INNOVATION FOR A SUSTAINABLE WORLD

2017 ANNUAL REPORT

CONTENTS

KEY DATA

KEY DATA

GROUP

Revenue [1]

€40.2 billion

Market capitalisation at 31 December 2017

€50.3 billion

Net income attributable to owners of the parent

€2,747 million

270,000

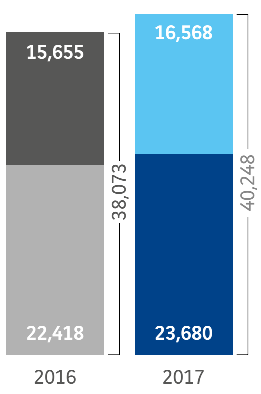
worksites [2]

194,428

employees worldwide [3]

Revenue [1]

(in €m)

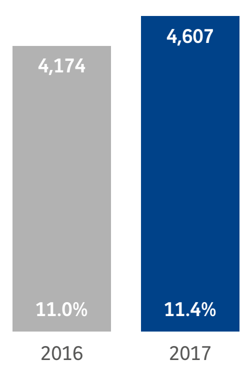


Ebitda [4]

(in €m and as a percentage of revenue [1])

Operating income from ordinary activities

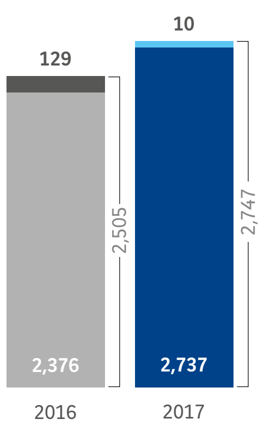
(in €m and as a percentage of revenue [1])



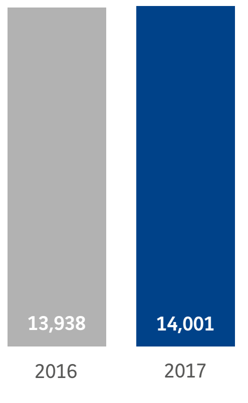
France International

Net income attributable to owners of the parent

(in €m)

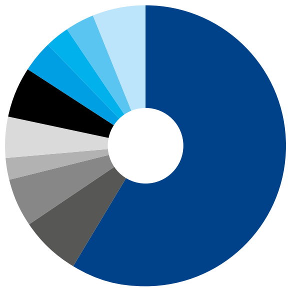


Net financial debt at 31 December (in €m)



Revenue [1] by geographical area

(in €m and as a percentage)



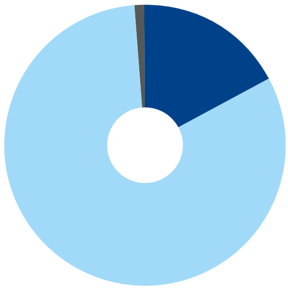
France	23,680	58.8%
Germany	2,726	6.8%
United Kingdom	2,269	5.7%
Benelux	1,041	2.6%
Central and Eastern Europe	1,849	4.6%
Rest of Europe	2,292	5.7%
North America	1,461	3.6%
Central and South America	1,210	3.0%
Africa	1,345	3.3%
Russia, Asia-Pacific and the Middle East	2,373	5.9%

Net income attributable to owners of the parent excluding non-recurring tax effects

Non-recurring tax effects

Revenue [1] by business

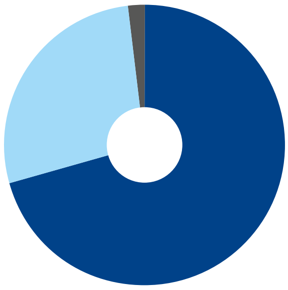
(in €m and as a percentage)



Concessions	6,945	17.2%
Contracting	32,830	81.6%
Property and intragroup eliminations	473	1.2%

Operating income from ordinary activities by business

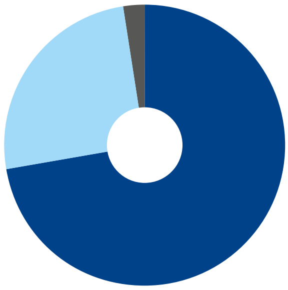
(in €m and as a percentage)



Concessions	3,251	70.6%
Contracting	1,260	27.3%
Property and holding companies	96	2.1%

Ebitda [4] by business

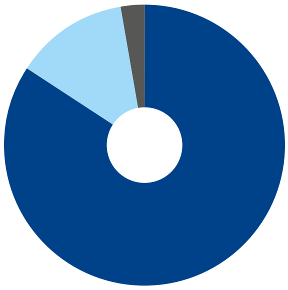
(in €m and as a percentage)



Concessions	4,710	72.4%
Contracting	1,629	25.1%
Property and holding companies	162	2.5%

Capital employed [3]

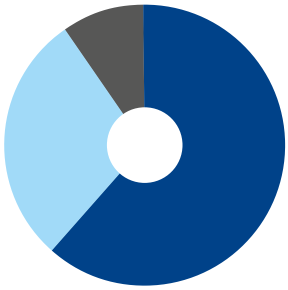
(in €m and as a percentage)



Concessions	29,605	84.4%
Contracting	4,348	12.4%
Property and holding companies	1,122	3.2%

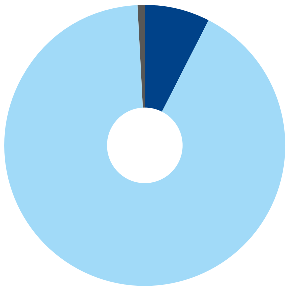
Net income attributable to owners of the parent by business

(in €m and as a percentage)



Concessions	1,689	61.5%
Contracting	793	28.9%
Property and holding companies	265	9.6%

Workforce at 31 December



Concessions	14,443	7.4%
Contracting	179,026	92.1%
Property and holding companies	959	0.5%

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (2017: €629m). See glossary (page 333).
(2) Estimate.

(3) At 31 December 2017.
(4) Cash flows from operations before tax and financing costs. See glossary (page 333).

KEY DATA

CONCESSIONS

Revenue (1)
(in €m)

Ebitda (2)
(in €m and as a percentage of revenue (1))

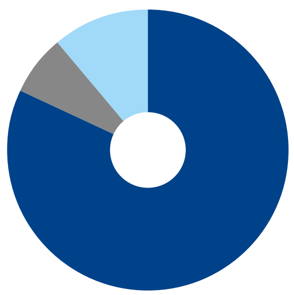
Operating income from ordinary activities
(in €m and as a percentage of revenue (1))

Net income attributable to owners of the parent
(in €m)

Net financial debt (3)
(in €m)

Capital employed (3)
(in €m)

Revenue (1) by geographical area
(as a percentage)



France	82%
Portugal	11%
Rest of the world	7%

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies. See glossary (page 333).
(2) Cash flows from operations before tax and financing costs. See glossary (page 333).
(3) At 31 December.

PUBLIC-PRIVATE PARTNERSHIPS OF VINCI'S CONCESSIONS BUSINESS WORLDWIDE

The PPPs listed below are managed within the Concessions businesses of VINCI. Other PPPs (mainly buildings) are managed within VINCI's Contracting business.

INFRASTRUCTURE	DESCRIPTION	COUNTRY	SHARE CAPITAL HELD	END OF CONTRACT
Motorway and road infrastructure	**Network under concession**			
Arcos (A355 – western Strasbourg bypass)[1]	24 km	France	100%	2070
Arcour (A19)	101 km	France	100%	2070
ASF network (excl. Puymorens Tunnel, 5.5 km)	2,731 km	France	100%	2036
Cofiroute network (excl. A86 Duplex Tunnel, 11 km)	1,100 km	France	100%	2034
Escota network	471 km	France	99%	2032
A-Modell A4 motorway	45 km	Germany	50%	2037
A-Modell A5 motorway	60 km	Germany	54%	2039
A-Modell A7 motorway	60 km	Germany	50%	2047
A-Modell A9 motorway	46.5 km	Germany	50%	2031
Toll Collect[2]	Motorway and road toll system for HGVs	Germany	10%	2018
Regina Bypass[1]	61 km	Canada	38%	2049
Fredericton–Moncton highway	195 km	Canada	25%	2028
Bogotá–Girardot motorway	141 km[3]	Colombia	50%	2042
Athens–Corinth–Patras motorway	201 km	Greece	30%	2038
Maliakos–Kleidi motorway	230 km	Greece	14%	2038
Trans Jamaican Highway	50 km	Jamaica	13%	2036
Lima expressway	25 km[4]	Peru	100%	2049
Newport Southern Distributor Road	10 km	United Kingdom	50%	2042
Isle of Wight road network[5]	821 km of roads and 767 km of pavements	United Kingdom	50%	2038
Hounslow Borough road network[5]	432 km of roads and 735 km of pavements	United Kingdom	50%	2037
Moscow–St Petersburg motorway (MSP 1)	43 km (Moscow–Sheremetyevo)	Russia	50%	2040
Moscow–St Petersburg motorway (MSP 7 and 8)[1]	138 km (St Petersburg–Veliky Novgorod)	Russia	40%	2041
Moscow–St Petersburg motorway (UTS)[6]	359 km (M11) + 70 km (M3)	Russia	50%	2027
R1 (PR1BINA) expressway	51.4 km	Slovakia	50%	2041
Road bridges and tunnels				
A86 Duplex Tunnel	Rueil Malmaison–Jouy en Josas/Versailles (11 km)	France	100%	2086
Prado Carénage Tunnel	Tunnel in Marseille (2.5 km)	France	33%	2025
Prado Sud Tunnel	Tunnel in Marseille (1.5 km)	France	59%	2055
Puymorens Tunnel	Tunnel in the Pyrenees (5.5 km)	France	100%	2037
Confederation Bridge	Prince Edward Island–mainland	Canada	20%	2032
Ohio River Bridges – East End Crossing	Bridges and a tunnel linking Kentucky to Indiana	United States	33%	2051
Charilaos Trikoupis Bridge	Peloponnese–mainland	Greece	57%	2039
Tagus bridges	Two bridges in Lisbon	Portugal	37%	2030
Severn Crossings[7]	Two bridges over the Severn	United Kingdom	35%	2018
Airports				
Chambéry, Clermont Ferrand, Grenoble, Poitiers-Biard, Pays d'Ancenis[2]		France	100%	from 2018 to 2029
Lyon-Bron, Lyon-Saint Exupéry		France	31%	2047
Nantes Atlantique, Saint Nazaire Montoir		France	85%	2065
Rennes, Dinard[2]		France	49%	2024
Toulon-Hyères		France	100%	2040
Phnom Penh, Siem Reap, Sihanoukville		Cambodia	70%	2040
Santiago de Chile[1]		Chile	40%	2035
Kansai, Osaka		Japan	40%	2060
Lisbon, Porto, Faro, Beja, Ponta Delgada, Horta, Flores, Santa Maria, Funchal, Porto Santo		Portugal	100%	2063
Santo Domingo (Las Américas and La Isabela), Puerto Plata, Samaná (Presidente Juan Bosch and Arroyo Barril), Barahona		Dominican Republic	100%	2030
Salvador de Bahia		Brazil	100%	2047
Rail infrastructure				
GSM-Rail	Wireless communication system over 16,000 km of rail lines	France	30%	2025
SEA HSL	High-speed rail line (302 km) between Tours and Bordeaux	France	33%	2061
Rhônexpress	Light rail system (23 km) in Lyon	France	35%	2038
Stadiums				
Bordeaux (Matmut Atlantique)	42,000 seats	France	50%	2045
Stade de France	80,000 seats	France	67%	2025
Le Mans (MMArena)	25,000 seats	France	100%	2043
Nice (Allianz Riviera)	36,000 seats	France	50%	2041
Queen Elizabeth Olympic Park stadium	57,000 seats	United Kingdom	100%	2040
Other public amenities				
Automation of river dams (Bameo)[1]	31 dams on the Aisne and Meuse rivers	France	50%	2043
Car Rental Center, Nice-Côte d'Azur Airport	60,000 sq. metre building	France	100%	2040
Public lighting in Goussainville		France	100%	2026
Public lighting in Rouen (Lucitea)		France	100%	2027
Martinique BRT system	2.5 km	France	100%	2035

