit/(loss) of companies accounted for under the equity method	4-10	34	2	69
Other recurring operating items		(7)	23	42
Recurring operating income	**4**	**1,853**	**1,702**	**4,167**
Non-recurring operating items	4	(7)	5	(49)
Operating income	**4**	**1,846**	**1,706**	**4,118**
Cost of gross financial debt		(279)	(277)	(551)
Financial income from cash investments		45	15	26
Cost of net financial debt	**5**	**(234)**	**(262)**	**(526)**
Other financial income and expense	6	18	(21)	(35)
Income tax expense	7	(575)	(483)	(1,013)
of which impact of non-recurring changes in deferred tax (**)		-	-	*129*
Net income		**1,055**	**940**	**2,545**
Net income attributable to non-controlling interests		25	20	39
Net income attributable to owners of the parent		**1,030**	**920**	**2,505**
Basic earnings per share *(in €)*	8	1.86	1.66	4.52
Diluted earnings per share *(in €)*	8	1.84	1.65	4.48

Net income attributable to owners of the parent excluding non-recurring changes in deferred tax (**)		**1,030**	**920**	**2,376**
Diluted earnings per share excluding non-recurring changes in deferred tax *(in €)* (**)		1.84	1.65	4.24

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) The Group's deferred tax at 31 December 2016 was revalued mainly following the adoption of the 2017 Finance Act in France, which provides for a reduction in the corporate income tax rate from 33.33% to 28% for all companies from 2020. At 31 December 2016, the impact on net income attributable to owners of the parent was €129 million (€0.23 per share). At 30 June 2017, deferred tax was valued using the same assumptions.

Consolidated comprehensive income statement for the period

	First half 2017			First half 2016			Full year 2016		
(in € millions)	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Net income	**1,030**	**25**	**1,055**	**920**	**20**	**940**	**2,505**	**39**	**2,545**
Currency translation differences	(147)	(9)	(156)	1	(1)	-	52	4	56
Changes in fair value of cash flow and net investment hedging instruments (*)	51	1	52	(1)	-	(1)	33	-	33
Tax (**)	(17)	-	(17)	-	-	-	(12)	-	(12)
Share in net income of companies accounted for under the equity method	49	-	49	(30)	-	(30)	26	-	26
Other comprehensive income that may be recycled subsequently to net income	**(64)**	**(8)**	**(73)**	**(29)**	**(1)**	**(30)**	**99**	**4**	**103**
Actuarial gains and losses on retirement benefit obligations	33	-	33	(126)	-	(126)	(149)	-	(149)
Tax	(18)	-	(18)	32	-	32	31	-	31
Share in net income of companies accounted for under the equity method	(1)	-	(1)	-	-	-	-	-	-
Other comprehensive income that may not be recycled subsequently to net income	**14**	**-**	**14**	**(93)**	**-**	**(93)**	**(118)**	**-**	**(118)**
Total other comprehensive income recognised directly in equity	**(51)**	**(8)**	**(59)**	**(122)**	**(1)**	**(123)**	**(19)**	**4**	**(15)**
Total comprehensive income	**979**	**17**	**996**	**798**	**19**	**817**	**2,486**	**43**	**2,529**

(*) Changes in the fair value of cash flow hedges are recognised in equity for the effective portion. Cumulative gains and losses in equity are taken to profit or loss at the time when the cash flow affects profit or loss.
(**) Tax effects relating to changes in the fair value of cash flow hedging financial instruments (effective portion).

Consolidated balance sheet

Assets

(in € millions)	Notes	30/06/2017	30/06/2016	31/12/2016
Non-current assets				
Concession intangible assets	12	26,463	24,315	26,691
Goodwill	9	8,193	7,644	8,113
Other intangible assets		413	389	409
Property, plant and equipment	14	4,359	4,313	4,468
Investments in companies accounted for under the equity method	10	1,500	1,457	1,505
Other non-current financial assets	11-13	1,146	875	881
Derivative financial instruments – non-current assets		660	877	721
Deferred tax assets		237	313	228
Total non-current assets		**42,972**	**40,183**	**43,016**
Current assets				
Inventories and work in progress	15	946	1,029	935
Trade and other receivables	15	11,638	10,835	11,422
Other current operating assets	15	4,823	4,772	5,099
Other current non-operating assets		49	32	55
Current tax assets		268	125	167
Other current financial assets		29	29	35
Derivative financial instruments – current assets		265	337	370
Cash management financial assets	21	153	166	154
Cash and cash equivalents	21	4,784	4,358	6,678
Total current assets		**22,954**	**21,683**	**24,915**
Assets held for sale		-	197	-
Total assets		**65,925**	**62,062**	**67,931**

Consolidated balance sheet

Equity and liabilities

(in € millions)	Notes	30/06/2017	30/06/2016	31/12/2016
Equity				
Share capital	18.1	1,483	1,487	1,473
Share premium		9,660	9,351	9,463
Treasury shares	18.2	(1,893)	(1,874)	(1,581)
Consolidated reserves		7,046	6,208	5,549
Currency translation reserves		(72)	54	88
Net income attributable to owners of the parent		1,030	920	2,505
Amounts recognised directly in equity	18.3	(924)	(1,107)	(1,032)
Equity attributable to owners of the parent		**16,329**	**15,039**	**16,465**
Non-controlling interests		531	141	541
Total equity		**16,859**	**15,180**	**17,006**
Non-current liabilities				
Non-current provisions	16	982	1,069	945
Provisions for employee benefits	24	1,628	1,631	1,653
Bonds	20	13,428	11,115	12,496
Other loans and borrowings	20	2,657	3,539	3,769
Derivative financial instruments – non-current liabilities		253	171	203
Other non-current liabilities		133	139	135
Deferred tax liabilities		1,879	1,734	1,910
Total non-current liabilities		**20,959**	**19,399**	**21,110**
Current liabilities				
Current provisions	15	4,065	3,986	4,172
Trade payables	15	7,345	7,121	7,740
Other current operating liabilities	15	11,014	10,565	11,838
Other current non-operating liabilities		395	319	480
Current tax liabilities		221	189	190
Derivative financial instruments – current liabilities		169	184	166
Current borrowings	20	4,897	5,120	5,229
Total current liabilities		**28,106**	**27,483**	**29,815**
Liabilities held for sale		-	-	-
Total equity and liabilities		**65,925**	**62,062**	**67,931**

Consolidated cash flow statement

(in € millions)	Notes	First half 2017	First half 2016	Full year 2016
Consolidated net income for the period (including non-controlling interests)		**1,055**	**940**	**2,545**
Depreciation and amortisation		1,039	987	2,003
Net increase/(decrease) in provisions and impairment		22	2	52
Share-based payments (IFRS 2) and other restatements		(6)	(33)	15
Gain or loss on disposals		(36)	(20)	(80)
Change in fair value of financial instruments		4	10	6
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated companies		(35)	(7)	(76)
Capitalised borrowing costs		(45)	(18)	(36)
Cost of net financial debt recognised	5	234	262	526
Current and deferred tax expense recognised		575	483	1,013
Cash flows from operations before tax and financing costs	**1**	**2,806**	**2,606**	**5,966**
Changes in operating working capital requirement and current provisions	15.1	(1,130)	(1,137)	23
Income taxes paid		(693)	(495)	(1,213)
Net interest paid		(328)	(331)	(525)
Dividends received from companies accounted for under the equity method		85	54	94
Cash flows (used in)/from operating activities	**I**	**741**	**697**	**4,346**
Purchases of property, plant and equipment and intangible assets		*(380)*	*(350)*	*(706)*
Proceeds from sales of property, plant and equipment and intangible assets		*68*	*51*	*148*
Operating investments (net of disposals)	1	(313)	(299)	(558)
Operating cash flow	**1**	**429**	**398**	**3,787**
Investments in concession fixed assets (net of grants received)		*(557)*	*(421)*	*(824)*
Financial receivables (PPP contracts and others)		*-*	*(14)*	*(15)*
Growth investments in concessions and PPPs	1	(557)	(435)	(839)
Free cash flow (after investments)	**1**	**(128)**	**(38)**	**2,948**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated) [1]		*(222)*	*(684)*	*(2,579)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated) [2]		*3*	*48*	*172*
Net effect of changes in scope of consolidation		*21*	*(423)*	*(1,039)*
Net financial investments		(197)	(1,059)	(3,446)
Other [3]		(311)	21	67
Net cash flows (used in)/from investing activities	**II**	**(1,378)**	**(1,773)**	**(4,777)**
Share capital increases and decreases and repurchases of other equity instruments		207	322	440
Transactions on treasury shares	18.2	(366)	(348)	(562)
Non-controlling interests in share capital increases and decreases of subsidiaries		-	1	197
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(2)	(2)	(7)
Dividends paid	19	(840)	(719)	(1,084)
- to shareholders of VINCI SA		*(814)*	*(703)*	*(1,052)*
- to non-controlling interests		*(26)*	*(17)*	*(32)*
Proceeds from new long-term borrowings		2,552	930	2,458
Repayments of long-term borrowings		(2,394)	(791)	(2,107)
Change in cash management assets and other current financial debts		(223)	(80)	484
Net cash flows (used in)/from financing activities	**III**	**(1,065)**	**(686)**	**(182)**
Other changes [4]	IV	(26)	440	1,164
Change in net cash	**I+II+III+IV**	**(1,728)**	**(1,322)**	**551**
Net cash and cash equivalents at beginning of period		**5,628**	**5,077**	**5,077**
Net cash and cash equivalents at end of period	**21**	**3,900**	**3,755**	**5,628**
Change in cash management assets and other current financial debts		223	80	(484)
(Proceeds from)/repayment of loans		(158)	(139)	(350)
Other changes [4]		61	(573)	(1,219)
Change in net financial debt		**(1,603)**	**(1,954)**	**(1,502)**
Net financial debt at beginning of period		**(13,938)**	**(12,436)**	**(12,436)**
Net financial debt at end of period	**20**	**(15,541)**	**(14,390)**	**(13,938)**

(1) Including, in the first half of 2017, the acquisition of Novabase IMS for €41 million. Including in 2016, the acquisitions of Lamsac, Aerodom, Aéroports de Lyon and J&P Richardson Industries for €1,273 million, €411 million, €535 million and €62 million respectively, along with funding provided to the companies holding the concessions for Kansai International and Osaka Itami airports (€149 million) and Santiago-Arturo Merino Benítez Airport (€13 million).
(2) Including, in 2016, the residual stake in Infra Foch Topco (formerly known as VINCI Park), sold in September.
(3) Including a €256 million shareholder loan granted to LISEA.
(4) Including the debts of companies integrated during the period on their respective acquisition dates. In 2016, this concerned in particular Lamsac, Aerodom, Aéroports de Lyon and J&P Richardson.

Consolidated statement of changes in equity

	Equity attributable to owners of the parent									
(in € millions)	Share capital	Share premium	Treasury shares	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Balance at 01/01/2016	**1,471**	**9,044**	**(1,534)**	**5,024**	**2,046**	**31**	**(962)**	**15,119**	**137**	**15,256**
Net income for the period	-	-	-	-	920	-	-	920	20	940
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	1	(94)	(93)	(1)	(93)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	22	(52)	(30)	-	(30)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**920**	**23**	**(145)**	**798**	**19**	**817**
Increase in share capital	16	306	-	-	-	-	-	322	1	323
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(340)	(8)	-	-	-	(348)	-	(348)
Allocation of net income and dividend payments	-	-	-	1,343	(2,046)	-	-	(703)	(17)	(719)
Share-based payments (IFRS 2)	-	-	-	29	-	-	-	29	-	29
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	4	-	-	-	4	-	4
Changes in consolidation scope	-	-	-	(2)	-	-	2	-	1	1
Other	-	-	-	(182)	-	-	(1)	(183)	-	(183)
Balance at 30/06/2016	**1,487**	**9,351**	**(1,874)**	**6,208**	**920**	**54**	**(1,107)**	**15,039**	**141**	**15,180**
Net income for the period	-	-	-	-	1,585	-	-	1,585	20	1,605
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	50	(2)	48	4	53
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(20)	75	55	-	55
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,585**	**31**	**72**	**1,688**	**24**	**1,712**
Increase in share capital	6	112	-	-	-	-	-	118	196	314
Decrease in share capital	(20)	-	507	(487)	-	-	-	-	-	-
Transactions on treasury shares	-	-	(213)	(1)	-	-	-	(214)	-	(214)
Allocation of net income and dividend payments	-	-	-	(349)	-	-	-	(349)	(16)	(365)
Share-based payments (IFRS 2)	-	-	-	50	-	-	-	50	-	50
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(31)	-	-	-	(31)	(2)	(33)
Changes in consolidation scope	-	-	-	(3)	-	1	1	-	200	200
Other	-	-	-	162	-	1	2	165	(4)	161
Balance at 31/12/2016	**1,473**	**9,463**	**(1,581)**	**5,549**	**2,505**	**88**	**(1,032)**	**16,465**	**541**	**17,006**
Net income for the period	-	-	-	-	1,030	-	-	1,030	25	1,055
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	(147)	49	(98)	(8)	(107)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(14)	62	48	-	48
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,030**	**(161)**	**111**	**979**	**17**	**996**
Increase in share capital	9	197	-	-	-	-	-	207	-	207
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(313)	(53)	-	-	-	(366)	-	(366)
Allocation of net income and dividend payments	-	-	-	1,692	(2,505)	-	-	(814)	(26)	(840)
Share-based payments (IFRS 2)	-	-	-	39	-	-	-	39	-	39
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	-	-	-	-	(1)	(1)
Changes in consolidation scope	-	-	-	(2)	-	2	-	-	-	-
Other	-	-	-	(178)	-	-	(3)	(181)	-	(182)
Balance at 30/06/2017	**1,483**	**9,660**	**(1,893)**	**7,046**	**1,030**	**(72)**	**(924)**	**16,329**	**531**	**16,859**

Notes to the consolidated financial statements

A. General policies and use of estimates

1. General policies

The accounting policies used at 30 June 2017 are consistent with those used in preparing the consolidated financial statements at 31 December 2016, except for the standards and/or amendments adopted by the European Union and mandatorily applicable as from 1 January 2017 [*] (see below).

The Group's condensed half-year consolidated financial statements at 30 June 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 27 July 2017. As these are condensed consolidated financial statements, they do not include all the information required by IFRSs in relation to full-year financial statements and should therefore be read in conjunction with the Group's consolidated financial statements for the period ended 31 December 2016, as set out in the 2016 registration document D.17-0109, which was filed with the AMF on 24 February 2017.

The Group's consolidated financial statements are presented in millions of euros, rounded to the nearest million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

New standards and interpretations applicable from 1 January 2017

No new standards or amendments of standards were mandatorily applicable for the first time from 1 January 2017 within the European Union.

Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2017

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at 1 January 2017:

- IFRS 9 "Financial Instruments";
- IFRS 15 "Revenue from Contracts with Customers";
- IFRS 16 "Leases";
- Amendments to IAS 7 "Disclosure Initiative";
- Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses";
- Amendments to IFRS 2 "Classification and Measurement of Share-Based Payment Transactions";
- Annual Improvements 2014-2016;
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Uncertainty over Income Tax Treatments".

A study of the impacts and practical consequences of applying these standards, amendments and interpretations is under way.

IFRS 15 "Revenue from Contracts with Customers" is the new 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".

As part of the implementation of IFRS 15, the Group has carried out an in-depth analysis of its qualitative and quantitative implications and has identified the main differences in revenue recognition methods with respect to its two main businesses, i.e. Concessions and Contracting.

As regards the Contracting business lines (VINCI Construction, Eurovia and VINCI Energies), the Group analysed a set of contracts that represent material transactions and contract types in each business line and division, both in France and internationally. The analysis confirmed that most of the construction and service contracts consist of a single performance obligation involving the gradual transfer of control. The percentage of completion is determined on a cost basis or on a physical basis, particularly at VINCI Construction. For contracts in which the percentage of completion is based on a physical measurement, the introduction of IFRS 15 would not cause any major or material impact to be recognised. The Group also analysed advances received from customers. The analysis led to the conclusion that advances received by the Group in the Contracting business are mainly intended to secure and limit non-recovery risks in relation to work done for the customer, or are connected with obligations such as those arising from certain public-sector contracts in France. As a result, the primary objective of advance mechanisms is not to meet the funding requirements of Group subsidiaries. Finally, advances received are consumed over relatively short timeframes.

In the Concessions business, an analysis schedule has been devised to identify any differences between the current IFRIC 12 revenue recognition model and the new references to IFRS 15. At the current stage, the Group estimates that the method of recognising revenue from concession contracts under the intangible asset model will not be called into question by IFRS 15.

The Group will complete this analysis before the end of 2017 in order to quantify the impacts, which are unlikely to be major, and to be able to provide the new information to be disclosed in the notes.

[()] *Available at:* *http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm*

IFRS 9 "Financial Instruments" proposes new arrangements for classifying and measuring financial assets on the basis of the company's management method and the contractual characteristics of the financial assets.
IFRS 9 will change the Group's arrangements regarding the impairment of financial assets because it now requires a model based on expected loss. Its provisions relating to hedge accounting are likely to be more favourable to the Group because IFRS 9 aims to reconcile the Group's accounting methods and risk management policy.
VINCI does not expect any material impact on the classification or measurement of its financial assets. The Group currently estimates that existing effective hedge relationships are in line with IFRS 9's provisions. Work is under way, particularly concerning the measurement of expected losses on receivables and the Board's discussions regarding changes in debt.

IFRS 16 "Leases" is leading to changes in the way that lessees recognise leases. Whereas under IAS 17 the accounting treatment of leases is based on the assessment of the transfer of risks and benefits arising from ownership of the asset, IFRS 16 requires lessees to use a single method for recognising leases, affecting the balance sheet in a similar way to finance leases. IFRS 16 includes some exceptions to that recognition method for short-term leases or for low-value leased assets. The new standard does not significantly change the accounting arrangements applicable to lessors.
The Group has started to collect the information needed to carry out impact simulations, partly in order to determine the transition method it will use.

The Group is monitoring all industry discussions relating to the implementation of these three major standards and will adjust its work on the basis of their conclusions.

2. Consolidation methods

In accordance with IFRS 10, companies in which the Group holds, whether directly or indirectly, the majority of voting rights in shareholders' general meetings, in the Boards of Directors or in the equivalent management bodies, giving it the power to direct their operational and financial policies, are generally deemed to be controlled and are fully consolidated. To determine control, VINCI carries out an in-depth analysis of the established governance arrangements and of the rights held by other shareholders. Where necessary, an analysis is performed in relation to instruments held by the Group or by third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) that, if exercised, could alter the type of influence exerted by each party.
For some infrastructure project companies operating under concessions or public-private partnership contracts and in which VINCI is not the only capital investor, in addition to the analysis of the governance arrangements with each partner, the Group may look at the characteristics of subcontracting contracts to check that they do not confer additional powers that could lead to a situation of de facto control. This most often concerns construction contracts and contracts to operate/maintain concession assets.
An analysis is performed if a specific event takes place that may affect the level of control exerted by the Group, such as a change in an entity's ownership structure or governance, or the exercise of a dilutive financial instrument.

In accordance with IFRS 11, the Group's joint arrangements fall into two categories (joint ventures and joint operations) depending on the nature of the rights and obligations held by each party. Classification is generally determined by the legal form of the project vehicle.
Most joint arrangements in the Contracting business are joint operations because of the legal form of the vehicles used. In France, for example, parties generally use *sociétés en participation* (SEPs) to contractualise their joint works activities.
In some situations, where the facts and circumstances show that a company's activities amount to providing production to the parties, it is regarded as a joint operation even where the vehicle's legal form does not establish transparency between the joint operators' assets and those of the joint arrangement. In that situation, the parties have the rights to substantially all of the economic benefits associated with the company's assets, and will settle its liabilities.
For the VINCI Group, this situation concerns certain coating plants held and used by Eurovia in its road infrastructure construction and renovation activities.
French property development joint arrangements contractualised in the form of *sociétés civiles de construction-vente* (SCCVs) are joint ventures under IFRS 11 and accounted for under the equity method.

Associates are entities over which the Group exerts significant influence. They are accounted for under the equity method in accordance with IAS 28. Significant influence is presumed where the Group's stake is more than or equal to 20%. However, it may arise where the ownership interest is lower, particularly where the Group is represented on the Board of Directors or any equivalent governance body, and therefore takes part in determining the entity's operational and financial policies and strategy. This applies to the Group's stakes in Aéroports de Paris (ADP) and CFE.

The Group's consolidation scope does not include any subsidiaries in which there are any non-controlling interests, or joint ventures or associates individually material. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flows. VINCI does not own any interest in structured entities as defined by IFRS 12.

VINCI's consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and of companies whose revenue is below this figure but whose impact on certain of the Group's balance sheet and income statement indicators is material.

3. Measurement rules and methods

3.1 Use of estimates

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements.

These estimates assume the operation is a going concern and are made on the basis of information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

The half-year consolidated financial statements have been prepared with reference to the immediate environment, including as regards the estimates presented below:

- measurement of construction contract profit or loss using the stage of completion method;
- values used in impairment tests;
- measurement of share-based payment expense under IFRS 2;
- measurement of retirement benefit obligations;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefit obligations (IAS 19);
- measurement of certain financial instruments at fair value;
- measurement of the fair value of identifiable assets and liabilities acquired in business combinations.

3.2 Measurement of fair value

The Group mainly uses fair value in measuring, on a consistent basis, the derivative instruments, cash and cash equivalents, available-for-sale financial assets, cash management financial assets and identifiable assets and liabilities acquired in business combinations on its balance sheet. The fair value of other financial instruments (particularly debt instruments and loans and receivables at amortised cost) is stated in Note I.23 "Book and fair value of financial instruments by accounting category" below.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in a normal transaction. It is recognised on the basis of the asset or liability's main market (or the most advantageous market if there is no main market), i.e. the one that offers the highest volume and activity levels. The fair value of derivative financial instruments includes a "counterparty risk" component for derivatives carried as assets and an "own credit risk" component for derivatives carried as liabilities.

To determine these fair values, the Group uses the following measurement methods:

- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert future cash flows into a single present value;
- cost-based approaches, which take into account the asset's physical, technological and economic obsolescence.

The following three-level hierarchy of fair values is used:

- Level 1 – price quoted on an active market. Marketable securities, some available-for-sale financial assets and listed bond issues are measured in this way.
- Level 2 – internal model using internal measurement techniques with observable factors: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments (swaps, caps, floors, etc.) traded over the counter is made on the basis of models commonly used by market participants to price such financial instruments.

Every quarter, the internally calculated values of derivative instruments are checked for consistency with those sent to VINCI by the counterparties.

- Level 3 – internal model using non-observable factors: this model applies to customer relationships and contracts acquired through business combinations, as well as to holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

3.3 Specific measurement rules and methods applied by the Group in preparing the half-year financial statements

3.3.1 Seasonal nature of the business

First-half performance is characterised by the seasonal nature of the business in most of the Group's activities, particularly:

- roadworks, with lower business volumes than in the second half of the year due to weather conditions;
- motorway concession companies, where traffic volumes are lower in the first half than the second because of high levels of light-vehicle traffic in the summer period.

In the last few years, first-half revenue has accounted for between 46% and 47% of the full-year total.
As a result, first-half revenue and earnings cannot be extrapolated over the full year.

The seasonality of the Group's business is also reflected in the net use of cash in the first half, which is attributable to the lower level of receipts during this period and the pattern of operating cash flows, the majority of which is generated in the second half of the year.

The impact of seasonal factors has not resulted in any adjustment to the Group's half-year consolidated financial statements.

Group income and expenses in respect of ordinary activities that are of a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. They are neither brought forward nor deferred at the half-year accounts closing date.

Income and expenses invoiced on an annual basis (e.g. patent and licence fees) are accounted for on a pro rata basis using an estimate for the full year.

Risks arising in the first half are provisioned in the financial statements for the period. As regards loss-making contracts in particular, losses on completion known during the first half are provisioned in full.

3.3.2 Estimation of the tax expense

The tax expense for the first half year is determined by applying the estimated average tax rate for the whole of 2017 (including deferred tax) to pre-tax income. This rate may be adjusted for the tax effects of unusual items recognised in the period.

3.3.3 Retirement benefit obligations

No new comprehensive actuarial assessment is carried out for the half-year consolidated financial statements. The expense for the half year in respect of retirement benefit obligations is half the expense calculated for 2017 on the basis of actuarial assumptions at 31 December 2016. Impacts arising from changes in assumptions relating to post-employment benefits in the first half of 2017 (discount rate and long-term inflation rate) are recognised under "Other comprehensive income".

B. Changes in consolidation scope

The main changes during the period involved the creation or acquisition of project companies handling new concession contracts, along with acquisitions as part of the Group's development outside France, particularly at VINCI Energies with the acquisition of Novabase IMS and other companies enabling it to strengthen its positions in Europe.
Other changes relate mainly to legal restructuring within the Group's scope.

	30/06/2017			30/06/2016			31/12/2016		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**1,927**	1,113	814	**1,873**	1,115	758	**1,891**	1,121	770
Joint ventures (*)	**155**	103	52	**153**	105	48	**167**	116	51
Associates (*)	**41**	21	20	**46**	22	24	**40**	21	19
Total	**2,123**	**1,237**	**886**	**2,072**	**1,242**	**830**	**2,098**	**1,258**	**840**

(*) Companies accounted for the under the equity method.

1. Acquisition of Novabase IMS

In January 2017, VINCI Energies completed the acquisition of Portuguese company Novabase IMS (renamed Axianseu Digital Solutions SA), a leading IT systems integrator and IT outsourcing company.
The purchase price was €41 million, including goodwill provisionally measured at €32 million on the date the Group took control.
Novabase IMS has been fully consolidated in VINCI's consolidated financial statements since January 2017.

2. Acquisitions and disposals in previous periods

The main acquisitions in 2016 concerned VINCI Highways (Lamsac), VINCI Airports (Aerodom and Aéroports de Lyon) and VINCI Energies (J&P Richardson Industries Pty Limited).
In relation to these companies, VINCI assessed the fair value of the identifiable assets and liabilities acquired in accordance with IFRS 3. The values allocated to identifiable acquired assets and liabilities on the dates when control was acquired in 2016 were not adjusted materially in the first half of 2017. At 30 June 2017, the allocation of purchase prices resulted in the recognition of:

- provisional goodwill of €247 million for Lamsac;
- goodwill of €266 million for Aerodom;
- provisional goodwill of €234 million for Aéroports de Lyon;
- goodwill of €56 million for J&P Richardson Industries Pty Limited.

In September 2016, VINCI completed the sale of its remaining 24.6% stake in Infra Foch Topco (the holding company that owns Indigo, formerly known as VINCI Park) to Ardian Infrastructure and Crédit Agricole Assurances.

Details of these transactions are provided in Note B.2. "Changes in consolidation scope" in the 2016 registration document.

C. Financial indicators by business line and geographical area

1. Information by operating segment

Based on the Group's organisational structure and internal reporting system, segment information is presented by business line.

The Group consists of two core businesses (Concessions and Contracting), which each consist of business lines.

Concessions

- VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour and Arcos).
- VINCI Airports: airport concessions in Portugal, France, Cambodia, Chile, the Dominican Republic and Japan.
- Other concessions: VINCI Highways (motorway and road infrastructure outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (four stadiums in France, one in London).

Contracting

- VINCI Energies: industry, infrastructure, engineering and works, facilities management, and information and communication technology.
- Eurovia: building and maintenance of roads, motorways and railways, urban infrastructure, production of materials (asphalt mixes), quarries, and services.
- VINCI Construction: design and construction of buildings (residential and commercial property) and civil engineering infrastructure, specialised civil engineering, hydraulic works and major projects.

VINCI Immobilier, whose business consists of property development (residential and commercial), reports directly to the VINCI holding company.

1.1 Information by business

The data below is for the businesses and business lines concerned and is stated before elimination, at their own level, of transactions with the rest of the Group.

First half 2017

(in € millions)	Concessions	Contracting				VINCI Immobilier and holding companies	Eliminations	Total
		VINCI Energies	Eurovia	VINCI Construction	Total			
Income statement								
Revenue [*]	**3,223**	**5,061**	**3,494**	**6,550**	**15,104**	**388**	**(203)**	**18,513**
Concession subsidiaries' works revenue	421	-	-	-	-	-	(96) [**]	325
Total revenue	3,644	5,061	3,494	6,550	15,104	388	(298)	18,838
Operating income from ordinary activities	**1,530**	**278**	**(19)**	**90**	**349**	**4**	**-**	**1,883**
% of revenue [*]	*47.5%*	*5.5%*	*(0.5)%*	*1.4%*	*2.3%*	*-*	*-*	*10.2%*
Recurring operating income	**1,533**	**261**	**(24)**	**72**	**310**	**11**	**-**	**1,853**
Operating income	**1,533**	**258**	**(23)**	**66**	**302**	**11**	**-**	**1,846**
Cash flow statement								
Cash flows from operations before tax and financing costs	**2,229**	**292**	**60**	**178**	**531**	**47**	**-**	**2,806**
% of revenue [*]	*69.1%*	*5.8%*	*1.7%*	*2.7%*	*3.5%*	*-*	*-*	*15.2%*
Depreciation and amortisation	*717*	*56*	*114*	*150*	*320*	*2*	*-*	*1,039*
Net increase/(decrease) in provisions and impairment	*7*	*(4)*	*15*	*7*	*18*	*(3)*	*-*	*22*
Operating investments (net of disposals)	(24)	(47)	(105)	(134)	(286)	(3)	-	(313)
Operating cash flow	**1,263**	**(204)**	**(423)**	**(456)**	**(1,084)**	**249**	**-**	**429**
Growth investments in concessions and PPPs	(555)	1	-	(2)	(2)	-	-	(557)
Free cash flow (after investments)	**708**	**(203)**	**(423)**	**(459)**	**(1,085)**	**249**	**-**	**(128)**
Balance sheet								
Capital employed at 30/06/2017	**29,639**	**3,099**	**1,201**	**551**	**4,851**	**586**	**-**	**35,075**
of which investments in companies accounted for under the equity method	*996*	*7*	*109*	*272*	*387*	*118*	*-*	*1,500*
Net financial surplus (debt)	**(27,954)**	**(846)**	**(294)**	**648**	**(492)**	**12,905**	**-**	**(15,541)**
of which non-Group companies net financial surplus (debt)	*(15,412)*	*156*	*48*	*987*	*1,191*	*(1,321)*	*-*	*(15,541)*

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession operating companies.