(1) Under construction or to be built.
(2) Service, management or public service contracts.
(3) Including 65 km to be widened.
(4) Including 9 km to be built.
(5) Upgrade, maintenance and upkeep contract.
(6) Operation and maintenance contract.
(7) End of contract: 8 January 2018.

KEY DATA

VINCI AUTOROUTES

Revenue (1)

(in €m)

Ebitda (2)

(in €m and as a percentage of revenue (1))

Operating income from ordinary activities

(in €m and as a percentage of revenue (1))

Net income attributable to owners of the parent

(in €m)

Net financial debt (3)

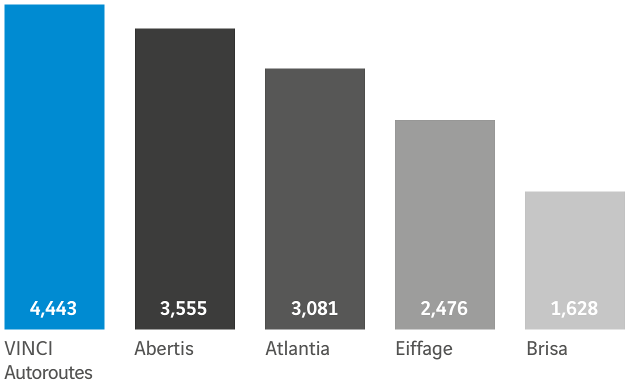
(in €m)

Capital employed (3)

(in €m)

VINCI Autoroutes' competitive position (4)

Motorway networks under concession in Europe (in km)

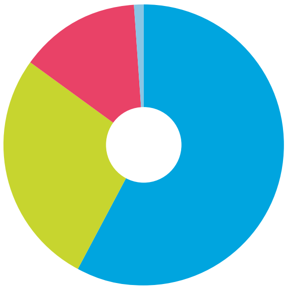


Source: internal studies, company literature.

Revenue (1) by network

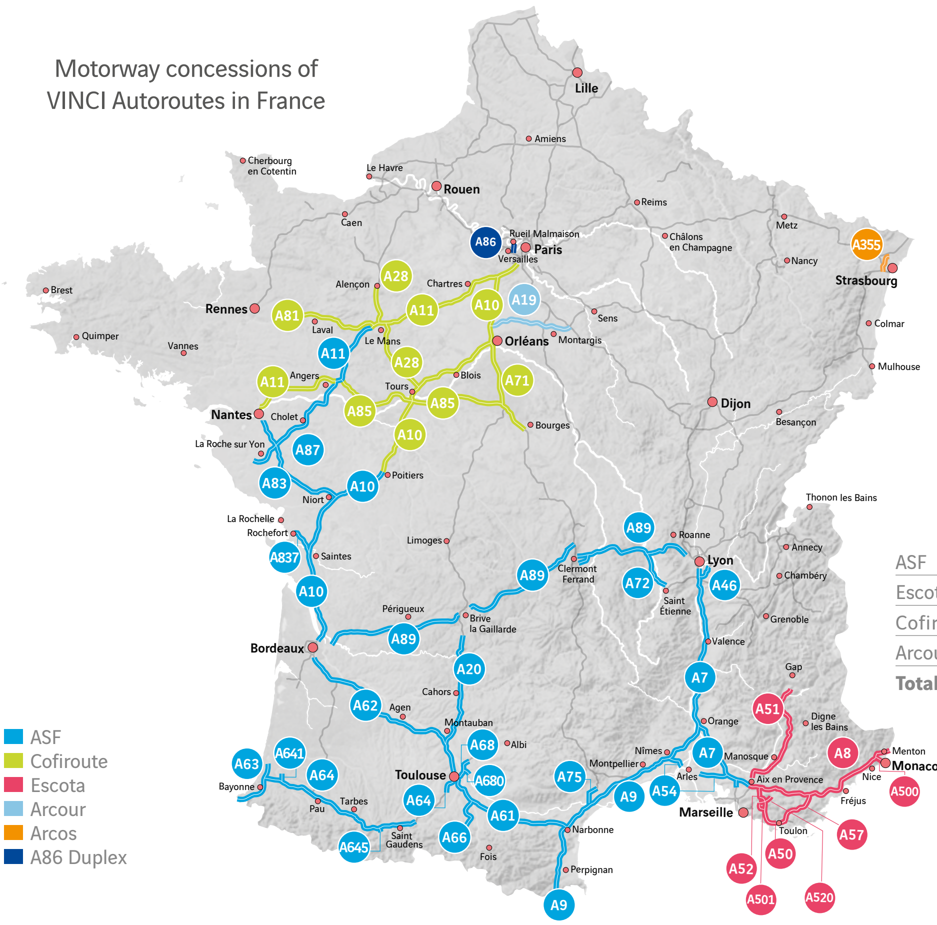
(in €m and as a percentage)

ASF	3,053	58%
Cofiroute	1,400	27%
Escota	762	14%
Arcour	58	1%



(1) Excluding concessions subsidiaries' revenue derived from works carried out by non-Group companies. See glossary (page 333).
(2) Cash flows from operations before tax and financing costs. See glossary (page 333).
(3) At 31 December.
(4) Controlled company networks.

Motorway concessions of VINCI Autoroutes in France

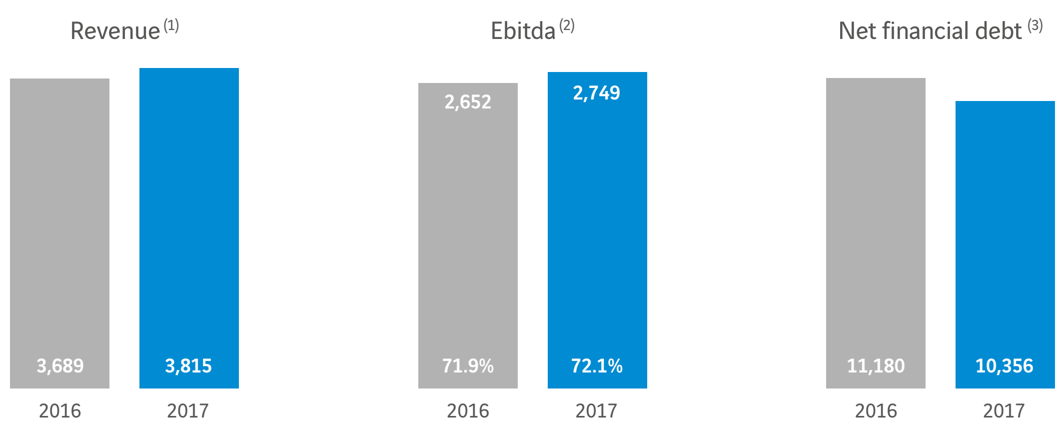


Traffic

	2017 (in millions of kilometres travelled)	2017/2016 change
ASF	31,984	+1.9%
Escota	7,284	+1.6%
Cofiroute	11,720	+1.0%
Arcour	329	+4.1%
Total	**51,316**	**+1.7%**

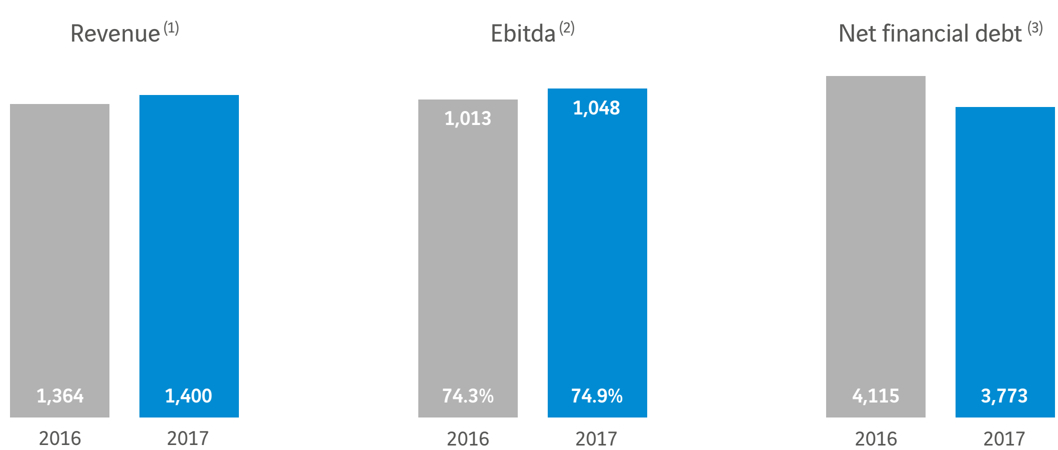
ASF GROUP (ASF AND ESCOTA)

(in €m and as a percentage of revenue [1])



COFIROUTE

(in €m and as a percentage of revenue [1])



(1) Excluding concession subsidiaries' revenue derived from work carried out by non-Group companies. See glossary (page 333).

(2) Cash flows from operations before tax and financing costs. See glossary (page 333).

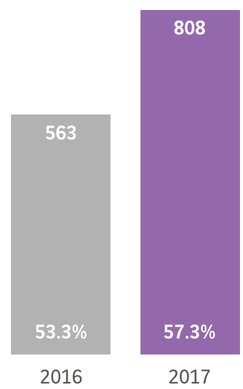
(3) At 31 December.

KEY DATA

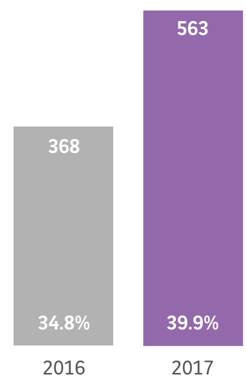
VINCI AIRPORTS

Revenue [1]
(in €m)

Ebitda [2]
(in €m and as a percentage of revenue [1])

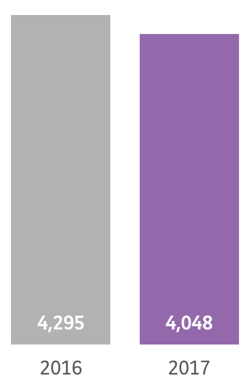


Operating income from ordinary activities
(in €m and as a percentage of revenue [1])



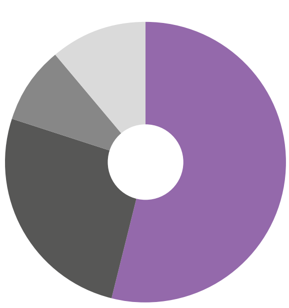
Net income attributable to owners of the parent
(in €m)

Net financial debt [3]
(in €m)



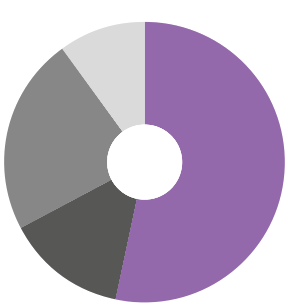
Capital employed [3]
(in €m)

Revenue [1] by business activity
(as a percentage)



Aviation services	54%
Non-aviation services	26%
Ground handling	9%
Security/assistance for PRM[4]	11%

Revenue [1] by geographical area
(as a percentage)

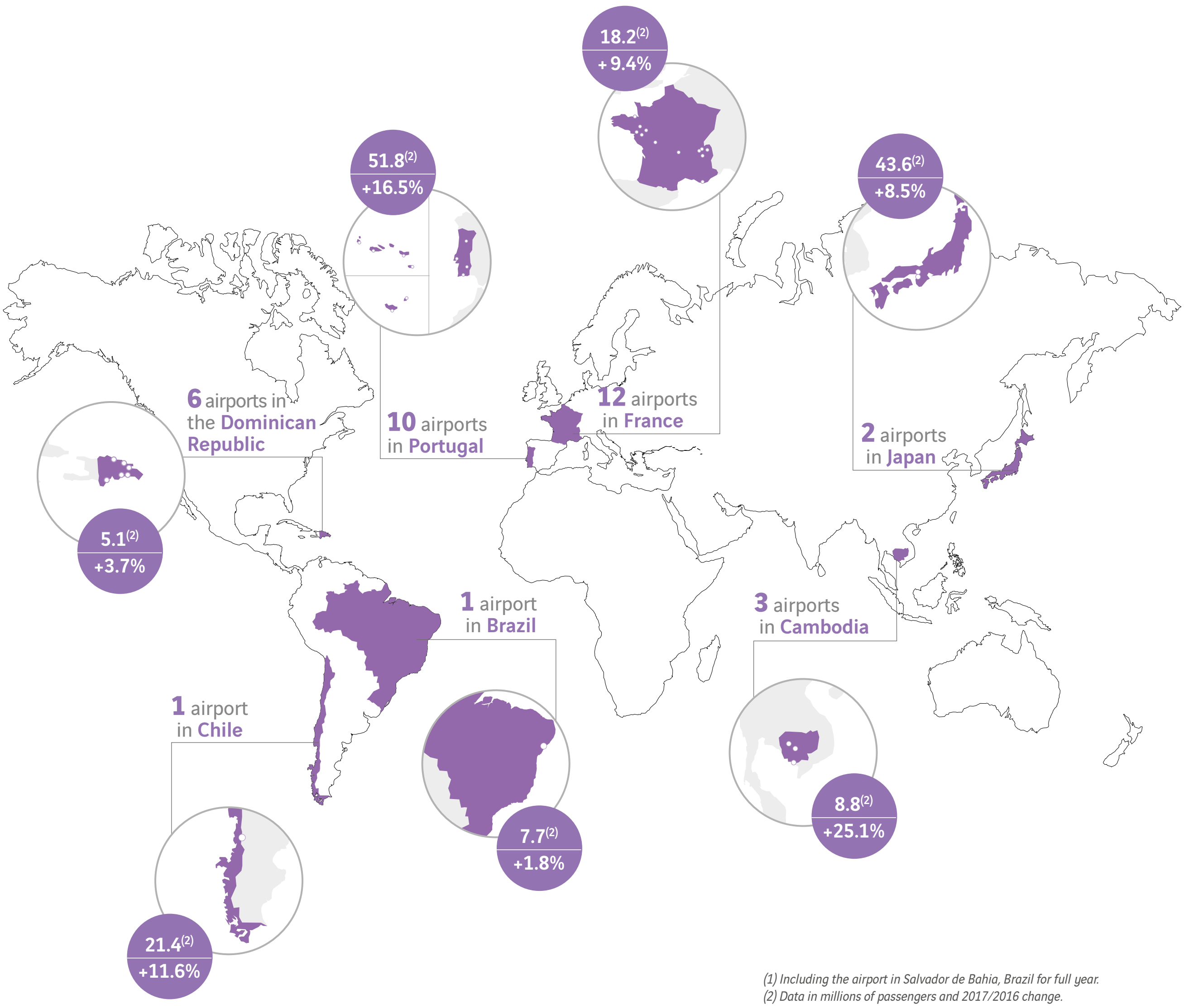


Portugal	54%
Cambodia	13%
France	23%
Dominican Republic	10%

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies. See glossary (page 333).
(2) Cash flows from operations before tax and financing costs. See glossary (page 333).
(3) At 31 December.
(4) Persons with reduced mobility.

AIRPORTS AND PASSENGER TRAFFIC MANAGED

35 (1) airports and 156.6 million (1) passengers managed in 2017 (excluding ADP)



(1) Including the airport in Salvador de Bahia, Brazil for full year.
(2) Data in millions of passengers and 2017/2016 change.

Competitive position

VINCI Airports is one of the top five international players in the airport sector with 35 airports operated worldwide.

The main listed companies in the sector are Aena (concession holder of Madrid airport), French group ADP, Fraport (concession holder of Frankfurt airport) and MAHB (concession holder of Kuala Lumpur airport).

In Europe, VINCI Airports operates 10 airports in Portugal (51.8 million passengers) and 12 airports in France (18.2 million passengers), including Lyon-Saint Exupéry and Lyon-Bron since November 2016 (10.3 million passengers).

Outside Europe, VINCI Airports holds concessions for the three international airports in Cambodia (8.8 million passengers).

In Chile, VINCI Airports, under a consortium with ADP and Astaldi, operates Santiago-Arturo Merino Benítez Airport (21.4 million passengers).

In the Dominican Republic, VINCI Airports operates six airports (5.1 million passengers).

In Japan, VINCI Airports holds the concession, as part of a consortium with Japanese partners, for the two Osaka airports (43.6 million passengers).

In Brazil, VINCI Airports has been operating Deputado Luís Eduardo Magalhães Airport since 2 January 2018 (7.7 million passengers in 2017).

In 2018, two new airports will be added to VINCI Airports' portfolio: Kobe (Japan) and Belgrade (Serbia). Together, these two airports managed 8.2 million passengers in 2017.

Source: internal studies, company literature.

KEY DATA

CONTRACTING

Revenue
(in €m)

Ebitda [1]
(in €m and as a percentage of revenue)

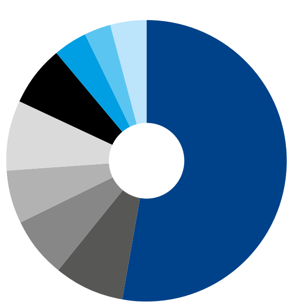
Operating income from ordinary activities
(in €m and as a percentage of revenue)

Net income attributable to owners of the parent
(in €m)

Net financial surplus [2]
(in €m)

Capital employed [2]
(in €m)

Revenue by geographical area
(as a percentage)



France	53%
Germany	8%
United Kingdom	7%
Central and Eastern Europe	6%
Rest of Europe	8%
Americas	7%
Africa	4%
Asia and Russia	3%
Rest of the world	4%

NB: data does not include VINCI Immobilier.
(1) Cash flows from operations before tax and financing costs. See glossary (page 333).
(2) At 31 December.