First half 2016

		Contracting						
(in € millions)	Concessions	VINCI Energies	Eurovia	VINCI Construction	Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue (*)	**2,882**	**4,960**	**3,282**	**6,453**	**14,695**	**265**	**(223)**	**17,619**
Concession subsidiaries' works revenue	340	-	-	-	-	-	(157) (**)	183
Total revenue	3,222	4,960	3,282	6,453	14,695	265	(380)	17,802
Operating income from ordinary activities	**1,361**	**274**	**(28)**	**92**	**338**	**21**	**-**	**1,720**
% of revenue (*)	*47.2%*	*5.5%*	*(0.9)%*	*1.4%*	*2.3%*	*-*	*-*	*9.8%*
Recurring operating income	**1,389**	**262**	**(30)**	**58**	**291**	**22**	**-**	**1,702**
Operating income	**1,394**	**260**	**(30)**	**60**	**290**	**22**	**-**	**1,706**
Cash flow statement								
Cash flow from operations before tax and financing costs	**2,019**	**289**	**59**	**211**	**560**	**27**	**-**	**2,606**
% of revenue (*)	*70.1%*	*5.8%*	*1.8%*	*3.3%*	*3.8%*	*-*	*-*	*14.8%*
Depreciation and amortisation	*653*	*55*	*112*	*165*	*332*	*2*	*-*	*987*
Net increase/(decrease) in provisions and impairment	*9*	*(2)*	*4*	*(7)*	*(4)*	*(2)*	*-*	*2*
Operating investments (net of disposals)	(16)	(42)	(116)	(122)	(281)	(2)	-	(299)
Operating cash flow	**1,132**	**(178)**	**(399)**	**(388)**	**(966)**	**232**	**-**	**398**
Growth investments in concessions and PPPs	(419)	1	2	(20)	(17)	-	-	(435)
Free cash flow (after investments)	**713**	**(177)**	**(397)**	**(408)**	**(982)**	**232**	**-**	**(38)**
Balance sheet								
Capital employed at 30/06/2016	**27,319**	**2,979**	**1,138**	**385**	**4,502**	**310**	**-**	**32,130**
of which investments in companies accounted for under the equity method	*969*	*6*	*107*	*259*	*372*	*115*	*-*	*1,457*
Net financial surplus (debt)	**(23,884)**	**(761)**	**(258)**	**925**	**(94)**	**9,588**	**-**	**(14,390)**
of which non-Group companies net financial surplus (debt)	*(14,238)*	*229*	*156*	*900*	*1,286*	*(1,437)*	*-*	*(14,390)*

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession operating companies.

2016

(in € millions)	Concessions	Contracting: VINCI Energies	Contracting: Eurovia	Contracting: VINCI Construction	Contracting: Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue (*)	**6,298**	**10,200**	**7,585**	**13,681**	**31,466**	**774**	**(466)**	**38,073**
Concession subsidiaries' works revenue	722	-	-	-	-	-	(248) (**)	475
Total revenue	7,020	10,200	7,585	13,681	31,466	774	(713)	38,547
Operating income from ordinary activities	**2,953**	**581**	**243**	**330**	**1,153**	**68**	**-**	**4,174**
% of revenue (*)	*46.9%*	*5.7%*	*3.2%*	*2.4%*	*3.7%*	-	-	*11.0%*
Recurring operating income	**3,031**	**542**	**240**	**273**	**1,055**	**82**	**-**	**4,167**
Operating income	**3,066**	**494**	**239**	**237**	**970**	**82**	**-**	**4,118**
Cash flow statement								
Cash flow from operations before tax and financing costs	**4,302**	**626**	**416**	**539**	**1,581**	**83**	**-**	**5,966**
% of revenue (*)	*68.3%*	*6.1%*	*5.5%*	*3.9%*	*5.0%*	-	-	*15.7%*
Depreciation and amortisation	*1,335*	*113*	*230*	*320*	*664*	*4*	-	*2,003*
Net increase/(decrease) in provisions and impairment	*9*	*41*	*(1)*	*8*	*48*	*(6)*	-	*52*
Operating investments (net of disposals)	(26)	(96)	(216)	(219)	(530)	(2)	-	(558)
Operating cash flow	**2,842**	**418**	**132**	**83**	**633**	**312**	**-**	**3,787**
Growth investments in concessions and PPPs	(822)	2	2	(21)	(17)	-	-	(839)
Free cash flow (after investments)	**2,019**	**420**	**134**	**62**	**617**	**312**	**-**	**2,948**
Balance sheet								
Capital employed at 31/12/2016	**29,354**	**2,590**	**795**	**79**	**3,465**	**764**	**-**	**33,583**
of which investments in companies accounted for under the equity method	*1,006*	*7*	*106*	*269*	*383*	*117*	-	*1,505*
Net financial surplus (debt)	**(28,515)**	**(420)**	**159**	**1,133**	**872**	**13,704**	**-**	**(13,938)**
of which non-Group companies net financial surplus (debt)	*(14,826)*	*167*	*(15)*	*1,121*	*1,273*	*(386)*	-	*(13,938)*

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession operating companies.

1.2 Information relating to the Concessions business

First half 2017

(in € millions)	Concessions			Total
	VINCI Autoroutes	**VINCI Airports**	**Other concessions**	
Income statement				
Revenue [(*)]	**2,453**	**664**	**106**	**3,223**
Concession subsidiaries' works revenue	336	18	66	421
Total revenue	2,788	683	172	3,644
Operating income from ordinary activities	**1,264**	**269**	**(3)**	**1,530**
% of revenue [(*)]	*51.5%*	*40.5%*	*(3.2)%*	*47.5%*
Recurring operating income	**1,264**	**247**	**21**	**1,533**
Operating income	**1,264**	**247**	**21**	**1,533**
Cash flow statement				
Cash flows from operations before tax and financing costs	**1,831**	**390**	**8**	**2,229**
% of revenue [(*)]	*74.6%*	*58.7%*	*7.4%*	*69.1%*
Depreciation and amortisation	*581*	*116*	*20*	*717*
Net increase/(decrease) in provisions and impairment	*5*	*2*	*-*	*7*
Operating investments (net of disposals)	(2)	(5)	(17)	(24)
Operating cash flow	**958**	**310**	**(5)**	**1,263**
Growth investments in concessions and PPPs	(389)	(100)	(66)	(555)
Free cash flow (after investments)	**569**	**210**	**(72)**	**708**
Balance sheet				
Capital employed at 30/06/2017	**21,671**	**5,532**	**2,435**	**29,639**
of which investments in companies accounted for under the equity method	*14*	*867*	*115*	*996*
Net financial surplus (debt)	**(21,647)**	**(4,092)**	**(2,215)**	**(27,954)**
of which non-Group companies net financial surplus (debt)	*(14,356)*	*(896)*	*(159)*	*(15,412)*

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

First half 2016

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**2,365**	**455**	**62**	**2,882**
Concession subsidiaries' works revenue	320	20	-	340
Total revenue	2,685	476	62	3,222
Operating income from ordinary activities	**1,205**	**160**	**(4)**	**1,361**
% of revenue (*)	*51.0%*	*35.3%*	*(7.2)%*	*47.2%*
Recurring operating income	**1,199**	**187**	**3**	**1,389**
Operating income	**1,199**	**187**	**8**	**1,394**
Cash flow statement				
Cash flows from operations before tax and financing costs	**1,766**	**239**	**13**	**2,019**
% of revenue (*)	*74.7%*	*52.6%*	*21.5%*	*70.1%*
Depreciation and amortisation	*570*	*78*	*5*	*653*
Net increase/(decrease) in provisions and impairment	*8*	*1*	*-*	*9*
Operating investments (net of disposals)	(4)	(6)	(7)	(16)
Operating cash flow	**913**	**135**	**84**	**1,132**
Growth investments in concessions and PPPs	(359)	(55)	(5)	(419)
Free cash flow (after investments)	**554**	**80**	**79**	**713**
Balance sheet				
Capital employed at 30/06/2016	**21,886**	**4,944**	**489**	**27,319**
of which investments in companies accounted for under the equity method	*-*	*895*	*74*	*969*
Net financial surplus (debt)	**(19,643)**	***(3,826)***	***(415)***	**(23,884)**
of which non-Group companies net financial surplus (debt)	*(13,541)*	*(730)*	*33*	*(14,238)*

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

2016

(in € millions)	Concessions VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**5,111**	**1,055**	**131**	**6,298**
Concession subsidiaries' works revenue	679	43	-	722
Total revenue	5,790	1,098	132	7,020
Operating income from ordinary activities	**2,588**	**368**	**(3)**	**2,953**
% of revenue (*)	*50.6%*	*34.8%*	*(2.0)%*	*46.9%*
Recurring operating income	**2,629**	**443**	**(42)**	**3,031**
Operating income	**2,629**	**443**	**(6)**	**3,066**
Cash flow statement				
Cash flows from operations before tax and financing costs	**3,710**	**563**	**29**	**4,302**
% of revenue (*)	*72.6%*	*53.3%*	*22.0%*	*68.3%*
Depreciation and amortisation	*1,146*	*177*	*12*	*1,335*
Net increase/(decrease) in provisions and impairment	*(47)*	*12*	*44*	*9*
Operating investments (net of disposals)	(9)	(7)	(9)	(26)
Operating cash flow	**2,259**	**434**	**149**	**2,842**
Growth investments in concessions and PPPs	(686)	(127)	(9)	(822)
Free cash flow (after investments)	**1,573**	**306**	**140**	**2,019**
Balance sheet				
Capital employed at 31/12/2016	**21,598**	**5,655**	**2,101**	**29,354**
of which investments in companies accounted for under the equity method	*-*	*918*	*87*	*1,006*
Net financial surplus (debt)	**(22,309)**	***(4,295)***	***(1,910)***	**(28,515)**
of which non-Group companies net financial surplus (debt)	*(13,706)*	*(957)*	*(163)*	*(14,826)*

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

2. Breakdown of revenue by geographical area

(in € millions)	First half 2017	%	First half 2016	%	Full year 2016	%
France	**10,974**	**59.3%**	**10,348**	**58.7%**	**22,418**	**58.9%**
United Kingdom	1,147	6.2%	1,261	7.2%	2,495	6.6%
Germany	1,206	6.5%	1,192	6.8%	2,689	7.1%
Central and Eastern Europe (*)	711	3.8%	626	3.6%	1,611	4.2%
Portugal	385	2.1%	312	1.8%	701	1.8%
Other European countries	1,167	6.3%	1,066	6.1%	2,176	5.7%
Europe (**)	**15,589**	**84.2%**	**14,805**	**84.0%**	**32,089**	**84.3%**
of which European Union	*15,186*	*82.0%*	*14,447*	*82.0%*	*31,291*	*82.2%*
North America	657	3.5%	620	3.5%	1,471	3.9%
Central and South America	566	3.1%	454	2.6%	1,020	2.7%
Africa	594	3.2%	661	3.8%	1,319	3.5%
Russia, Asia Pacific and Middle East	1,107	6.0%	1,078	6.1%	2,173	5.7%
International excluding Europe	**2,924**	**15.8%**	**2,814**	**16.0%**	**5,983**	**15.7%**
International excluding France	**7,539**	**40.7%**	**7,271**	**41.3%**	**15,654**	**41.1%**
Revenue (***)	**18,513**	**100.0%**	**17,619**	**100.0%**	**38,073**	**100.0%**

(*) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.

(**) Of which eurozone: €13,357 million in the first half of 2017 (72.2% of total revenue), €12,526 million in the first half of 2016 (71.1% of total revenue) and €27,218 million for full year 2016 (71.5% of total revenue).

(***) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

Revenue arising outside France amounted to €7,539 million in the first half of 2017, up 3.7% relative to the first half of 2016. It accounted for 40.7% of revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (41.3% in the first half of 2016).

3. Reconciliation between capital employed and the financial statements

Capital employed is made up of non-current assets less working capital requirement (including current provisions) (see Note G.15 "Working capital requirement and current provisions") and less tax payable.

(in € millions)	Note	30/06/2017	30/06/2016	31/12/2016
Capital employed – Assets		**58,116**	**54,310**	**58,003**
Concession intangible assets	12	26,463	24,315	26,691
- Deferred tax on business combination fair value adjustments		(1,907)	(1,654)	(1,975)
Goodwill, gross	9	8,418	7,823	8,346
Other intangible assets		413	389	409
Property, plant and equipment	14	4,359	4,313	4,468
Investments in companies accounted for under the equity method	10	1,500	1,457	1,505
Other non-current financial assets	11-13	1,806	1,751	1,602
- Collateralised loans and receivables (at more than one year)		-	-	-
- Derivative financial instruments (non-current assets)		(660)	(877)	(721)
Inventories and work in progress	15	946	1,029	935
Trade and other receivables	15	11,638	10,835	11,422
Other current operating assets	15	4,823	4,772	5,099
Other current non-operating assets		49	32	55
Current tax assets		268	125	167
Capital employed – Liabilities		**(23,041)**	**(22,180)**	**(24,420)**
Current provisions	15	(4,065)	(3,986)	(4,172)
Trade payables	15	(7,345)	(7,121)	(7,740)
Other current operating liabilities	15	(11,014)	(10,565)	(11,838)
Other current non-operating liabilities		(395)	(319)	(480)
Current tax liabilities		(221)	(189)	(190)
Total capital employed		**35,075**	**32,130**	**33,583**

D. Main income statement items

4. Operating income

(in € millions)	First half 2017	First half 2016	Full year 2016
Revenue (*)	**18,513**	**17,619**	**38,073**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	325	183	475
Total revenue	18,838	17,802	38,547
Revenue from ancillary activities (**)	101	74	130
Purchases consumed	(4,106)	(3,800)	(8,074)
External services	(2,421)	(2,189)	(4,989)
Temporary employees	(448)	(451)	(999)
Subcontracting (including concession operating companies' construction costs)	(3,766)	(3,583)	(7,869)
Taxes and levies	(476)	(457)	(1,088)
Employment costs	(4,911)	(4,826)	(9,557)
Other operating income and expense on activity	40	29	59
Depreciation and amortisation	(1,039)	(987)	(2,003)
Net provision expense	71	108	15
Operating expenses	**(17,055)**	**(16,156)**	**(34,503)**
Operating income from ordinary activities	**1,883**	**1,720**	**4,174**
% of revenue (*)	*10.2%*	*9.8%*	*11.0%*
Share-based payments (IFRS 2)	(57)	(43)	(118)
Profit/(loss) of companies accounted for under the equity method	34	2	69
Other recurring operating items	(7)	23	42
Recurring operating income	**1,853**	**1,702**	**4,167**
Goodwill impairment expense	(1)	-	(52)
Impact from changes in scope and gain/(loss) on disposals of shares	(6)	5	34
Other non-recurring operating items	-	-	(31)
Total non-recurring operating items	*(7)*	*5*	*(49)*
Operating income	**1,846**	**1,706**	**4,118**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Revenue from ancillary activities mainly comprises rental income, sale of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

Operating income from ordinary activities measures the operational performance of fully consolidated Group subsidiaries before taking into account share-based payment expense (IFRS 2). It also excludes the share of the income or loss of companies accounted for under the equity method and other recurring operating items as well as non-recurring items.

Recurring operating income is intended to present the Group's recurring operational performance excluding the impact of non-recurring items during the period. It is obtained by adding the impacts associated with share-based payments (IFRS 2), income/losses from companies accounted for under the equity method and other recurring operating income and expense to operating income from ordinary activities.

Goodwill impairment losses and other material non-recurring operating items include gains or losses on the disposal of shares and the impact of remeasuring equity interests at fair value when changes of control take place. These non-recurring items are recognised under **operating income**, which is therefore obtained by adding income and expenses regarded as non-recurring to recurring operating income.

The Group did not recognise any material non-recurring items in the first half of 2017.
In 2016, non-recurring operating items included the gain on selling the remaining interest in Infra Foch Topco (the holding company that owns Indigo, formerly known as VINCI Park), restructuring costs in France and a partial write-down of goodwill in VINCI Energies' subsidiaries in Brazil following a review of medium-term business prospects in that country.

5. Cost of net financial debt

The cost of net financial debt amounted to €234 million in the first half of 2017, down €28 million relative to the first half of 2016 (€262 million). The improvement resulted mainly from a lower average interest rate after refinancing took place at interest rates much lower than those of the maturing borrowings. This positive effect more than offset the negative impact caused by the increase in the average outstanding amount of long-term debt arising from acquisitions in 2016 and from the cost of the net financial debt of recently acquired companies, particularly Aerodom in the Dominican Republic and Lamsac, the concession company for the Linea Amarilla toll expressway in Lima, Peru.

The cost of net financial debt in the period can be analysed as follows:

(in € millions)	First half 2017	First half 2016	Full year 2016
Financial liabilities at amortised cost	(341)	(332)	(676)
Financial assets and liabilities at fair value through profit and loss	45	15	25
Derivatives designated as hedges: assets and liabilities	59	61	132
Derivatives at fair value through profit and loss: assets and liabilities	4	(6)	(7)
Total cost of net financial debt	**(234)**	**(262)**	**(526)**

6. Other financial income and expense

Other financial income and expense break down as follows:

(in € millions)	First half 2017	First half 2016	2016
Effect of discounting to present value	(19)	(26)	(66)
Borrowing costs capitalised	45	18	36
Foreign exchange gains and losses	(9)	(13)	(6)
Total other financial income and expense	**18**	**(21)**	**(35)**

The effect of discounting to present value relates to provisions for retirement benefit obligations and represented an expense of €12 million (€17 million in the first half of 2016) and to provisions for the obligation to maintain the condition of concession assets, representing an expense of €6 million (€9 million in the first half of 2016).

Capitalised borrowing costs relate to Lamsac for €27 million, the ASF group for €12 million (€13 million in the first half of 2016) and Arcos for €4 million (€4 million in the first half of 2016).

7. Income tax expense

Tax expense amounted to €575 million, compared with €483 million in the first half of 2016. The increase is the result of higher pre-tax income both in France and abroad. The effective tax rate was 36.0% (34.0% in the first half of 2016).

8. Earnings per share

Basic earnings per share is the net income for the period after non-controlling interests, divided by the weighted average number of shares outstanding during the period less the weighted average number of treasury shares.

In calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the company, primarily share subscription options and performance shares. The dilution resulting from the exercise of share subscription options and from performance shares is determined using the method defined in IAS 33. In accordance with this standard, plans of which the stock market price is greater than the average price during the period are excluded from the diluted earnings per share calculation.
In calculating basic and diluted earnings per share, earnings are also adjusted for changes in income and expenses taken directly to equity resulting from the conversion into shares of all potentially dilutive instruments.

The tables below show the transition from basic earnings per share to diluted earnings per share:

First half 2017	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**590,758,966**		
Treasury shares	(36,605,476)		
Basic earnings per share	**554,153,490**	**1,030**	**1.86**
Subscription options	1,070,294		
Group savings plan	275,165		
Performance shares	3,510,216		
Diluted earnings per share	**559,009,165**	**1,030**	**1.84**

First half 2016	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**590,760,326**		
Treasury shares	(36,304,953)		
Basic earnings per share	**554,455,373**	**920**	**1.66**
Subscription options	1,918,879		
Group savings plan	364,820		
Performance shares	2,396,790		
Diluted earnings per share	**559,135,862**	**920**	**1.65**

Full year 2016	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**593,324,563**		
Treasury shares	(38,549,755)		
Basic earnings per share	**554,774,808**	**2,505**	**4.52**
Subscription options	1,601,098		
Group savings plan	239,709		
Performance shares	3,121,007		
Diluted earnings per share	**559,736,622**	**2,505**	**4.48**

E. Investments in other companies

9. Goodwill

Changes in the period were as follows:

(in € millions)	30/06/2017	31/12/2016
Net at beginning of period	**8,113**	**7,296**
Goodwill recognised during the period	146	870
Impairment losses	(1)	(52)
Entities no longer consolidated	-	(3)
Currency translation differences	(61)	(1)
Other movements	(3)	3
Net at end of period	**8,193**	**8,113**

The increase in goodwill during the period was mainly due to the acquisition by VINCI Energies of several companies in Europe, including Novabase IMS in Portugal. The related goodwill is provisionally estimated at €131 million in total.

In 2016, the main changes related to the acquisitions of Aerodom in the Dominican Republic and Aéroports de Lyon by VINCI Airports, and of Lamsac in Peru by VINCI Highways.

The main goodwill items at 30 June 2017 were as follows:

	30/06/2017			31/12/2016
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
VINCI Energies France	2,351	-	2,351	2,336
ASF group (*)	1,935	-	1,935	1,935
VINCI Airports	982	-	982	1,004
VINCI Energies Germany	533	-	533	537
VINCI Energies Benelux	313	-	313	264
VINCI Highways	252	-	252	265
Entrepose	201	-	201	201
Soletanche Bachy	171	-	171	171
VINCI Energies Australia – New Zealand	155	-	155	158
VINCI Energies Switzerland	149	-	149	133
Nuvia	129	-	129	133
ETF	108	-	108	108
VINCI Construction UK	150	(70)	81	83
VINCI Energies Scandinavia	80	-	80	81
Other goodwill	910	(155)	755	707
Total	**8,418**	**(225)**	**8,193**	**8,113**

(*) ASF and Escota.

10. Companies accounted for under the equity method: associates and joint ventures

10.1 Movements during the period

(in € millions)	30/06/2017 Associates	Joint ventures	Total	31/12/2016 Associates	Joint ventures	Total
Value of shares at beginning of period	**1,083**	**423**	**1,505**	**1,187**	**217**	**1,404**
of which Concessions	*686*	*320*	*1,006*	*762*	*109*	*871*
of which Contracting	*393*	*83*	*476*	*421*	*87*	*508*
of which VINCI Immobilier	*4*	*20*	*24*	*4*	*20*	*25*
Increase in share capital of companies accounted for under the equity method	11	30	41	9	167	176
Group share of profit or loss for the period	43	(8)	34	55	14	69
Group share of other comprehensive income for the period	(5)	53	48	13	12	26
Dividends paid	(25)	(60)	(85)	(36)	(58)	(94)
Changes in consolidation scope and other	(1)	(5)	(6)	(118)	(10)	(127)
Reclassifications (*)	(6)	(31)	(37)	(27)	80	53
Value of shares at end of period	**1,098**	**402**	**1,500**	**1,083**	**423**	**1,505**
of which Concessions	*705*	*291*	*996*	*686*	*320*	*1,006*
of which Contracting	*389*	*85*	*474*	*393*	*83*	*476*
of which VINCI Immobilier	*5*	*26*	*30*	*4*	*20*	*24*

(*) Reclassifications of shares in the negative net equity-accounted companies under provisions for financial risks.
Nota: Definitions of Associates and Joint ventures are provided in Note A.2. Consolidation methods.

The list of the main companies accounted for under the equity method is given in Note O "Other information on the consolidation scope" in the 2016 registration document.
At 30 June 2017, the Group's interests in associates included, in the Concessions business, the stake in the ADP group (€686 million), and, in the Contracting business, the stake in CFE (€210 million).
Changes in the Group's interests in the first half of 2017 mainly concerned VINCI Energies and VINCI Concessions.

The amounts shown under "Group share of other comprehensive income for the period" relate mainly to cash flow and interest rate hedging transactions on concession and public-private partnership projects.

10.2 Aggregated financial information

The contribution of equity-accounted companies to the Group's consolidated comprehensive income during the period is as follows:

(in € millions)	First half 2017 Associates	Joint ventures	Total	First half 2016 Associates (*)	Joint ventures	Total	2016 Associates (**)	Joint ventures	Total
Net income	**43**	**(8)**	**34**	**20**	**(18)**	**2**	**55**	**14**	**69**
of which Concessions	*27*	*(21)*	*6*	*14*	*2*	*17*	*31*	*18*	*49*
of which Contracting	*16*	*5*	*20*	*5*	*(25)*	*(20)*	*24*	*(21)*	*3*
of which VINCI Immobilier	*-*	*8*	*8*	*-*	*5*	*5*	*-*	*16*	*16*
Other comprehensive income	(5)	53	48	(6)	(24)	(30)	13	12	26
of which Concessions	*5*	*50*	*55*	*(11)*	*(20)*	*(30)*	*7*	*20*	*26*
of which Contracting	*(10)*	*3*	*(7)*	*5*	*(4)*	*1*	*6*	*(7)*	*(1)*
Comprehensive income	37	45	82	14	(42)	(28)	68	26	94
of which Concessions	*32*	*29*	*61*	*4*	*(17)*	*(14)*	*38*	*38*	*76*
of which Contracting	*6*	*7*	*13*	*10*	*(29)*	*(19)*	*30*	*(28)*	*2*
of which VINCI Immobilier	*-*	*8*	*8*	*-*	*5*	*5*	*-*	*16*	*16*

(*) Including Infra Foch Topco (formerly known as VINCI Park) until the date it was classified under assets held for sale.
(**) Including Infra Foch Topco (formerly known as VINCI Park) until the date of sale of remaining stake in September 2016.

10.3 Commitments made in respect of associates and joint ventures

At 30 June 2017, Group funding commitments to equity-accounted companies (via capital and/or shareholder loans) amounted to €142 million (€333 million at 31 December 2016). These commitments relate mainly to companies in the Concessions business, including Via 40 Express – the company holding the concession for the motorway between Bogotá and Girardot in Colombia – for which funding commitments amounted to €63 million at 30 June 2017 (€138 million at 31 December 2016).

Collateral security has also been granted in the form of pledges of shares in companies accounted for under the equity method.
The net carrying amount of the shares pledged at 30 June 2017 was €27 million and included shares in WVB East End Partners (the company holding the concession for the Ohio River Bridges – East End Crossing project in the United States) for €18 million and SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €10 million.
Further to the shareholders contributions payment in June 2017 to LISEA, collateral and personal securities granted by the Group (in the form of €135 million of cash deposits and €113 million of funding granted) were released on 30 June 2017.

10.4 Investment commitments given by associates and joint ventures

At 30 June 2017, the Group's share of investment commitments given by companies accounted for by the equity method amounted to €1,119 million (€1,142 million at 31 December 2016).
They mainly concern infrastructure projects under construction in the Concessions business, including Santiago International Airport in Chile (€316 million), the new project for the Via 40 Express motorway between Bogotá and Girardot in Colombia (€278 million), sections 7 and 8 of the M11 motorway between Moscow and St Petersburg in Russia (€268 million) and the Regina Bypass in Canada (€107 million).
The €23 million reduction of these commitments during the first half 2017 reflects progress with works carried out as part of concession projects, particularly on the M11 motorway between Moscow and St Petersburg (decrease of €154 million) and the Regina Bypass in Canada (decrease of €67 million), as well as the impact of new investment commitments made in Colombia by the Via 40 Express project company.

11. Other non-current financial assets

(in € millions)	30/06/2017	31/12/2016
Available-for-sale financial assets	114	134
PPP financial receivables [*]	215	215
Loans and receivables	817	531
Other non-current financial assets	**1,146**	**881**

(*) Information relating to "PPP financial receivables" is provided in Note F.13.

Available-for-sale financial assets

Available-for-sale assets include shareholdings in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

Loans and receivables

Loans and receivables at amortised cost mainly comprise receivables relating to shareholdings, including shareholders' advances to Concessions business or PPP project companies for €667 million (€328 million at 31 December 2016).

They are presented on the asset side of the consolidated balance sheet under "Other non-current financial assets" (for the part at more than one year). The part at less than one year is included under "Other current financial assets" for €13 million at 30 June 2017 (€19 million at 31 December 2016).

During the period, the change broke down as follows:

(in € millions)	First half 2017	Full year 2016
Beginning of period	**531**	**644**
Acquisitions during period	338	214
Impairment losses	(10)	(15)
Disposals during period	(20)	(215)
Other movements and currency translation differences	(22)	(97)
End of period	**817**	**531**

Increases during the period mainly concerned the loan granted to LISEA (in connection with the South Europe Atlantic high-speed rail line) for €256 million.