Competitive positions

VINCI ENERGIES

FRANCE

VINCI Energies is the leader in a fragmented market in which the top six players account for only around 50% of the market.

Its main competitors are Engie Energie Services, Spie, Eiffage Énergie, Bouygues Energies & Services and SNEF.

EUROPE

VINCI Energies is a leading electrical engineering and installation company. It ranks among the top players in Germany, where it has a strong position (revenue of almost €2 billion in 2017), Switzerland, Belgium, Netherlands, Portugal and Romania, and now in Scandinavia (Sweden, Finland and Norway).

In the information and communication technologies sector, VINCI Energies operates mainly in France, Germany, Netherlands, Portugal, Spain, Switzerland, Italy, Sweden, United Kingdom, Belgium and Austria.

OUTSIDE EUROPE

VINCI Energies operates in Africa, where it is market leader in Morocco. It also operates in the Middle East, Asia and South America. VINCI Energies has a solid foothold in New Zealand and Australia. With the acquisition of PrimeLine Utility Services, VINCI Energies is establishing a significant position in North America in energy transmission and distribution.

Source: company literature.

EUROVIA

FRANCE

Eurovia is one of the leaders in the road and rail works market with Colas and Eiffage Infrastructures. The market is otherwise shared by a large number of local and regional contractors. Eurovia is market leader in aggregates, where its competitors include roadworks companies and cement groups such as LafargeHolcim, GSM (HeidelbergCement Group) and Cemex, along with several hundred local producers.

GERMANY

Eurovia GmbH is one of the sector's main players with Strabag, in a market made up mainly of numerous regional players. In addition, Eurovia's rail works subsidiary ETF has expanded into Germany by acquiring THG Baugesellschaft mbH.

UNITED KINGDOM

Eurovia UK, through its subsidiary Ringway, is a major player in long-term road maintenance contracts. Its main competitors are Amey (Ferrovial group), Kier and Balfour Beatty. Eurovia UK also operates in conventional roadworks in competition with Balfour Beatty Carillion and Tarmac (CRH Group), Aggregate Industries (LafargeHolcim), Hanson (Heidelberg) and Conway.

CZECH REPUBLIC

Eurovia CS is among the leaders in road and rail works. Its main competitors are Skanska, Metrostav and Strabag.

NORTH AMERICA

In Canada, Eurovia is one of the major players in road infrastructure works in Quebec, Alberta and British Columbia through subsidiaries Eurovia Québec Construction, Carmacks and BA Blacktop. Its main competitors are subsidiaries of Colas and LafargeHolcim, as well as local companies.

In the United States, through subsidiaries Hubbard Construction and Blythe Construction, Eurovia is a market leader in the south-east alongside Archer Western Contractors (a Walsh Group subsidiary) and Lane Construction (Salini Impregilo Group) for construction works and Preferred Materials (CRH Group) for the manufacture and application of asphalt concrete.

Source: company literature.

VINCI CONSTRUCTION

FRANCE

VINCI Construction is the leader in a market estimated to be worth revenue of around €200 billion, ahead of Bouygues Construction, Eiffage Construction, Fayat, NGE and Spie Batignolles. The remaining market is divided among several medium-sized regional companies (including Demathieu Bard and Léon Grosse) and a large number of small contractors.

UNITED KINGDOM

VINCI Construction UK is a company of significant size in the United Kingdom, especially in the building and civil engineering sectors. Its main competitors are Balfour Beatty, Kier, Laing O'Rourke and Interserve. The British market is estimated to be worth revenue of around £150 billion.

CENTRAL EUROPE

VINCI Construction operates in the region through its medium-sized local subsidiaries, notably in Poland, the Czech Republic and Slovakia. Its main competitors are Strabag, Skanska and Porr, as well as Budimex in Poland and Metrostav in the Czech Republic.

AFRICA

Operating in 21 countries, Sogea-Satom is a major player in Central Africa, West Africa, Equatorial Africa and East Africa. Its main competitors are European, Asian (particularly Chinese) and African companies.

OCEANIA

By acquiring HEB Construction in August 2015, VINCI Construction became a major player in New Zealand's infrastructure market. At the end of October 2017, VINCI Construction moved into the Australian market with the acquisition of Seymour Whyte.

SPECIALIST MARKETS

Soletanche Freyssinet operates in specialist civil engineering markets all over the world. Its competitors include Trevi, Bauer and Keller in special foundations, and VSL (a Bouygues subsidiary) in prestressing and stay cable systems. Entrepose is a global operator in the design and construction of complex industrial projects in the oil, gas and energy recovery sectors. Its main competitors include Saipem (ENI Group) and CB&I.

Source: Euroconstruction, December 2017 (market size); company literature.

KEY DATA

VINCI ENERGIES

Revenue
(in €m)

Ebitda [1]
(in €m and as a percentage of revenue)

Operating income from ordinary activities
(in €m and as a percentage of revenue)

Net income attributable to owners of the parent
(in €m)

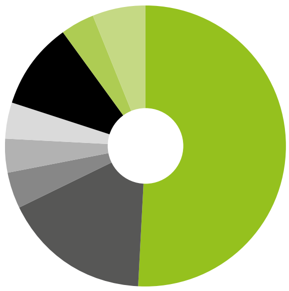
Net financial debt [2]
(in €m)

Capital employed [2]
(in €m)

Revenue by business activity
(as a percentage)

Service sector	29%
Industry	28%
Infrastructure	25%
Information and communication technologies	18%

Revenue by geographical area
(as a percentage)

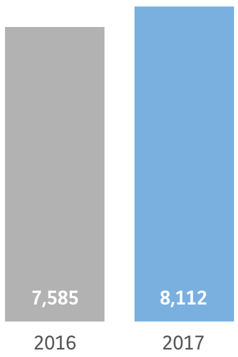


France	51%
Germany	17%
Switzerland	4%
Belgium	4%
Netherlands	4%
Rest of Europe	10%
Africa	4%
Rest of the world	6%

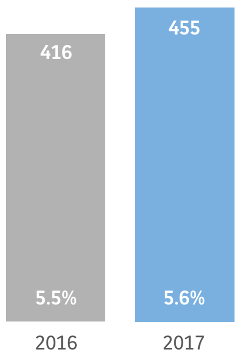
(1) Cash flows from operations before tax and financing costs. See glossary (page 333).
(2) At 31 December.

KEY DATA
EUROVIA

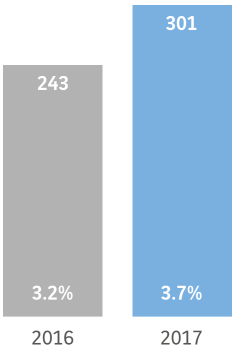
Revenue
(in €m)



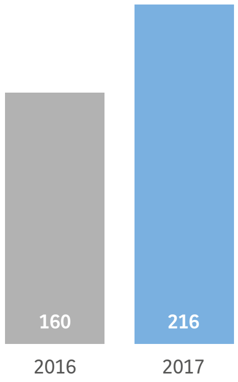
Ebitda (1)
(in €m and as a percentage of revenue)



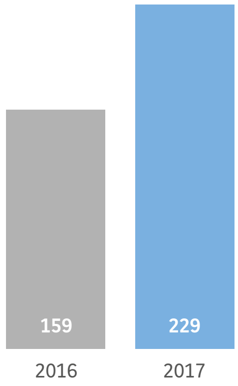
Operating income from ordinary activities
(in €m and as a percentage of revenue)



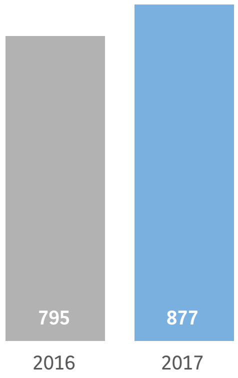
Net income attributable to owners of the parent
(in €m)



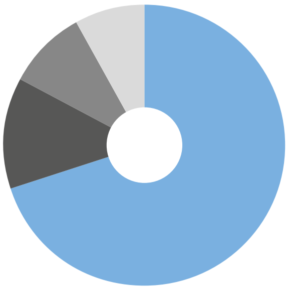
Net financial surplus (2)
(in €m)



Capital employed (2)
(in €m)

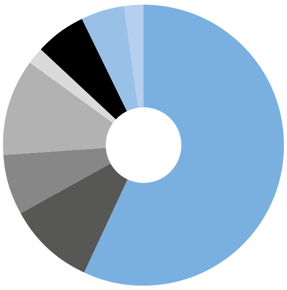


Revenue by business activity
(as a percentage)



Works	70%
Industry	13%
Quarries	9%
Services	8%

Revenue by geographical area
(as a percentage)



France	57%
Germany	10%
United Kingdom	7%
Central and Eastern Europe	11%
Rest of Europe	2%
United States	6%
Canada	5%
Central and South America	2%

(1) Cash flows from operations before tax and financing costs. See glossary (page 333).
(2) At 31 December.

KEY DATA

VINCI CONSTRUCTION

Revenue
(in €m)

Ebitda (1)
(in €m and as a percentage of revenue)

Operating income from ordinary activities
(in €m and as a percentage of revenue)

Net income attributable to owners of the parent
(in €m)

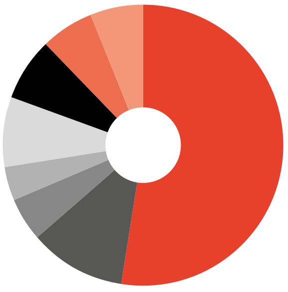
Net financial surplus (2)
(in €m)

Capital employed (2)
(in €m)

Revenue by business activity
(as a percentage)

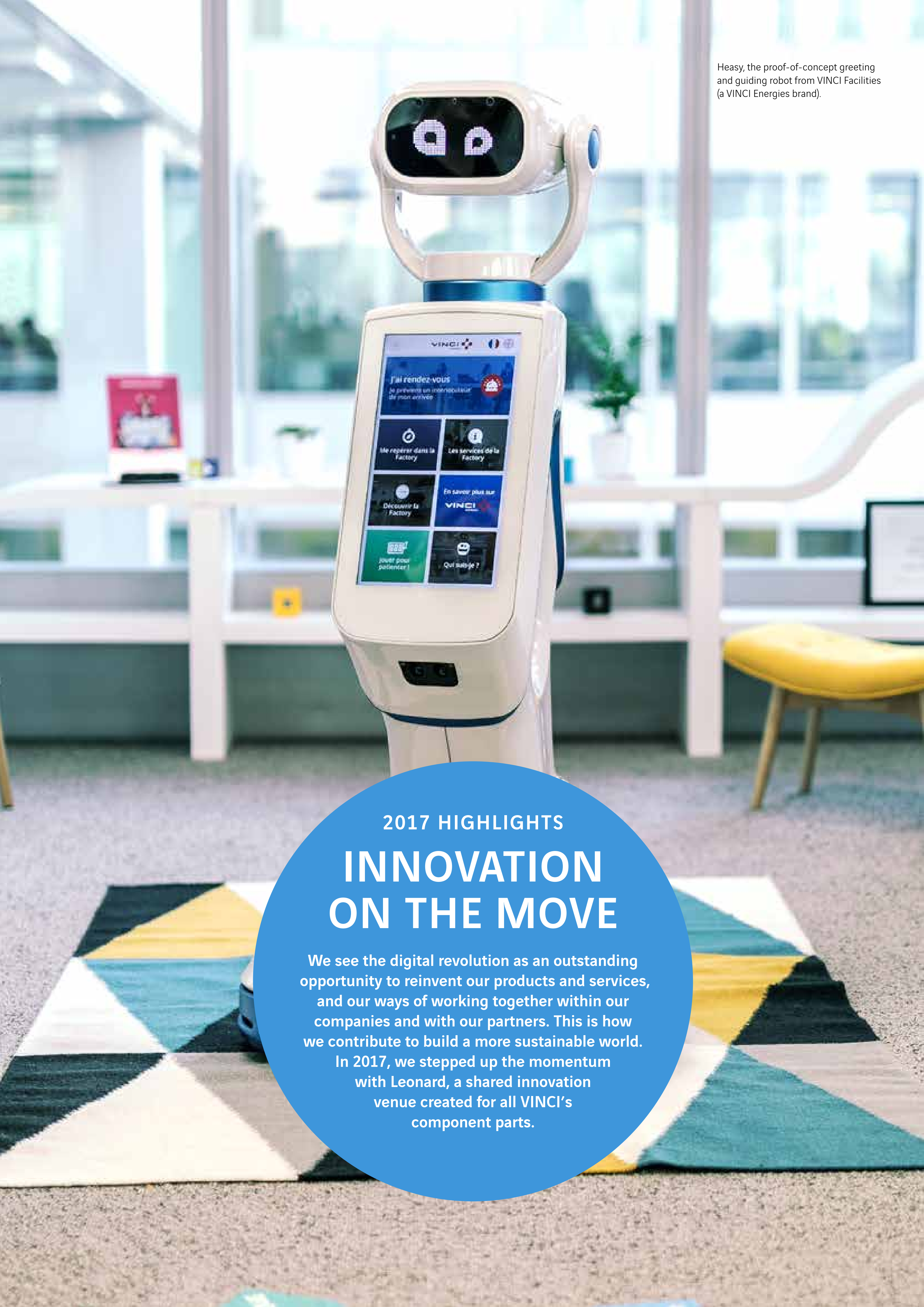
Building	37%
Specialist activities and complex projects	39%
Civil and hydraulic engineering	24%

Revenue by geographical area
(as a percentage)



France	53%
United Kingdom	11%
Central and Eastern Europe	5%
Rest of Europe	4%
Americas	8%
Africa	7%
Asia and Russia	6%
Rest of the world	6%

(1) Cash flows from operations before tax and financing costs. See glossary (page 333).
(2) At 31 December.



Heasy, the proof-of-concept greeting and guiding robot from VINCI Facilities (a VINCI Energies brand).

2017 HIGHLIGHTS

INNOVATION ON THE MOVE

We see the digital revolution as an outstanding opportunity to reinvent our products and services, and our ways of working together within our companies and with our partners. This is how we contribute to build a more sustainable world. In 2017, we stepped up the momentum with Leonard, a shared innovation venue created for all VINCI's component parts.

PROJECTING OURSELVES
INTO THE FUTURE OF OUR BUSINESSES

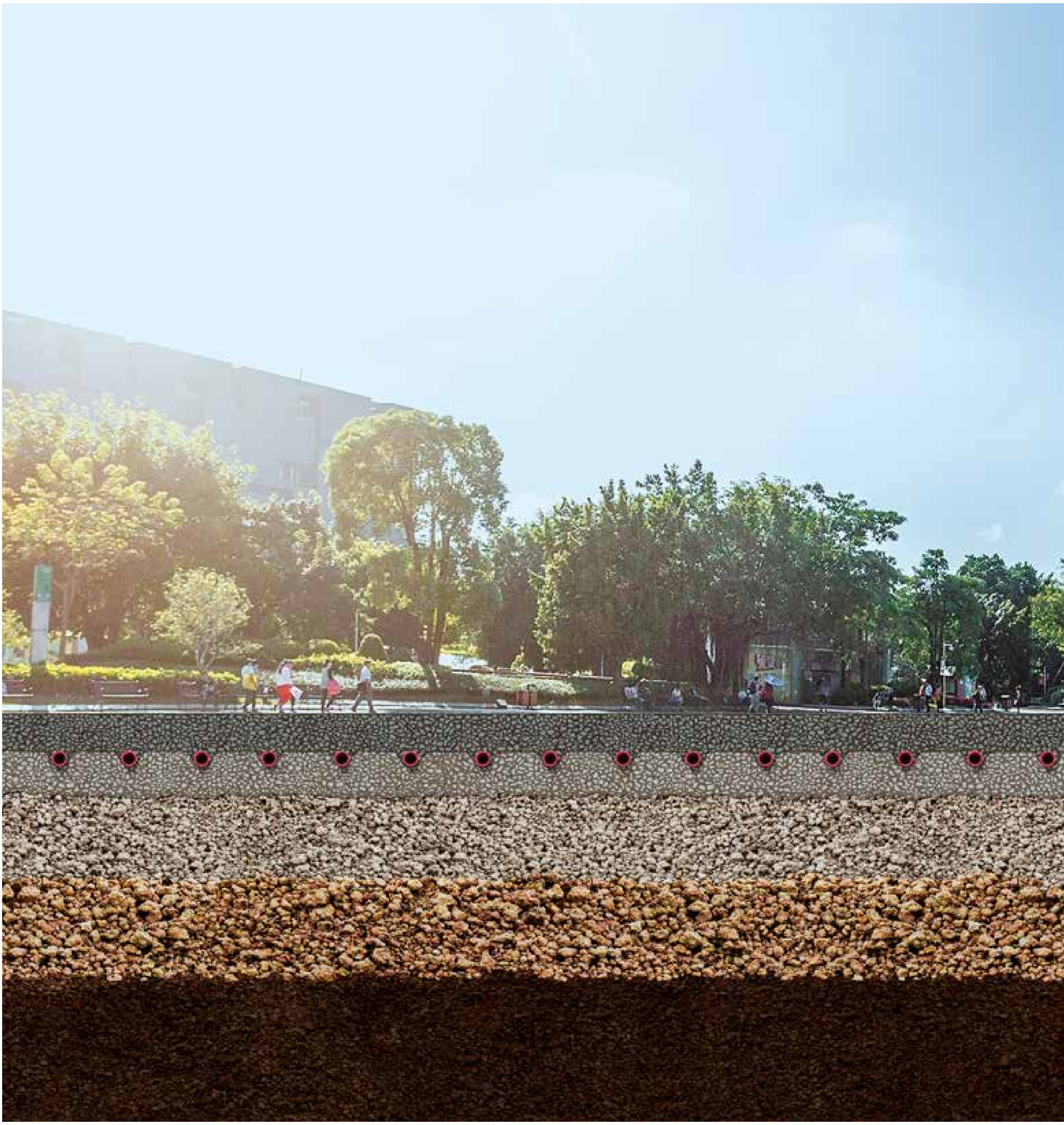
Leonard, imagining tomorrow's VINCI

In 2017, VINCI created Leonard. A foresight and technology watch hub; an accelerator for new products and services invented by the Group's intrapreneurs and startups; a Paris venue for innovation set to open in 2018 – Leonard is all these things. While VINCI's business lines are already coming together to think about issues affecting the Group as a whole, such as digitised infrastructure and climate-resilient cities, the first intrapreneurs have begun their incubation programme: to imagine today the business models of tomorrow.