F. Concession and PPP contracts

12. Concession intangible assets

12.1 Breakdown of concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total for the Concessions business	Other concession infrastructure	Total
Gross						
01/01/2016	**31,020**	**2,695**	**206**	**33,921**	**-**	**33,921**
Acquisitions during period (*)	713	104	4	822	-	822
Disposals during period	(3)	(2)	(2)	(7)	-	(7)
Currency translation differences	-	58	(2)	55	-	55
Changes in scope and other	(58)	1,314	1,745	3,001	-	3,001
Grants received	(48)	-	-	(48)	-	(48)
31/12/2016	**31,625**	**4,168**	**1,950**	**37,743**	**-**	**37,743**
Acquisitions during period (*)	353	50	95	498	-	498
Disposals during period	(1)	(1)	-	(2)	-	(2)
Currency translation differences	-	(79)	(84)	(163)	-	(163)
Changes in scope and other	13	(2)	(1)	10	-	10
Grants received	(6)	-	-	(6)	-	(6)
30/06/2017	**31,984**	**4,137**	**1,960**	**38,081**	**-**	**38,081**
Amortisation and impairment losses						
01/01/2016	**(9,602)**	**(250)**	**(154)**	**(10,006)**	**-**	**(10,006)**
Amortisation during period	(979)	(101)	(7)	(1,086)	(1)	(1,088)
Impairment losses	-	(9)	-	(9)	-	(9)
Reversals of impairment losses	-	1	-	1	-	1
Disposals during period	-	-	2	2	-	2
Currency translation differences	-	(6)	-	(6)	-	(6)
Other	52	1	(2)	51	1	53
31/12/2016	**(10,529)**	**(365)**	**(160)**	**(11,053)**	**-**	**(11,053)**
Amortisation during period	(501)	(65)	(16)	(581)	(1)	(582)
Impairment losses	-	(1)	-	(1)	-	(1)
Reversals of impairment losses	-	-	-	-	-	-
Disposals during period	-	-	-	-	-	-
Currency translation differences	-	15	1	16	-	16
Other	(7)	15	(7)	1	1	2
30/06/2017	**(11,036)**	**(400)**	**(181)**	**(11,618)**	**-**	**(11,618)**
Net						
01/01/2016	**21,418**	**2,444**	**52**	**23,915**	**-**	**23,915**
31/12/2016	**21,096**	**3,804**	**1,791**	**26,691**	**-**	**26,691**
30/06/2017	**20,948**	**3,736**	**1,779**	**26,463**	**-**	**26,463**

(*) Including capitalised borrowing costs.

In the first half of 2017, acquisitions amounted to €498 million (€374 million in the first half of 2016).
They include investments by the ASF group for €244 million (€242 million in the first half of 2016), by Cofiroute for €62 million (€42 million in the first half of 2016), by Lamsac for €67 million and by VINCI Airports for €50 million (€37 million in the first half of 2016). The ASF group's investments related to works in connection with the motorway stimulus plan signed in July 2015, widening works on the A63 motorway in the Basque Country and the completion of works on the relief motorway for the A9 near Montpellier, which came into service four months ahead of schedule in April 2017.

Concession intangible assets include assets under construction for a gross amount of €1,887 million at 30 June 2017 (€1,742 million at 31 December 2016). These relate mainly to VINCI Autoroutes subsidiaries (€938 million including €551 million for ASF, €160 million for Escota and €155 million for Cofiroute) and VINCI Airports for €151 million.

The main features of concession and PPP contracts are described in Note F "Concession and PPP contracts" in the 2016 registration document.

12.2 Commitments made under concession contracts – intangible asset model

Contractual investment, renewal or financing obligations

(in € millions)	30/06/2017	31/12/2016
ASF Group	1,530	1,716
Cofiroute	964	985
Arcos – company holding the concession for the western Strasbourg bypass	469	523
Grand Ouest airports concession company	367	366
Lamsac	229	136
ANA Group	138	166
Aéroports de Lyon (ADL)	42	85
Other	17	19
Total	**3,755**	**3,997**

Contractual capital investment obligations for motorway concession companies (ASF group, Cofiroute) relate mainly to undertakings as part of multi-year master plans and the motorway stimulus plan implemented in the second half of 2015.
During the period, progress with works by motorway concession companies led to a €242 million reduction in their commitments.

The above amounts do not include obligations relating to maintenance expenditure on infrastructure under concession, which are provisioned (see Note G.15.2 "Breakdown of current provisions").

Security connected with the financing of concessions

Some concession operating companies have given security to guarantee the financing of their investments in infrastructure under concession. These break down as follows:

(in € millions)	Amount	Start date	End date
Lamsac	626	2016	2037
Arcour	607	2008	2045
Aerodom	358	2016	2019
Aéroports de Lyon (ADL)	225	2016	2032
Other concession operating companies	14		

13. PPP financial receivables (controlled companies)

13.1 Movements during the period and maturity schedule

PPP financial receivables related to concession and PPP contracts managed by the Group are presented on the consolidated balance sheet, for their part at more than one year, under the "Other non-current financial assets" item, which also includes "Loans and receivables" and "Available-for-sale financial assets" (see Note E.11 "Other non-current financial assets").

During the period, the change in PPP financial receivables broke down as follows:

(in € millions)	First half 2017	Full year 2016
Beginning of period	**215**	**202**
Acquisitions during period	11	35
Impairment losses	-	-
Redemptions	(11)	(20)
Other movements and currency translation differences	-	(1)
End of period	**215**	**215**

In 2016, the increase in PPP financial receivables mainly concerned the public-private partnership contract for the creation of the new building for France's Institute for Radiological Protection and Nuclear Safety (IRSN) in the Hauts de Seine region of France, which is held by PPP Prisme, a subsidiary of VINCI Construction.

The part at less than one year of PPP financial receivables is included in the balance sheet under "Other current financial assets".
At 30 June 2017, it amounted to €16 million (€16 million at 31 December 2016).

13.2 Commitments made under concession and PPP contracts – financial asset and/or bifurcated model

Contractual investment, renewal or financing obligations

Under their concession and PPP contracts, certain Group subsidiaries undertake to make investments. Where the financial asset or bifurcated model applies, they receive a guarantee of payment from the concession grantor in return for their investment commitment.
At 30 June 2017, investment undertakings with respect to contracts under the financial asset or bifurcated models amounted to €59 million (€4 million at 31 December 2016). The increase was mainly related to the public-private partnership project at the La Cotinière fishing port in Saint-Pierre d'Oléron at VINCI Construction.

Collateral security connected with the financing of PPPs

Some companies have given collateral security to guarantee the financing of their investments relating to infrastructure under concession. This collateral amounted to €71 million at 30 June 2017, the same as at 31 December 2016, including Park Azur for €36 million and MMArena (Le Mans stadium) for €34 million.

Commitments made under concession and PPP contracts of companies accounted for under the equity method

The commitments made under concession and PPP contracts by companies accounted for under the equity method are presented in Note E.10.3 "Commitments made in respect of associates and joint ventures".

G. Other balance sheet items and business-related commitments

14. Property, plant and equipment

(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Total
Gross					
31/12/2016	4,052	873	1,158	6,883	12,966
30/06/2017	4,114	884	1,202	6,888	13,088
Depreciation and impairment losses					
31/12/2016	(2,497)	(314)	(624)	(5,063)	(8,498)
30/06/2017	(2,626)	(323)	(635)	(5,146)	(8,729)
Net					
31/12/2016	**1,555**	**559**	**534**	**1,820**	**4,468**
30/06/2017	**1,488**	**561**	**568**	**1,743**	**4,359**

Property, plant and equipment included assets under construction for €319 million at 30 June 2017 (€248 million at 31 December 2016).

At 30 June 2017, assets acquired under finance leases amounted to €94 million (€102 million at 31 December 2016). They relate mainly to plant and equipment used in operations. The debts relating to these assets are shown in Note I.20.1 "Detail of long-term financial debt".

15. Working capital requirement and current provisions

15.1 Change in working capital requirement

					Changes 30/06/2017 - 31/12/2016	
(in € millions)		30/06/2017	30/06/2016	31/12/2016	Changes in operating WCR	Other changes [*]
Inventories and work in progress (net)		946	1,029	935	6	6
Trade and other receivables		11,638	10,835	11,422	86	130
Other current operating assets		4,823	4,772	5,099	(366)	90
Inventories and operating receivables	I	**17,407**	**16,635**	**17,456**	**(275)**	**226**
Trade payables		(7,345)	(7,121)	(7,740)	483	(88)
Other current operating liabilities		(11,014)	(10,565)	(11,838)	864	(40)
Trade and other operating payables	II	**(18,359)**	**(17,686)**	**(19,578)**	**1,347**	**(128)**
Working capital requirement (excluding current provisions)	**I+II**	**(952)**	**(1,051)**	**(2,122)**	**1,072**	**97**
Current provisions		**(4,065)**	**(3,986)**	**(4,172)**	**57**	**50**
of which part at less than one year of non-current provisions		*(188)*	*(198)*	*(241)*	-	*53*
Working capital requirement (including current provisions)		**(5,017)**	**(5,037)**	**(6,294)**	**1,130**	**147**

(*) Mainly currency translation differences and changes in consolidation scope.

15.2 Breakdown of current provisions

Changes in current provisions reported in the balance sheet for the first half of 2017 and full-year 2016 were as follows:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2016	**3,844**	**1,526**	**(1,251)**	**(137)**	**68**	**(16)**	**20**	**4,053**
Obligation to maintain the condition of concession assets	744	105	(60)	(7)	28	-	3	812
After-sales service	387	122	(103)	(14)	(1)	-	(5)	386
Losses on completion and construction project liabilities	1,266	692	(672)	(33)	18	-	(6)	1,265
Disputes	532	179	(146)	(49)	(9)	-	(2)	505
Restructuring costs	51	25	(27)	(9)	2	-	-	42
Other current liabilities	847	401	(283)	(59)	18	-	(3)	920
Reclassification of the part at less than one year	227	-	-	-	(4)	18	-	241
31/12/2016	**4,053**	**1,524**	**(1,291)**	**(171)**	**52**	**18**	**(13)**	**4,172**
Obligation to maintain the condition of concession assets	812	61	(39)	(1)	(2)	-	(5)	826
After-sales service	386	85	(84)	(3)	1	-	(2)	384
Losses on completion and construction project liabilities	1,265	518	(501)	(31)	8	-	(4)	1,254
Disputes	505	53	(50)	(7)	6	-	(1)	506
Restructuring costs	42	3	(9)	(2)	1	-	-	35
Other current liabilities	920	117	(140)	(20)	-	-	(6)	872
Reclassification of the part at less than one year	241	-	-	-	(4)	(49)	-	188
30/06/2017	**4,172**	**835**	**(822)**	**(64)**	**11**	**(49)**	**(17)**	**4,065**

Current provisions relating to the operating cycle consist mainly of provisions in respect of construction contracts and provisions for the obligation to maintain the condition of concession assets. Such provisions are intended to cover the expenses to be incurred by motorway concession operating companies for road repairs, bridges, tunnels and hydraulic infrastructure. They mainly concern the ASF group for €376 million (€368 million at 31 December 2016) and Cofiroute for €242 million (€234 million at 31 December 2016).
Provisions also include expenses to be incurred by airport concession companies (repairs to runways, traffic lanes and other paved surfaces) for €184 million (€189 million at 31 December 2016) including €71 million for the ANA group (€74 million at 31 December 2016).

Provisions for other current liabilities include provisions for worksite restoration and removal costs for €173 million (€163 million at 31 December 2016).

16. Non-current provisions

Changes in other non-current provisions reported in the balance sheet (excluding employee benefits) were as follows in the first half of 2017 and 2016:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2016	**956**	**194**	**(153)**	**(16)**	**(48)**	**16**	**1**	**949**
Financial risks	644	58	(29)	(7)	(22)	-	-	643
Other liabilities	532	138	(100)	(83)	57	-	-	543
Reclassification of the part at less than one year	(227)	-	-	-	4	(18)	-	(241)
31/12/2016	**949**	**195**	**(129)**	**(91)**	**39**	**(18)**	**(1)**	**945**
Financial risks	643	14	(17)	-	(36)	-	-	604
Other liabilities	543	63	(33)	(9)	4	-	(3)	566
Reclassification of the part at less than one year	(241)	-	-	-	4	49	-	(188)
30/06/2017	**945**	**77**	**(50)**	**(9)**	**(28)**	**49**	**(2)**	**982**

Provisions for financial risks

Provisions for financial risks include the Group's share of the negative net equity of companies accounted for under the equity method. That negative net equity results from the measurement of interest rate derivative instruments (cash flow hedges) at fair value in the financial statements of the companies concerned.

Provisions for other liabilities

Provisions for other liabilities, not directly linked to the operating cycle, include provisions for disputes and arbitration, some of which are described in Note K.27 "Note on litigation". These amounted to €566 million at 30 June 2017 (€543 million at 31 December 2016), including €409 million at more than one year (€352 million at 31 December 2016).

17. Other contractual obligations of an operational nature and other commitments made and received

17.1 Other contractual obligations of an operational nature

(in € millions)	30/06/2017	31/12/2016
Operating leases	1,206	1,230
Purchase and capital expenditure obligations (*)	391	459

(*) Excluding capital investment obligations related to concession and PPP contracts (see Note F "Concession and PPP contracts").

Operating lease commitments amounted to €1,206 million at 30 June 2017 (€1,230 million at 31 December 2016). Of this, €769 million was for property (€778 million at 31 December 2016) and €437 million for movable items (€452 million at 31 December 2016).
Purchase and capital expenditure obligations mainly concern Eurovia in relation to its quarrying rights, along with VINCI Energies and VINCI Immobilier.

17.2 Other commitments made and received

(in € millions)	30/06/2017	31/12/2016
Collateral security	32	31
Other commitments made (received)	282	394

In addition to commitments in connection with concession and PPP contracts, collateral security (mortgages and collateral for finance) may be given. This relates mainly to VINCI Energies and Eurovia.

The reduction in other commitments given arose in particular from the release of security given in relation to the Matmut Atlantique stadium in Bordeaux after final acceptance of the project.

The Group's off-balance sheet commitments are subject to specific reporting at each full-year and half-year closing.
They are presented according to the activity to which they relate, in the corresponding notes.

Accordingly, the commitments made and received by the Group in connection with concession contracts, construction contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:
- E.10.3 "Commitments made in respect of associates and joint ventures";
- F.12.2 "Commitments made under concession contracts – intangible asset model";
- F.13.2 "Commitments made under concession and PPP contracts – financial asset and/or bifurcated model";
- J.24 "Provisions for employee benefits".

Commitments made and received by the Group in connection with construction contracts are detailed in Note G.15.2 of the 2016 registration document.

H. Equity

18. Information on equity

Capital management policy

In the first half of 2017, VINCI continued its policy of purchasing its own shares under the programme approved by the Shareholders' General Meeting held on 19 April 2016 and the new programme approved by the Shareholders' General Meeting of 20 April 2017, for a period of 18 months and relating to a maximum amount of purchases of €2 billion at a maximum share price of €90. In the first half of 2017, 5,059,741 shares were bought at an average price of €72.14, for a total of €365 million.
On 27 June 2017, VINCI signed a share purchase agreement expiring on 27 September 2017 for a variable number of shares and limited to a maximum amount of €150 million. At 30 June 2017, the debt recognised in respect of this agreement, presented under "Other current financial debt", amounted to €150 million.

Treasury shares (see Note H.18.2 "Treasury shares") are allocated to financing external growth transactions and to covering performance share plans and the employer contributions to international employee share ownership plans. They may also be cancelled.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 30 June 2017, over 50% of the Group's employees were VINCI shareholders through unit funds invested in VINCI shares. Since those funds own 8.79% of the company's shares, the Group's current and former employees form its largest group of shareholders.

Neither the Group's consolidated equity nor the equity of parent company VINCI SA is subject to any external constraints in the form of financial covenants.

18.1 Share capital

At 30 June 2017, the parent company's share capital was represented by 593,043,910 ordinary shares of €2.50 nominal value each.

The changes in the number of shares during the period were as follows:

	30/06/2017	31/12/2016
Number of shares at beginning of period	**589,305,520**	**588,453,075**
Increases in share capital	3,738,390	8,852,445
Cancelled treasury shares		(8,000,000)
Number of shares at end of period	**593,043,910**	**589,305,520**
Number of shares issued and fully paid	593,043,910	589,305,520
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	38,554,672	34,685,354
of which shares allocated to cover performance share plans and employee share ownership plans	*5,517,810*	*5,522,399*

18.2 Treasury shares

Changes in treasury shares were as follows:

	30/06/2017	31/12/2016
Number of shares at beginning of period	**34,685,354**	**34,195,347**
Purchases of shares	5,059,741	8,699,360
Granting of 2014 performance shares to employees	(944,799)	
Granting of 2015 performance shares to employees	(1,000)	
Granting of 2016 performance shares to employees	(2,800)	
Employer contribution in connection with the Castor International plan	(241,824)	(209,353)
Cancelled treasury shares		(8,000,000)
Number of shares at end of period	**38,554,672**	**34,685,354**

At 30 June 2017, the total number of treasury shares held was 38,554,672. These were recognised as a deduction from consolidated equity for €1,893 million.
A total of 5,517,810 shares are allocated to covering long-term incentive plans and employee share ownership transactions, 3,873,907 shares are intended to be cancelled and 29,162,955 shares are intended to be used as payment in external growth transactions or to be sold.

18.3 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

(in € millions)		30/06/2017 Attributable to owners of the parent	30/06/2017 Attributable to non-controlling interests	30/06/2017 Total	31/12/2016 Attributable to owners of the parent	31/12/2016 Attributable to non-controlling interests	31/12/2016 Total
Available-for-sale financial assets							
Reserve at beginning of period		**3**	**-**	**3**	**2**	**-**	**2**
Gross reserve before tax effect at balance sheet date	**I**	**1**	**-**	**1**	**3**	**-**	**3**
Cash flow hedge							
Reserve at beginning of period		**(847)**	**(1)**	**(848)**	**(916)**	**-**	**(916)**
Changes in fair value of companies accounted for under the equity method		92	-	92	36	-	36
Other changes in fair value in the period		15	1	16	(35)	-	(36)
Fair value items recognised in profit or loss		36	-	36	69	-	69
Changes in consolidation scope and miscellaneous		-	-	-	(1)	-	(1)
Gross reserve before tax effect at balance sheet date	**II**	**(704)**	**-**	**(704)**	**(847)**	**(1)**	**(848)**
of which gross reserve relating to companies accounted for under the equity method		*(574)*	-	*(574)*	*(666)*	-	*(666)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**(703)**	**-**	**(703)**	**(845)**	**(1)**	**(845)**
Associated tax effect		224	-	224	270	-	271
Reserve net of tax (items that may be recycled to income)	**III**	**(479)**	**-**	**(479)**	**(574)**	**(1)**	**(575)**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(458)**	**-**	**(458)**	**(344)**	**-**	**(344)**
Actuarial gains and losses recognised in the period		31	-	31	(149)	-	(149)
Associated tax effect		(18)	-	(18)	31	-	31
Changes in consolidation scope and miscellaneous		(1)	-	(1)	4	-	4
Reserve net of tax at end of period (items that may not be recycled to income)	**IV**	**(445)**	**-**	**(446)**	**(458)**	**-**	**(458)**
Total amounts recognised directly in equity	**III+IV**	**(924)**	**(1)**	**(925)**	**(1,032)**	**(1)**	**(1,033)**

The amounts recorded directly in equity relate to actuarial gains and losses on retirement benefit obligations, net investment hedging transactions (negative amount of €30 million) and cash flow hedging transactions (negative amount of €675 million). Transactions relating to the hedging of interest rate risk had a negative effect of €674 million, comprising:

- a €105 million negative effect concerning fully consolidated subsidiaries, including a negative effect of €136 million in relation to VINCI Autoroutes and a positive effect of €62 million in relation to VINCI SA;
- a negative effect of €569 million relating to companies accounted for under the equity method, mainly relating to LISEA (negative effect of €340 million) and other companies managing infrastructure projects on a PPP or concession basis.

These transactions are described in Note J.25.1.2 "Cash flow hedges" in the 2016 registration document.

19. Dividends

Dividends paid by VINCI SA to its shareholders in respect of 2016 and 2015 break down as follows:

	2016	2015
Dividend per share *(in €)*		
Interim dividend	0.63	0.57
Final dividend	1.47	1.27
Net total dividend	**2.10**	**1.84**
Amount of dividend *(in € millions)*		
Interim dividend	350	316
Final dividend	813	702
Net total dividend	**1,163**	**1,018**

VINCI paid the final dividend in respect of 2016 in cash on 27 April 2017 for an amount of €813 million.

I. Financing and financial risk management

20. Net financial debt

At 30 June 2017, net financial debt stood at €15.5 billion, up €1.6 billion compared with 31 December 2016. It breaks down as follows:

Analysis by accounting heading	*(in € millions)*	30/06/2017 Non-current	Ref.	30/06/2017 Current (*)	Ref.	30/06/2017 Total	31/12/2016 Non-current	31/12/2016 Current (*)	31/12/2016 Total
Financial liabilities at amortised cost	Bonds	(13,428)	(1)	(1,020)	(3)	(14,448)	(12,496)	(1,606)	(14,102)
	Other bank loans and other financial debt	(2,595)	(2)	(1,417)	(3)	(4,011)	(3,717)	(893)	(4,610)
	Finance lease debt restated	(62)	(2)	(26)	(3)	(88)	(52)	(26)	(78)
	Long-term financial debt (**)	**(16,085)**		**(2,462)**		**(18,547)**	**(16,264)**	**(2,526)**	**(18,790)**
	Commercial paper	-		(1,268)	(3)	(1,268)	-	(1,491)	(1,491)
	Other current financial liabilities	-		(206)	(3)	(206)	-	(79)	(79)
	Bank overdrafts	-		(884)	(3)	(884)	-	(1,051)	(1,051)
	Financial current accounts, liabilities	-		(77)	(3)	(77)	-	(83)	(83)
	I - Gross financial debt	**(16,085)**		**(4,897)**		**(20,982)**	**(16,264)**	**(5,229)**	**(21,494)**
	of which impact of fair value hedges	*(499)*		*(4)*		*(502)*	*(651)*	*(4)*	*(655)*
Loans and receivables	Loans and collateralised financial receivables	-	(4)	-	(5)	-	-	-	-
	Financial current accounts, assets	-		42	(6)	42	-	30	30
Financial assets at fair value through profit and loss	Cash management financial assets	-		110	(6)	110	-	124	124
	Cash equivalents	-		1,941	(7)	1,941	-	3,421	3,421
	Cash	-		2,843	(7)	2,843	-	3,257	3,257
	II - Financial assets	**-**		**4,936**		**4,936**	**-**	**6,832**	**6,832**
Derivatives	Derivative financial instruments – liabilities	(253)	(8)	(169)	(10)	(421)	(203)	(166)	(369)
	Derivative financial instruments – assets	660	(9)	265	(11)	926	721	370	1,091
	III - Derivative financial instruments	**408**		**97**		**504**	**519**	**204**	**723**
	Net financial debt **I+II+III**	**(15,677)**		**136**		**(15,541)**	**(15,745)**	**1,807**	**(13,938)**
	Net financial debt breaks down by business as follows:								
	Concessions	*(25,352)*		*(2,602)*		*(27,954)*	*(26,749)*	*(1,766)*	*(28,515)*
	Contracting	*(3,240)*		*2,748*		*(492)*	*(2,696)*	*3,568*	*872*
	Holding companies and VINCI Immobilier	*12,915*		*(10)*		*12,905*	*13,700*	*5*	*13,704*

(*) The current part includes accrued interest not matured.
(**) Including the part at less than one year.

Reconciliation of net financial debt with balance sheet items

(in € millions)	Ref.	30/06/2017	31/12/2016
Bonds	(1)	(13,428)	(12,496)
Other loans and borrowings	(2)	(2,657)	(3,769)
Current borrowings	(3)	(4,897)	(5,229)
Non-current collateralised loans and receivables	(4)	-	-
Current collateralised loans and receivables	(5)	-	-
Cash management financial assets	(6)	153	154
Cash and cash equivalents	(7)	4,784	6,678
Derivative financial instruments – non-current liabilities	(8)	(253)	(203)
Derivative financial instruments – non-current assets	(9)	660	721
Derivative financial instruments – current liabilities	(10)	(169)	(166)
Derivative financial instruments – current assets	(11)	265	370
Net financial debt		**(15,541)**	**(13,938)**

Derivative financial instruments that are not designated as hedges for accounting purposes are reported as “Derivative financial instruments – current assets” or “Derivative financial instruments – current liabilities”, whatever their maturity dates.

20.1 Detail of long-term financial debt by business

The breakdown of net long-term financial debt (including the part at less than one year) by business at 30 June 2017 was as follows:

	30/06/2017				31/12/2016			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Bonds	(12,533)	-	(1,915)	(14,448)	(11,470)	-	(2,632)	(14,102)
Other bank loans and other financial debt	(3,907)	(111)	7	(4,011)	(4,506)	(112)	8	(4,610)
Finance lease debt	(16)	(72)	-	(88)	(2)	(76)	-	(78)
Long-term financial debt	**(16,456)**	**(183)**	**(1,908)**	**(18,547)**	**(15,978)**	**(188)**	**(2,624)**	**(18,790)**

At 30 June 2017, long-term net financial debt amounted to €18.5 billion, down €243 million compared with the 31 December 2016 figure of €18.8 billion. The change results from the following transactions:

- ASF carried out bond issues as part of its EMTN (Euro Medium Term Notes) programme: in January 2017 it issued €1 billion of bonds maturing in January 2027 and paying an annual coupon of 1.25%, and in April 2017 it issued €500 million of bonds maturing in April 2026 and paying an annual coupon of 1.125%;
- in February 2017, VINCI issued $450 million of five-year cash-settled convertible bonds, followed by a further $125 million of identical bonds in May 2017. These issues took place at 100% and 108.625% of par respectively. The bonds are redeemable at par (if not converted) and pay a coupon of 0.375%. Alongside these issues, VINCI subscribed to options of the same maturity in order to hedge all of its risk related to the bonds' conversion option. Together, these transactions enabled the Group to benefit from financing in US dollars at yields to maturity of 2.11% and 1.58%. In accordance with the Group's accounting policies, the option components of the convertible bonds and the instruments subscribed for hedging purposes are recognised under derivative instruments. Given their connection with the bonds issued, hedging instruments are presented as a deduction from gross financial debt when calculating net financial debt, and their cash impact is presented under "Proceeds from new long-term borrowings" in the cash flow statement;
- in January 2017, Aerodom issued $317 million of 12-year amortising bonds as part of a Rule 144A placement, paying an annual coupon of 6.75% per year, and arranged a $216 million bank loan repayable over 7 years to refinance its $518 million bond issue paying a coupon of 9.75% that matured at the end of December 2016;
- in January 2017, the ASF Group repaid a €532 million CNA loan paying a coupon of 5.25%, and in April 2017 it repaid another loan of €138 million paying a coupon of 6.15%;
- in January 2017, VINCI redeemed a €100 million Euribor-linked private placement, and in February 2017 it redeemed €1 billion of bonds paying a coupon of 4.125%.

Maturity of debts

At 30 June 2017, the weighted average maturity of the Group's long-term financial debt was 5.5 years (5 years at 31 December 2016). The average maturity was 5.8 years in Concessions subsidiaries, 3.4 years for holding companies and VINCI Immobilier, and 3.3 years in Contracting.

20.2 Credit ratings and financial covenants

Credit ratings

At 30 June 2017, the Group's credit ratings were as follows (unchanged relative to 31 December 2016):

		Rating		
	Agency	Long term	Outlook	Short term
VINCI SA	Standard & Poor's	A -	Stable	A2
	Moody's	A3	Stable	P1
ASF	Standard & Poor's	A -	Stable	A2
	Moody's	A3	Stable	P1
Cofiroute	Standard & Poor's	A -	Stable	A2

Financial covenants

Some financing agreements involving VINCI and its main subsidiaries include early repayment clauses applicable in the event of non-compliance with financial ratios. The characteristics of the covenants associated with the financing agreements in place at 30 June 2017 remain unchanged relative to 31 December 2016. They are described in Note J.23.3 "Credit ratings and financial covenants" in the 2016 registration document.

The relevant ratios were all met at 30 June 2017.

21. Net cash managed and available resources

At 30 June 2017, the Group's available resources amounted to €8.5 billion, including €2.5 billion net cash managed and €6 billion of unused confirmed bank credit facilities due to expire in 2021.

21.1 Net cash managed

Net cash managed, which includes in particular cash management financial assets and commercial paper issued, breaks down as follows:

	30/06/2017			
(in € millions)	**Concessions**	**Contracting**	**Holding companies and VINCI Immobilier**	**Total**
Cash equivalents	**203**	**286**	**1,452**	**1,941**
Marketable securities and mutual funds (UCITS)	25	2	482	509
Negotiable debt securities with an original maturity of less than 3 months (*)	178	284	970	1,432
Cash	**353**	**1,630**	**860**	**2,843**
Bank overdrafts	**-**	**(530)**	**(354)**	**(884)**
Net cash and cash equivalents	**556**	**1,386**	**1,958**	**3,900**
Cash management financial assets	**47**	**64**	**-**	**110**
Marketable securities and mutual funds (UCITS) (**)	-	10	-	10
Negotiable debt securities and bonds with an original maturity of less than 3 months	1	35	-	36
Negotiable debt securities and bonds with an original maturity of more than 3 months	45	18	-	64
Commercial paper issued	**-**	**-**	**(1,268)**	**(1,268)**
Other current financial liabilities	**(1)**	**(54)**	**(150)(***)**	**(206)**
Balance of cash management current accounts	**(1,031)**	**1,407**	**(410)**	**(34)**
Net cash managed	**(430)**	**2,802**	**130**	**2,501**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.
(***) Current financial liability linked to the share buy-back programme due to expire in September 2017 (see note H.18).