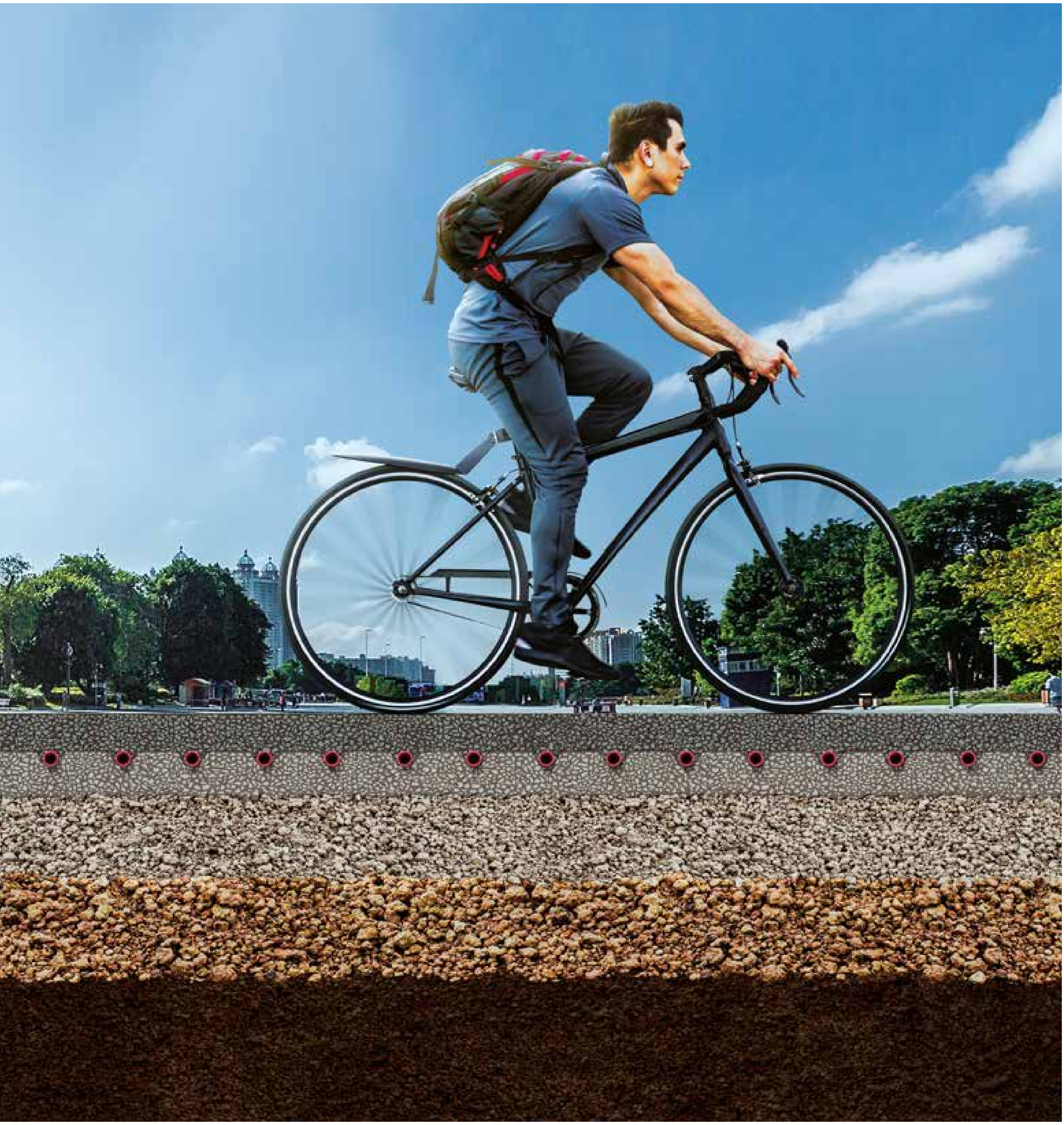
TAKING OWNERSHIP
OF THE DIGITAL REVOLUTION

The renovation-extension of the airport in Santiago de Chile using BIM

At Santiago-Arturo Merino Benítez Airport, VINCI Airports, VINCI Construction Grands Projets and their partners are facing a momentous challenge: they are to build a new international passenger terminal and renovate the existing facility in under five years without interrupting airport operations. The building complex, covering a total area of 294,000 sq. metres, of which 175,000 sq. metres for the new terminal, is the biggest ever constructed by VINCI outside France. The use of Building Information Modelling (BIM) smooths the transition between design, construction and maintenance, and fosters optimum collaboration between all stakeholders on the site, which share the same level of information. The BIM tools cover the entire life cycle of the project, including operation of the buildings, for which VINCI Energies is executing the technical works packages.



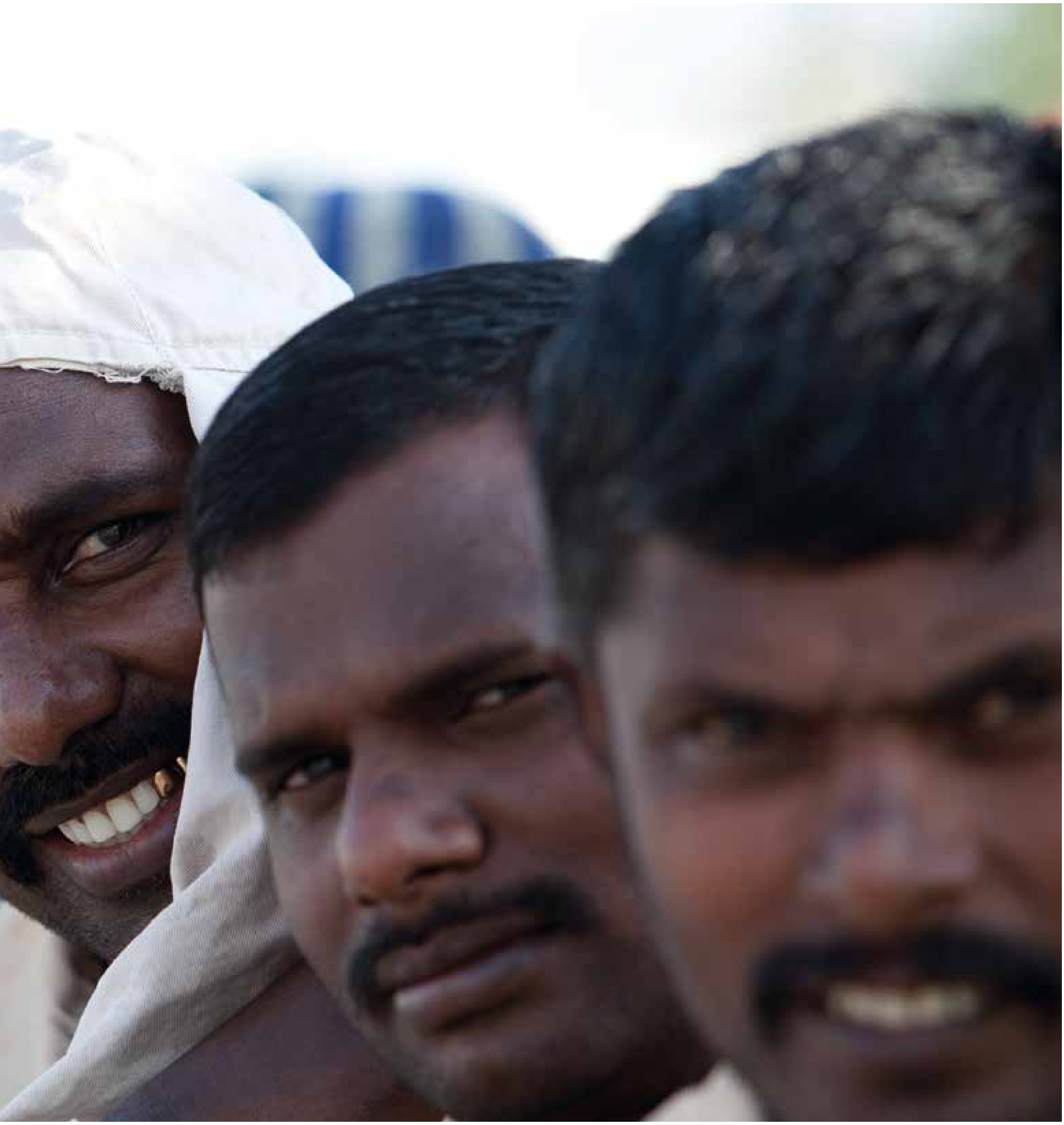
INVENTING
NEW FUNCTIONALITIES



Power Road®, the positive energy road

A major innovation developed by Eurovia, Power Road® adds a further function to the road: thermal energy production. The process involves integrating a heat exchanger – tubes carrying a heat transfer fluid – in the upper layers of the pavement. Power Road® captures heat from the sun, which can be used to meet local needs immediately or stored for later distribution. The renewable energy can be pumped to nearby buildings and infrastructure to heat residential, service sector or manufacturing facilities, swimming pools, and to produce hot water, and more. In "winter mode", Power Road® regulates the heat of the pavement: heat available in the ground can be used to remove snow or black ice, eliminating the need for road salt and reducing the impact of road maintenance operations. The potential applications are commensurate with the density of road networks, particularly in urban areas. Several experiments have already been conducted *(see page 99).*

TARGETING
IMPROVED WORKING CONDITIONS



Signing of a unique agreement for Qatar

At the headquarters of the International Labour Organisation (ILO) in Geneva in November 2017, Building and Wood Worker's International (BWI) signed an agreement on workers' rights in Qatar with VINCI and Qatari company QDVC (owned by Qatari Diar Real Estate Investment Company and VINCI Construction Grands Projets). This is the first such agreement between a trade union federation and a Qatari company. It includes a number of firm, operational commitments and applies to all QDVC employees. It also introduces a strict inspection and audit procedure under the authority of representatives of the three signatories. This initiative extends and broadens the proactive approach adopted by VINCI in 2009 to improve the working conditions and accommodation of workers participating in its projects in Qatar.

AGGREGATING
DATA

The hypervisor, or all-encompassing building management

While smart building developments generate a growing amount of data on the use and condition of spaces and structures, the hypervisor provides a single access interface to all systems. VINCI Facilities, the VINCI Energies brand that focuses on facilities management, uses this digital solution for its multi-site customers. Taking a big data approach, hypervision provides centralised, remote monitoring of the operation of building systems by consolidating data from various sources onto one platform. For the moment, applications mainly include computer-aided maintenance management, energy and fluid consumption, maintenance and repair call-outs, and inventory management. At a more advanced stage, test applications are already used to collect and visualise information such as temperature and energy consumption from the Internet of Things (IoT). In the longer term, the hypervisor will embed data on the performance of technical systems to improve their management and maintenance. In turn, this will make it easier to choose the best suited technical systems.

BROADENING
THE RANGE OF SERVICES FOR USERS

Robot valet at an airport car park

As part of a partnership with startup Stanley Robotics, in 2017 Lyon-Saint Exupéry Airport launched the initial testing phase of an automated valet parking service. In a first worldwide, robots took charge of parking vehicles in outdoor car parks. This innovation can increase long-term car park capacity by 50% as the robots can pack the vehicles in more tightly without causing any damage. From the airport's viewpoint, this service will make the parking experience easier for passengers while enabling the airport to handle the strong growth in passenger numbers.

TRIALLING
NEW FORMS OF MOBILITY

Totally autonomous drive through the toll plaza

On 12 July 2017, a Citroën C4 Picasso passed through Europe's biggest toll plaza (on the A10 motorway at Saint Arnoult en Yvelines, France) in real traffic conditions without any action on the part of the driver. The result of a joint innovation programme between car manufacturer PSA and VINCI Autoroutes, this feat represents a first significant step towards understanding how to adapt the next generations of infrastructure to support the development of autonomous vehicles. Within the Group, VINCI Autoroutes is also playing an active role in the Leonard working group on self-driving vehicles and their impact on infrastructure construction and operation.

TAKING ACTION
AS A SOCIALLY RESPONSIBLE COMPANY

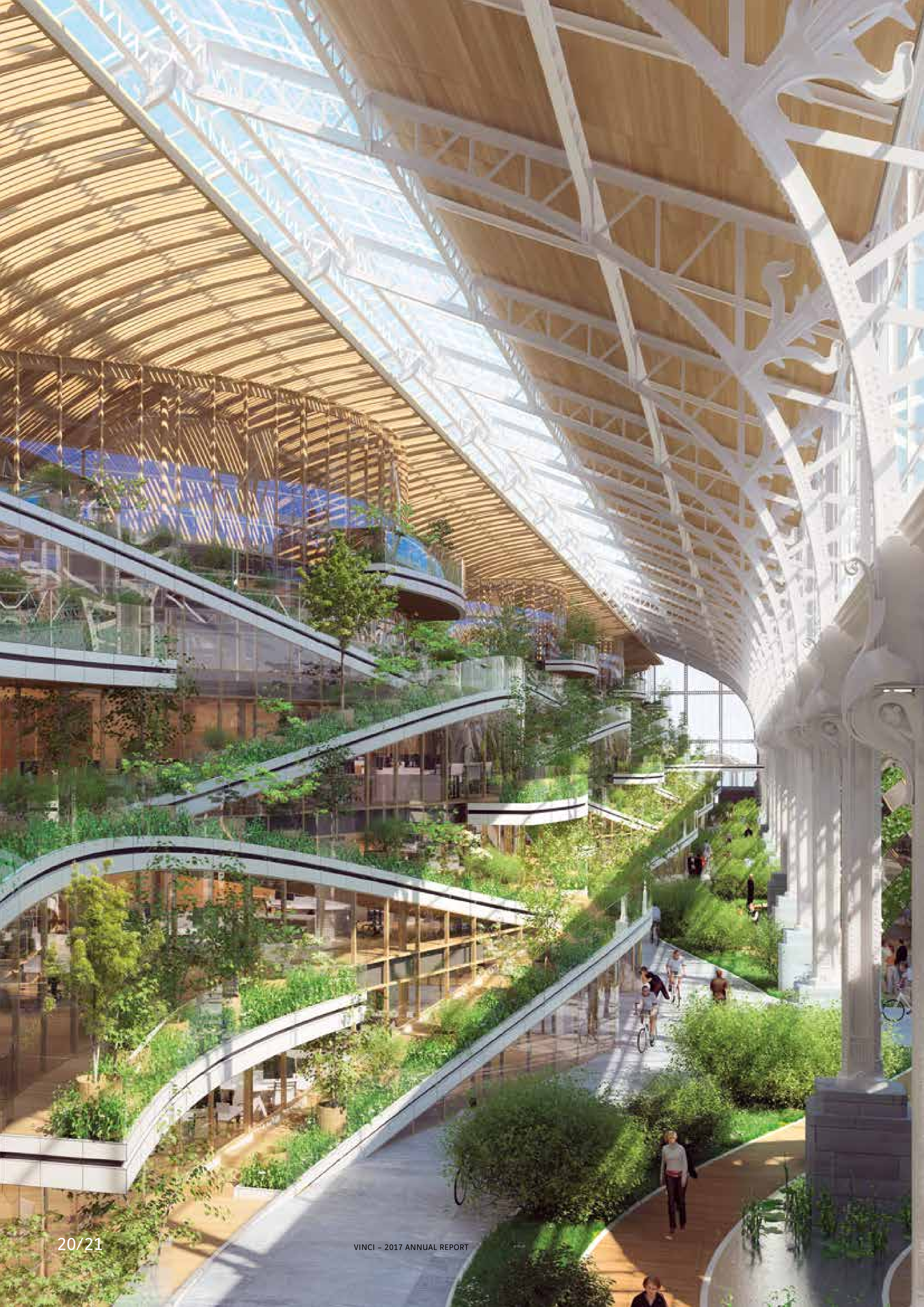
A helping hand to boost local development in Africa

Established in Africa over 70 years ago, Sogea-Satom (VINCI Construction) is contributing to the economic and social development of local communities and populations. Since 2007, its Initiatives Sogea-Satom pour l'Afrique (Issa) programme supports projects in the fields of local entrepreneurship, healthcare and education by combining financial aid with skills development provided by employee-sponsors. In Ouagadougou, Burkina Faso, for example, the company supported the development of the Songtaab Yalgré women's cooperative, which produces and markets local products, in particular including organic shea butter under the brand Karibio. Issa's aid financed the construction of a shed and the purchase of equipment. In 10 years, the programme has supported 208 projects through over 200 sponsors in 19 countries for total funding of €3.4 million, i.e. an average of over €15,000 per project.

STIMULATING
OPERATIONAL CREATIVITY

The Innovation Awards competition harnesses our Group's vital energy

The VINCI 2017 Innovation Awards competition showed, once again, that all Group employees are potential innovators when they ask themselves how they can improve their everyday work.
The 1,874 team projects submitted and the 152 prizes awarded during the regional contests and in the final awards ceremony highlight the creative vitality deeply rooted in our business activities.
The prize-winning projects are concrete examples of progress in the operational performance of VINCI companies, the diversity of their solutions and the range of services they offer their customers.
VINCI and its companies also invested almost €50 million in research and development in 2017. Thirty-four new inventions were patented, taking the Group's global portfolio of active patents to 2,320.



INNOVATION
FOR A SUSTAINABLE WORLD

Cities and regions are changing. And VINCI is playing a key role in that transformation. As an investor, builder and operator, we develop and manage infrastructure, buildings and facilities in around 100 countries. We are at the heart of the challenges facing today's world: mobility, energy, environment and community life. To meet those challenges, we too are changing. We are an organisation made up of entrepreneurs. This gives us the vitality to constantly reinvent our business activities and the products, services and solutions we offer through an innovation strategy that spurs on our 194,000 employees, and unites us with our clients and stakeholders. Our goal is to contribute to building a more sustainable world by fully embracing our role as a private-sector partner working in the public interest.

— "OUR BUSINESS LINES ARE EXPERIENCING UNPRECEDENTED CHANGE."

Xavier Huillard, Chairman and CEO

— *What is your view on VINCI's performance in 2017?*

— Our shareholders know that we deliver a robust performance every year. Our revenue started growing again in 2017 and the rest of our results have started trending upwards with it.
In France, our three Contracting business lines —VINCI Energies, Eurovia and VINCI Construction — saw upturns in their activity and even brisker upswings in order intake after struggling for several years. VINCI Immobilier had a very buoyant year too. This clearly shows that the economy in our longest-standing market has turned a corner. Our Contracting activities also grew outside France, in spite of lingering difficulties in countries where business levels hinge heavily on oil, gas and commodity prices. The remarkable resilience we have seen in our companies in Africa, for instance, shows that we can leverage our deep local roots and our customers' trust to diversify, inter alia into renewable energies.
2017 was also an exciting year on the acquisitions front for our Contracting business lines around the world. Eurovia solidified its networks in Germany and the Baltic states, and VINCI Construction did likewise in Oceania and Canada. VINCI Energies has emerged as a world-class specialist in energy infrastructure, industrial processes, information technologies and facility management.
Its acquisitions in 2017 will contribute €1.6 billion in combined full-year revenue, giving its expansion a spectacular boost.
Meanwhile, all our companies around the world continued to optimise their operational performance by nurturing frugality while sharpening their agility to shift in step with their changing markets. Their efforts pushed our Ebitda margin higher in 2017. Now that's what we can call a robust performance!

— *What about the other business, Concessions?*

— It was already on a steady growth path and shifted up a gear in 2017.
In France, motorway traffic continued to increase – especially heavy-vehicle traffic, which has climbed back to where it was before the downturn.
VINCI Autoroutes is also involved in extensive construction work, to a large extent under the French motorway stimulus plan. It has grown into one of the country's top programme management companies working side by side with authorities to make their development policies a reality. But the big highlight in 2017, of course, was the Tours–Bordeaux high-speed rail line. It was a huge success for VINCI. And for France. We designed, built and commissioned this new 302 km line in less than six years, and will be maintaining and operating it until 2061. This project is one example of the tremendous potential we can tap in our integrated concession-construction model. And we're seeing the same exciting potential in other concessions around the world. VINCI Airports is the finest example: it has grown its network by adding about 10 airports – in Japan, Dominican Republic, Brazil, France and most recently Serbia – in only two years. We were a very small player in this sector only a decade ago but rank among the top five airport operators worldwide today. VINCI Highways is also thriving: it is building, renovating and operating new infrastructure assets under concessions in Germany, Peru, Russia, Canada, Colombia and other countries.