	31/12/2016			
(in € millions)	**Concessions**	**Contracting**	**Holding companies and VINCI Immobilier**	**Total**
Cash equivalents	**243**	**345**	**2,834**	**3,421**
Marketable securities and mutual funds (UCITS)	64	4	1,998	2,067
Negotiable debt securities with an original maturity of less than 3 months (*)	178	341	835	1,354
Cash	**347**	**1,712**	**1,198**	**3,257**
Bank overdrafts	**-**	**(559)**	**(492)**	**(1,051)**
Net cash and cash equivalents	**589**	**1,498**	**3,540**	**5,628**
Cash management financial assets	**55**	**68**	**-**	**124**
Marketable securities and mutual funds (UCITS) (**)	-	13	-	13
Negotiable debt securities and bonds with an original maturity of less than 3 months	1	45	-	46
Negotiable debt securities and bonds with an original maturity of more than 3 months	54	11	-	66
Commercial paper issued	**-**	**-**	**(1,491)**	**(1,491)**
Other current financial liabilities	**(11)**	**(68)**	**(1)**	**(79)**
Balance of cash management current accounts	**(1,385)**	**2,132**	**(799)**	**(52)**
Net cash managed	**(751)**	**3,631**	**1,249**	**4,129**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

The investment vehicles used by the Group are money market UCITS, interest earning accounts, term deposits and negotiable debt securities (certificates of deposit generally with a maturity of less than three months). They are measured and recognised at their fair value.

Net cash is managed with limited risk to capital. The performance and the risks associated with these investments of net cash are monitored regularly through a report detailing the yield of the various assets on the basis of their fair value and analysing the associated level of risk.

At 30 June 2017, net cash managed by VINCI SA amounted to €320 million, arising mainly from the cash surpluses transferred upwards from French subsidiaries through a cash pooling system. VINCI Finance International, a wholly owned subsidiary of VINCI SA that centralises the cash surpluses of foreign subsidiaries, managed cash investments of €171 million at 30 June 2017. This centralisation enables the management of financial resources to be optimised at Group level and the risks relating to the counterparties and investment vehicles used to be better managed.

The cash investments of subsidiaries not covered by these centralisation procedures are managed in a decentralised manner while complying with the guidelines and instructions issued by VINCI, which define in particular the investment vehicles and the counterparties authorised. The investments amounted to €2 billion at 30 June 2017, including €0.6 billion for the Concessions business and €1.4 billion for the Contracting business.

21.2 Other available resources

Revolving credit facilities

VINCI, ASF and Cofiroute have a revolving credit facility each. In the first half of 2016, the expiry of all three facilities was extended to May 2021 after the lenders agreed to a second one-year extension option.

At 30 June 2017, none of the credit facilities detailed below was being used.

The amounts authorised and used, and the maturities of the credit lines of VINCI and its subsidiaries are as follows:

(in € millions)	Amounts authorised at 30/06/2017	Maturity Within 1 year	Between 1 and 5 years	After 5 years
VINCI: syndicated facility	3,830	-	3,830	-
ASF: syndicated facility	1,670	-	1,670	-
Cofiroute: syndicated facility	500	-	500	-
Total	**6,000**	**-**	**6,000**	**-**

Commercial paper

At 30 June 2017, VINCI SA had a commercial paper programme of €3 billion. The programme is rated A2 by Standard & Poor's and P1 by Moody's.

At 30 June 2017, VINCI SA had made use of its programme in an amount of €1.3 billion.

22. Financial risk management

The Group's policies and procedures for managing financial risk are identical to those described in Note J.25 "Financial risk management" in the 2016 registration document. Transactions to set up or unwind hedging instruments during the first-half period did not materially alter VINCI's exposure to potential financial risks.
The main risks – interest rate risk, foreign exchange risk, credit and counterparty risk and equity risk – are described in paragraphs 25.1, 25.2, 25.3 and 25.4 respectively of the 2016 registration document.

23. Book and fair value of financial instruments by accounting category

The method of measuring the fair value of financial assets and liabilities was not altered in the first half of 2017.
The following table shows the carrying amount and the fair value of financial assets and liabilities in the balance sheet by accounting category as defined in IAS 39:

30/06/2017	Accounting categories (1)							Fair value			
Balance sheet headings and classes of instrument	Financial instruments at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortised cost	Total net book value of the class	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	Fair value of the class
Available-for-sale financial assets	-	-	-	114	-	-	114	1	-	113	114
Loans and financial receivables incl. PPP	-	-	-	-	1,032	-	1,032	-	1,032	-	1,032
I - Non-current financial assets (2)	**-**	**-**	**-**	**114**	**1,032**	**-**	**1,146**	**1**	**1,032**	**113**	**1,146**
II - Derivative financial instruments – assets	**150**	**776**	**-**	**-**	**-**	**-**	**926**	**-**	**926**	**-**	**926**
Cash management financial assets			110				110	10	100		110
Financial current accounts, assets			42				42	42	-		42
Cash equivalents			1,941				1,941	509	1,432(3)		1,941
Cash			2,843				2,843	2,843			2,843
III - Current financial assets	**-**	**-**	**4,936**	**-**	**-**	**-**	**4,936**	**3,404**	**1,532**	**-**	**4,936**
Total assets	**150**	**776**	**4,936**	**114**	**1,032**	**-**	**7,008**	**3,405**	**3,490**	**113**	**7,008**
Bonds						(14,448)	(14,448)	(14,348)	(929)	-	(15,277)
Other bank loans and other financial debt						(4,011)	(4,011)	(786)(4)	(3,332)	-	(4,118)
Finance lease debt						(88)	(88)	-	(88)	-	(88)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(18,547)**	**(18,547)**	**(15,134)**	**(4,349)**	**-**	**(19,482)**
V - Derivative financial instruments – liabilities	**(126)**	**(296)**				**-**	**(421)**	**-**	**(421)**	**-**	**(421)**
Other current financial liabilities						(1,474)	(1,474)	-	(1,474)	-	(1,474)
Financial current accounts - liabilities						(77)	(77)	(77)	-	-	(77)
Bank overdrafts						(884)	(884)	(884)	-	-	(884)
VI - Current financial liabilities	**-**	**-**				**(2,435)**	**(2,435)**	**(961)**	**(1,474)**	**-**	**(2,435)**
Total liabilities	**(126)**	**(296)**	**-**	**-**	**-**	**(20,982)**	**(21,403)**	**(16,095)**	**(6,244)**	**-**	**(22,339)**
Total	**24**	**480**	**4,936**	**114**	**1,032**	**(20,982)**	**(14,396)**	**(12,690)**	**(2,755)**	**113**	**(15,331)**

(1) The Group holds no held-to-maturity financial assets.
(2) See Notes E.11 and F.13.
(3) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.
(4) Listed price of loans issued by CNA.

31/12/2016	Accounting categories [1]							Fair value			
Balance sheet headings and classes of instrument	Financial instruments at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortised cost	**Total net book value of the class**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Fair value of the class**
Available-for-sale financial assets	-	-	-	134	-	-	134	1	-	134	134
Loans and financial receivables incl. PPP	-	-	-	-	747	-	747	-	747	-	747
I - Non-current financial assets [2]	**-**	**-**	**-**	**134**	**747**	**-**	**881**	**1**	**747**	**134**	**881**
II - Derivative financial instruments – assets	**202**	**890**	**-**	**-**	**-**	**-**	**1,091**	**-**	**1,091**	**-**	**1,091**
Cash management financial assets			124				124	13	111		124
Financial current accounts, assets			30				30	30	-		30
Cash equivalents			3,421				3,421	2,067	1,354 [3]		3,421
Cash			3,257				3,257	3,257			3,257
III - Current financial assets	**-**	**-**	**6,832**	**-**	**-**	**-**	**6,832**	**5,367**	**1,465**	**-**	**6,832**
Total assets	**202**	**890**	**6,832**	**134**	**747**	**-**	**8,805**	**5,368**	**3,303**	**134**	**8,805**
Bonds						(14,102)	(14,102)	(13,835)	(1,062)	-	(14,897)
Other bank loans and other financial debt						(4,610)	(4,610)	(1,383) [4]	(3,333)	-	(4,717)
Finance lease debt						(78)	(78)	-	(78)	-	(78)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(18,790)**	**(18,790)**	**(15,218)**	**(4,473)**	**-**	**(19,692)**
V - Derivative financial instruments – liabilities	**(158)**	**(210)**				**-**	**(369)**	**-**	**(369)**	**-**	**(369)**
Other current financial liabilities						(1,570)	(1,570)	-	(1,570)	-	(1,570)
Financial current accounts - liabilities						(83)	(83)	(83)	-	-	(83)
Bank overdrafts						(1,051)	(1,051)	(1,051)	-	-	(1,051)
VI - Current financial liabilities	**-**	**-**				**(2,704)**	**(2,704)**	**(1,133)**	**(1,570)**	**-**	**(2,704)**
Total liabilities	**(158)**	**(210)**	**-**	**-**	**-**	**(21,494)**	**(21,862)**	**(16,351)**	**(6,412)**	**-**	**(22,764)**
Total	**43**	**680**	**6,832**	**134**	**747**	**(21,494)**	**(13,058)**	**(10,984)**	**(3,109)**	**134**	**(13,959)**

(1) The Group holds no held-to-maturity financial assets.
(2) See Notes E.11 et F.13.
(3) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.
(4) Listed price of loans issued by CNA.

J. Employee benefits and share-based payments

24. Provisions for employee benefits

24.1 Provisions for retirement benefit obligations

At 30 June 2017, provisions for retirement benefit obligations amounted to €1,584 million (including €1,534 million at more than one year) compared with €1,608 million at 31 December 2016 (including €1,558 million at more than one year). They comprise provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The decrease in the first half of 2017 arose mainly from actuarial gains and losses resulting from changes to actuarial assumptions, including the increase in discount rates in the eurozone and Switzerland.

The part at less than one year of these provisions (€49 million at 30 June 2017 and €50 million at 31 December 2016) is reported under "Other current non-operating liabilities". Details of benefits enjoyed by Group employees are provided in Note K.27.1 "Provisions for retirement benefit obligations" in the 2016 registration document.

The expense recognised for the first half of 2017 in respect of retirement benefit obligations is half the forecast expense for 2017 determined on the basis of actuarial assumptions at 31 December 2016 and in accordance with IAS 19.

24.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses. At 30 June 2017, these provisions amounted to €107 million (€110 million at 31 December 2016).

25. Share-based payments

The expense relating to employee benefits has been assessed at €57 million for the first half of 2017 (€43 million in the first half of 2016), including €40 million in respect of performance share plans (€26 million in the first half of 2016) and €18 million in respect of employee savings plans (€17 million in the first half of 2016).

The features of the various plans in progress are described below.

25.1 Performance shares

Information on changes in performance share plans currently in force

	30/06/2017	31/12/2016
Number of shares granted subject to performance conditions at beginning of period	**4,236,319**	**2,031,364**
Shares granted	2,325,383	2,249,676
Shares acquired by beneficiaries	(947,799)	-
Shares cancelled	(124,481)	(44,721)
Number of shares granted subject to performance conditions not vested at end of period	**5,489,422**	**4,236,319**

Information on the features of the performance share plans currently in force

Plan	Plan granted on 20/04/2017	Plan granted on 19/04/2016	Plan granted on 14/04/2015	Plan granted on 15/04/2014
Original number of beneficiaries	2,537	2,051	1,846	1,850
Vesting date of the shares granted	20/04/2020	19/04/2019	14/04/2018	15/04/2017
End of conservation period for shares acquired	N/A	N/A	N/A	N/A
Number of shares granted subject to performance conditions	**2,325,383**	**2,249,676**	**1,036,658**	**1,027,651**
Shares cancelled	-	(63,850)	(54,145)	(81,177)
Shares acquired by beneficiaries	-	(2,800)	(1,500)	(946,474)
Number of shares granted subject to performance conditions at end of period	**2,325,383**	**2,183,026**	**981,013**	**-**

On 20 April 2017, VINCI's Board of Directors decided that 100% of the performance shares originally granted under the 15 April 2014 long-term incentive plan had vested for their beneficiaries (1,657 employees), i.e. a total of 946,474 shares, given that the performance conditions had been met.

In the same meeting, the Board of Directors decided to set up a new performance share plan involving the granting, subject to conditions, of 2,325,383 performance shares to 2,537 employees. The shares granted will only vest after a period of three years. Vesting is subject to beneficiaries being employed by the Group until the end of the vesting period and to performance conditions.

The performance conditions are as follows:

- an internal criterion (80% weighting) consisting of the ratio at 31 December 2019 of return on capital employed (ROCE) to the average weighted average cost of capital (WACC), with each of those indicators calculated as an average over the previous three years (2017, 2018 and 2019).

This ratio must be equal to or greater than 1.1 for all performance shares granted to vest. If the ratio is between 1 and 1.1, the number of performance shares that vest will be reduced in proportion and no shares will vest if the ratio is equal to or less than 1.

- an external criterion (20% weighting) consisting of the difference, at 31 December 2019, between:
  - the average total return on VINCI shares, with dividends reinvested, over a three-year period (2017, 2018 and 2019); and
  - the average total return for a shareholder investing in the CAC 40 index over the same period.

Total shareholder returns include dividends.
The difference must be equal to or greater than +10% for all performance shares granted to vest. If the difference is between +10% and -10%, the number of performance shares that vest will be reduced in proportion and no shares will vest if the difference is equal to or less than -10%.

Fair value of the performance share plans

The fair value of the performance shares has been calculated by an external actuary at the respective grant dates of the shares on the basis of the following characteristics and assumptions:

	2017 plan	2016 plan	2015 plan	2014 plan
Price of VINCI share on date plan was announced *(in €)*	73.99	66.18	56.45	52.61
Fair value of performance share at grant date *(in €)*	61.20	56.17	47.22	44.88
Fair value compared with share price at grant date	82.71%	84.87%	83.65%	85.31%
Original maturity (in years) – vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	(0.29%)	(0.41%)	(0.15%)	0.28%

(*) Three-year government bond yield in the eurozone.

25.2 Group savings plans

VINCI's Board of Directors defines the conditions for subscribing to Group savings plans in accordance with the authorisations granted to it by the Shareholders' General Meeting.

Group savings plan – France

In France, VINCI issues new shares reserved for employees three times a year at a subscription price that includes a 5% discount against the average stock market price over 20 trading days before the Board of Directors meeting that set the subscription price. Subscribers also benefit from an employer contribution with an annual maximum of €2,500 per person. The benefits granted in this way to Group employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

- length of subscription period: four months;
- length of period during which funds are frozen: five years.

The estimated number of shares subscribed to at the end of the subscription period is calculated based on a linear regression method applied to historical observations of the plans between 2006 and 2016, taking account of the cost of restrictions on the availability of units in the savings fund.
As certain restrictions apply to the sale or transfer of shares acquired by employees under these plans, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years. The opportunity cost of the frozen shares subscribed to is estimated from the point of view of a third party holding a diversified portfolio and prepared to acquire the frozen shares in return for a discount, which should correspond to the return demanded by a purchaser on own funds allocated to hedge against market risk over the period in which the shares are frozen (five years). The market risk is assessed on an annual basis applying a value-at-risk approach.

Group savings plans – France	Second four-month period of 2017 (1 May – 31 August 2017)
Anticipated return from VINCI shares	4.90%
Subscription price *(in €)*	62.46
Share price at date of Board of Directors' meeting	65.22
Historical volatility of the VINCI share price	22.24%
Estimated number of shares subscribed	408,186
Estimated number of shares issued (subscriptions plus employer contribution)	532,480

Group savings plan – International

In the first half of 2017, in accordance with authorisations given to the Board of Directors by the Shareholders' General Meeting, VINCI initiated new savings plans for the employees of certain foreign subsidiaries. Known as Castor International, the plans cover 30 countries in 2017.

The main characteristics of these plans are as follows:

- subscription period: from 22 May to 9 June 2017 (seven successive periods between March and September 2017 in the UK);
- employer contribution consisting of bonus shares, with delivery deferred for three years where possible, or with immediate delivery but a three-year vesting period;
- no lock-up period beyond the three-year vesting period for bonus shares.

Castor International 2017 plan (excluding the UK)	
Subscription price *(in €)*	77.67
Closing share price on the last day of the subscription period *(in €)*	78.01
Anticipated dividend pay-out rate	2.32%
Fair value of bonus shares on the last day of the subscription period *(in €)*	72.83

K. Other notes

26. Related party transactions

The Group's transactions with related parties mainly concern:
- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies over which VINCI exercises significant influence or joint ventures over which VINCI has joint control.

Transactions with related parties are undertaken at market prices.

There was no material change in the first half of 2017 in the nature of transactions conducted by the Group with its related parties from those at 31 December 2016, which were referred to in Note E.10.5 "Controlled subsidiaries' transactions with associates and joint ventures" and Note L.29 "Related-party transactions" in the 2016 registration document.

27. Note on litigation

The companies comprising the VINCI Group are sometimes involved in litigation arising from their activities. The related risks are assessed by VINCI and the subsidiaries involved on the basis of their knowledge of the cases, and provisions are taken in consequence as appropriate.

The main legal, administrative or arbitration proceedings that were in progress on or had ended by 30 June 2017 were as follows:

- In relation to the compensation claim commenced by SNCF in March 2011 following the decision handed down on 21 March 2006 by the Conseil de la Concurrence [1] (French competition authority), which penalised several companies for collusion in relation to civil engineering works at the Magenta and Saint-Lazare Condorcet stations in Paris (Eole project), the VINCI Group companies reached a settlement with SNCF in March 2016 for the purpose of ending SNCF's claim against them. On 8 March 2016, the Paris Administrative Court noted the reciprocal discontinuance of proceedings and waiver of rights of action between SNCF Mobilités and all VINCI Group companies involved in these proceedings, although the proceedings remain ongoing between SNCF and companies outside of the VINCI Group. In view of the current situation, VINCI considers that this dispute will not have a material effect on its financial situation.

- On 16 November 2015, the Tribunal des Conflits (jurisdiction court) declared the ordinary courts not competent to decide the dispute between the Conseil Régional d'Ile-de-France – the regional authority for the Greater Paris area – and several construction companies that took part in the programme to refurbish schools in the Paris region between 1989 and 1996. Those companies had rejected the regional authority's claim for compensation for the harm it purportedly suffered because of the anti-competitive practices penalised by the Conseil de la Concurrence [1] (French competition authority) on 9 May 2007. In the first half of 2017, thus nearly two years after this decision of 16 November 2015, the Group received notification of two applications made by the Conseil Régional d'Ile-de-France to the Paris administrative court in relation to two secondary schools – the Lycée Florent Schmitt in Saint-Cloud and the Lycée Saint-Louis in Paris – under which it is seeking damages of €3.6 million and €6 million respectively from around 20 companies and a number of natural persons. The regional authority's petition also states that it intends to make other similar applications in future. Noting that the regional authority's claims had been rejected as time-barred by the Paris regional court on 17 December 2013, the Group regards this dispute as a contingent liability whose impact it is not able to assess.

- The Czech Republic's roads and motorways department (RMD) has made several claims against Eurovia CS, a Eurovia subsidiary based in the Czech Republic, as well as several other non-Group companies. These claims concern works carried out between 2003 and 2007 in building the D47 motorway. In late 2012, the RMD commenced arbitration and legal proceedings challenging (i) the inflation coefficients used in revising the price of works and (ii) the payment of various sums for what RMD alleges was defective work affecting the roads and engineering structures that were built. As regards the claims relating to inflation coefficients, all awards made under arbitration decisions have been much smaller than those sought by RMD. Regarding the other claims, relating mainly to defective work, the RMD is currently claiming CZK3.22 billion, of which Eurovia CS's share would be around 75%. Repairs have been carried out since the start of 2014, costing substantially less than that amount, and technical assessments are under way on the worksite. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

(1) Now known as the Autorité de la Concurrence.

• Soletanche Bachy France has submitted a request for arbitration to the International Chamber of Commerce after ACT (Aqaba Container Terminal) terminated a contract for the construction of an extension to a container terminal in the port of Aqaba in Jordan. Soletanche Bachy is disputing the grounds for terminating the contract, and is claiming $10 million in damages. ACT contends that it had valid grounds for terminating the contract and that it incurred additional costs in completing the works, and is counter-claiming $44 million in damages. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

• In 2011, Freyssinet Canada undertook to make prefabricated beams for PIC under a contract worth C$23 million. Prefabrication work started in 2012 but was suspended in 2013 because the project owner took the view that the beams were defective. PIC terminated the supply contract, resulting in legal proceedings before the Superior Court of Ontario. Freyssinet Canada is claiming CAD11 million for wrongful termination and PIC is claiming CAD193 million from Freyssinet Canada and several Soletanche Freyssinet group companies to cover the replacement of the beams and the consequences arising from the alleged defects. In view of the current situation, the Group considers that this dispute is unlikely to have a material effect on its financial situation.

• There are several disputes between Consortium Stade de France (CSDF), which operates the Stade de France, and the sporting federations that use the stadium. On 13 June 2013, the French Rugby Federation (Fédération française de rugby or FFR) commenced proceedings against CSDF before the Paris regional court (Tribunal de Grande Instance de Paris) on the grounds of "significant contractual imbalance" in the rights and obligations arising from the 15-year stadium provision agreement formed on 26 April 1995. The FFR claimed that the purported imbalance caused it harm, which it now quantifies at €183 million in its main submissions, corresponding to the amount it claims was wrongly received by CSDF. In separate proceedings before the Bobigny regional court, the FFR is claiming €2.3 million in damages for various types of purported commercial harm arising in particular from the cancellation of a match. In addition, the French Football Federation (Fédération française de football or FFF) commenced proceedings against CSDF before the Paris regional court on 1 September 2015, seeking a ruling that the stadium provision agreement formed on 3 September 2010 and for a period expiring on 28 April 2025 was void. The FFF is claiming that it has suffered harm, which it has not yet quantified. In addition, the FFF commenced proceedings against the French state before the Paris administrative court on 21 September 2015, seeking an order forcing the state to terminate the concession contract formed with CSDF. However, in submissions made on 5 December 2016, the FFF asked the administrative court to recognise formally its discontinuance of the proceedings. In view of the current situation, the Group considers that these disputes will not have a material effect on its financial situation.

To the Company's knowledge, there are no other judicial, administrative or arbitration proceedings that are likely to have, or have had since the publication of the consolidated financial statements for the year ended 31 December 2016, a material effect on the business, financial performance, net assets or financial situation of the Company or Group.

28. Post-balance sheet events

Acquisition of Acuntia

In July 2017, VINCI Energies formed an agreement with GPF Capital Investment Fund with a view to acquiring Acuntia. Acuntia is a leading Spanish player in the information and communication technologies sector. It provides services to companies, telecoms operators and public-sector organisations seeking sustainable solutions appropriate to their activities. Acuntia employs 340 people and generated revenue of €90 million in 2016. Most of its business is in Spain, but it is also developing its activities in several countries in the Americas, Europe, Asia and Africa.

Acquisition of Lojas Francas Airports by VINCI Airports

In July 2017, VINCI Airports strengthened its position in airport retail with the acquisition of a 51% stake in Lojas Francas Portugal (LFP) from TAG GER, a subsidiary of Portugal's national airline TAP. LFP currently operates 31 stores located in seven of the ten Portuguese airports operated by VINCI Airports, including Lisbon Airport. VINCI Airports controls LFP jointly with Dufry Group, the world leader in airport retail. LFP will be accounted for under the equity method in the Group's consolidated financial statements.

The VINCI Airports-ORIX-Kansai Airports joint venture is named preferred bidder for the Kobe airport in Japan

In July 2017, VINCI Airports was named as preferred bidder for the Kobe airport in Japan for a period of 42 years concession as part of the consortium comprising VINCI Airports (40%), ORIX Corporation (40%) and Kansai Airports (20%). Opened in 2006 and built on an artificial island in Osaka Bay, the Kobe airport is the Kansai region's third-largest airport. The concession contract is expected to be awarded in the early autumn of 2017, with the joint venture taking over operation in April 2018.

L. Other consolidation rules and methods

Intragroup transactions

Reciprocal operations and transactions relating to assets, liabilities, income and expenses between companies that are fully consolidated are eliminated in the consolidated financial statements.
Where a fully consolidated Group entity carries out a transaction with a joint venture or associate that is accounted for under the equity method, income and losses resulting from the transaction are only recognised in the Group's consolidated financial statements to the extent of the interest owned by third parties in the joint venture or associate.

Translation of the financial statements of foreign companies and establishments

In most cases, the functional currency of companies and establishments is their local currency.
The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under other comprehensive income. Goodwill relating to foreign entities forms part of the assets acquired and is therefore denominated in the company's functional currency and translated at the exchange rate in force at the balance sheet date.

Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date.
Assets and monetary liabilities denominated in foreign currencies are translated at the closing rate. Foreign exchange gains and losses are recognised in income.
Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency exchange rate derivatives qualifying as hedges of net investments in foreign subsidiaries are recorded under currency translation differences in equity.

Business combinations

Under IFRS 3, the cost of a business combination is the fair value, at the date of exchange, of the assets given, liabilities assumed, and/or equity instruments issued by the acquirer in exchange for control of the acquiree. Contingent price adjustments are included in the cost of the business combination and are measured at fair value at each balance sheet date. From the acquisition date, any subsequent changes to this fair value resulting from events after control was acquired are recognised in profit or loss.
Expenses that are directly attributable to the acquisition, such as professional fees for due diligence and other related fees, are expensed as they are incurred. They are presented in the "Impact of changes in scope and gain/(loss) on disposals of shares" item on the income statement.
Non-controlling interests in the acquiree, where they give their holders present ownership interests in the entity (voting rights, a share of earnings, etc.) and entitle them to a proportionate share of net assets in the event of liquidation, are measured either at their share of the acquiree's net identifiable assets, or at their fair value. This option is applied on a case-by-case basis for each acquisition.
On the date control is acquired, the cost of acquisition is allocated by recognising the identifiable assets acquired and liabilities assumed from the acquiree at their fair value at that date, except for tax assets and liabilities and employee benefits, which are measured according to their reference standard (IAS 12 and IAS 19 respectively) and asset groups classified as held for sale, which are recognised under IFRS 5 at their fair value less costs to sell. The positive difference between the cost of acquisition and the fair value of the identifiable assets and liabilities acquired constitute goodwill. Where applicable, goodwill can include a portion of the fair value of non-controlling interests if the full goodwill method has been selected.
The Group has 12 months from the date of acquisition to finalise the accounting for business combinations.
In the case of a business combination achieved in stages, previously acquired shareholdings in the acquiree are measured at fair value at the date of acquisition of control. Any resulting gain or loss is recognised in profit or loss.

Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

In accordance with IFRS 10, acquisitions or disposals of non-controlling interests, with no impact on control, are considered as transactions with the Group's shareholders. The difference between the consideration paid to increase the percentage shareholding in an already-controlled entity and the supplementary share of equity thus acquired is recorded under equity attributable to owners of the parent. Similarly, a decrease in the Group's percentage interest in an entity that continues to be controlled is booked in the accounts as a transaction between shareholders, with no impact on profit or loss. Professional fees and other costs relating to acquisitions and disposals of non-controlling interests that have no impact on control, and any associated tax effects, are recorded under equity. Cash flows related to transactions between shareholders are presented under cash flows (used in)/from financing activities in the consolidated cash flow statement.

Assets held for sale and discontinued operations (halted, sold or in the process of being sold)

Assets held for sale

Non-current assets of which the sale has been decided during the period are shown on a separate line of the balance sheet whenever the sale is regarded as highly probable and expected to be completed within 12 months. Such assets are measured at the lower of their carrying amount and fair value, which corresponds to the estimated selling price less costs to sell.

Income statement and cash flow items relating to assets held for sale are not shown on a separate line as long as they do not meet the definition of discontinued operations.

Discontinued operations

Discontinued operations (halted or sold) or operations in the process of being sold concern either a business line or a geographical area of business that is material for the Group and that forms part of a single disposal plan, or a subsidiary acquired exclusively with a view to resale.

Assets connected with discontinued operations, if held for sale, are measured at the lower of their carrying amount and fair value less costs to sell. Income statement and cash flow items relating to these discontinued operations are shown on a separate line for all the periods presented.

All other consolidation rules and methods are detailed in Note O “Other information on the consolidation scope” in the 2016 registration document.

Report of the Statutory Auditors on the 2017 half-year financial information

Report of the Statutory Auditors on the 2017 half-year financial information

For the period from 1 January 2017 to 30 June 2017

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' General Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:
- the review of the accompanying condensed half-yearly consolidated financial statements of VINCI for the period from 1 January 2017 to 30 June 2017,

- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for accounting and financial matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

The Statutory Auditors
Paris-La Défense and Neuilly-sur-Seine, 27 July 2017
French original signed by

KPMG Audit IS		Deloitte & Associés	
Jay Nirsimloo	Philippe Bourhis	Sami Rahal	Marc de Villartay

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report.
This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

Statement by the person responsible for the half-year financial report

Statement by the person responsible for the half-year financial report

"I certify that, to the best of my knowledge, the condensed half-year financial statements presented in the half-year financial report have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and of the Group formed by the companies included in the consolidated financial statements, and that the management report for the half-year period (featuring on pages 2 to 11) faithfully presents the important events that have occurred during the first six months of the financial year, their impact on the half-year financial statements, the main transactions between related parties and a description of the main risks and uncertainties in respect of the remaining six months of the financial year."

Xavier Huillard

Chairman and Chief Executive Officer

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