— *What development prospects are you expecting in coming years?*

— The steps forward I've just mentioned also show that we're heading in the right direction.
We will continue to push ahead, following the two principles that have shaped our strategy year after year: international expansion and balanced development across our two core businesses, Concessions and Contracting. We are rolling out this growth strategy in markets that have promising prospects in the near term (which we are seeing in our order books today) and, more importantly, over the medium and long term (on account of the considerable demand for construction and renovation work, across infrastructure, public amenities, production plants and other buildings around the globe).
Public-private partnerships will gain traction as time goes by. They put public authorities in a position to transfer full responsibility for a project to a single player. This reduces the number of interfaces, guarantees the quality of construction, operation and maintenance work throughout the asset's life cycle, and ensures on-time and on-budget delivery.
Our fields of expertise and our concession-construction model are a perfect fit for these requirements. And, beyond that, the entrepreneurial attitude embedded in our DNA is helping us to integrate new companies efficiently and enables them to thrive within our Group-wide project, and this is essential to generate sustainable growth.

— *Sustainable cities are gaining prominence as an answer to urban development and climate change. How are you addressing these issues?*

— We realised very early on just how momentous these issues would be for future generations, and what fantastic challenges they would bring about for a group such as VINCI. We set up the Fabrique de la Cité, a think tank that focuses on these issues, in 2008. Tomorrow's cities will grow upwards and deeper underground, so new spaces will need to be invented. Cities will be more frugal; their infrastructure will produce energy, and they will have more circular economy loops to reuse resources instead of wasting them. The development of autonomous vehicles, carpooling, car-sharing, public transport, intermodal connections and new urban logistics will revolutionise everyday mobility.
Our business lines are very much at the core of all these challenges, and are transforming non-stop to address them. VINCI Construction is using digital technology extensively at its worksites and developing building façades that produce energy; Eurovia's Power Road® captures and stores the sun's heat energy; and VINCI Energies is using heat from data centres to warm other buildings. Meanwhile, our Concessions business lines are harnessing digital technology in a variety of ways, for example enhancing the passenger experience at airports and carrying out tests to enable autonomous vehicles to clear motorway tolls. We are doing all that today to pioneer the solutions and services the world will enjoy tomorrow.

— *How is VINCI's innovation policy geared to tackling these challenges?*

— At VINCI, we have an abundant spring of innovative ideas, and a structure to channel them. Both go hand in hand. As our organisations are so decentralised, we have always spurred innovation in operations. This grassroots innovation in turn helps companies upgrade their methods, processes and technical solutions in their field of expertise. This creativity, which stems from the intelligence our frontline teams are pooling, keeps us moving forward, and we are transferring the benefits to our customers. The VINCI 2017 Innovation Awards competition was a compelling example of this. It showed that all our business lines have fully embraced the digital revolution. They are experiencing unprecedented change. At the same time, the global challenges I just mentioned need global solutions. Those global solutions will far surpass any one of our business line's fields of expertise alone. So we need to interlink all our intelligence and all our creative energy, and take an open approach, reaching across all our business lines and reaching out to other partners, beginning with startups. We have set up Leonard, our new open lab for tomorrow's cities and infrastructure, to do precisely that. Leonard will fast-track innovation by harnessing synergies within VINCI and around its ecosystem. And, when we look at the exceptional array of expertise and at all the managerial energy we have in this Group, we can see very clearly that most of our innovative potential is still there waiting for us to tap into it!

BOARD OF DIRECTORS

XAVIER HUILLARD [1]
Chairman and Chief Executive Officer, VINCI

YVES-THIBAULT DE SILGUY [1]
Vice-Chairman and Lead Director of the Board, VINCI

YANNICK ASSOUAD
Chief Executive Officer, Latécoère

ROBERT CASTAIGNE
Former Chief Financial Officer and former member of the Executive Committee, Total

UWE CHLEBOS [2]
Director representing employees;
insulation installer, G+H Isolierung GmbH

GRAZIELLA GAVEZOTTI
Chief Operating Officer, Southern Europe, Edenred

MILOUD HAKIMI [2]
Director representing employees;
project manager, ViE SAS

JEAN-PIERRE LAMOURE
Chairman of the Supervisory Board, Atlantic SFDT

MARIE-CHRISTINE LOMBARD [1]
Chairman of the Executive Board, Geodis SA

JOSIANE MARQUEZ
Director representing employee shareholders; information systems consultant, VINCI Energies Systèmes d'Information; Chairman of the Supervisory Board of the Castor and Castor Relais company mutual funds

ANA PAULA PESSOA
Chairman and Chief Strategy Officer, Kunumi AI (Brazil)

MICHAEL PRAGNELL [3]
Former founding Chief Executive Officer, Chairman of the Executive Committee and Director of the Board, Syngenta AG

HENRI SAINT OLIVE [4]
Chairman of the Board, Banque Saint Olive

PASCALE SOURISSE
Senior Executive Vice-President, International Development, Thales

QATAR HOLDING LLC [1]
Company registered under Qatari law, represented by Nasser Hassan Faraj Al Ansari

AUDIT COMMITTEE

This committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and parent company financial statements, the quality of financial information and the effectiveness of risk management and internal control systems.

Composition:
Henri Saint Olive (Chairman)
Yannick Assouad
Robert Castaigne
Graziella Gavezotti

APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

This committee examines all candidacies for appointments to the Board, prepares recommendations on the appointment of executive company officers and succession planning, and ensures the rules of corporate governance are applied.

Composition:
Yves-Thibault de Silguy (Chairman)
Jean-Pierre Lamoure
Marie-Christine Lombard
Pascale Sourisse

STRATEGY AND CSR COMMITTEE

This committee helps the Board develop the Group's strategy. It examines proposed multi-year contracts involving an investment, strategic investments and all acquisitions and disposals that could have a material impact on VINCI's consolidation scope, business activity, results or stock market performance.
It also monitors all CSR issues.

Composition [5]**:**
Yves-Thibault de Silguy (Chairman)
Uwe Chlebos
Josiane Marquez
Ana Paula Pessoa
The permanent representative of Qatar Holding LLC

REMUNERATION COMMITTEE

This committee proposes to the Board the terms and conditions of remuneration of company officers, and employee share ownership schemes such as long-term incentive plans for some employees.

Composition:
Robert Castaigne (Chairman)
Miloud Hakimi
Michael Pragnell
Pascale Sourisse

(1) Renewal of term of office for a period of four years proposed to the Shareholders' General Meeting of 17 April 2018.
(2) The terms of office of Mr Chlebos and Mr Hakimi, Directors representing employees, were due to end at the close of the Shareholders' General Meeting of 17 April 2018. In accordance with Article 11.3 of VINCI's Articles of Association, the trade union with the largest membership within VINCI and the European Works Council renewed those terms of office until 2022.
(3) Commander of the Order of the British Empire.
(4) Mr Saint Olive's term of office will end at the close of the Shareholders' General Meeting of 17 April 2018.
(5) Permanent members. The Strategy and CSR Committee is open to any member of the Board who wishes to participate.

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2018 EXECUTIVE COMMITTEE(*)

The Executive Committee is responsible for managing VINCI. It met 21 times in 2017.

1 **XAVIER HUILLARD**
Chairman and Chief Executive Officer, VINCI

2 **PIERRE COPPEY**
Executive Vice-President, VINCI and Chairman, VINCI Autoroutes

3 **RICHARD FRANCIOLI**
Executive Vice-President, VINCI in charge of Contracting

4 **CHRISTIAN LABEYRIE**
Executive Vice-President and Chief Financial Officer, VINCI

5 **YVES MEIGNIÉ**
Chairman and Chief Executive Officer, VINCI Energies

6 **PIERRE ANJOLRAS**
Chairman, Eurovia

7 **JÉRÔME STUBLER**
Chairman, VINCI Construction

8 **NICOLAS NOTEBAERT**
Chief Executive Officer, VINCI Concessions

9 **BRUNO DUPETY**
Vice-President, International Business

10 **PIERRE DUPRAT**
Vice-President, Corporate Communications, VINCI

11 **FRANCK MOUGIN**
Vice-President, Human Resources and Sustainable Development, VINCI

12 **CHRISTOPHE PÉLISSIÉ DU RAUSAS**
Vice-President, Business Development, VINCI

13 **PATRICK RICHARD**
General Counsel, VINCI
Secretary to the Board of Directors

2018 MANAGEMENT AND COORDINATION COMMITTEE(*)

The Management and Coordination Committee brings together the members of the Executive Committee and senior VINCI executives. Its remit is to ensure broad discussion of VINCI's strategy and development. It met three times in 2017.

HERVÉ ADAM
Executive Vice-President of VINCI Energies, VINCI Energies France

ALAIN BONNOT
Chairman, VINCI Construction Grands Projets

ALEXANDRA BOUTELIER
Chief Operating Officer, Consortium Stade de France, VINCI Stadium

HUGUES FOURMENTRAUX
Chairman, VINCI Construction France

GILLES GODARD
Chairman, VINCI Construction International Network

ARNAUD GRISON
Executive Vice-President of VINCI Energies, VINCI Energies International & Systems

OLIVIER DE LA ROUSSIÈRE
Chairman, VINCI Immobilier

BERNARD LATOUR
Executive Vice-President of VINCI Energies, VINCI Energies Europe

PATRICK LEBRUN
Executive Vice-President of VINCI Energies, Company Secretary

BENOÎT LECINQ
Chairman, Entrepose

SÉBASTIEN MORANT
Chief Executive Officer, VINCI Autoroutes

XAVIER NEUSCHWANDER
Chief Executive Officer Eurovia Europe, Rail and Specialities

JEAN-PIERRE PASERI
Chief Executive Offier Eurovia France

MANUEL PELTIER
Chairman, Soletanche Freyssinet

FADI SELWAN
Vice-President, Business Development, VINCI Concessions; Chairman, VINCI Highways

PATRICK SULLIOT
Chief Executive Officer Eurovia Americas and UK

(*) At 26 February 2018

__ AN EFFECTIVE BUSINESS MODEL UNDERGOING CONSTANT REGENERATION

— VINCI's unwavering strategy is based on its business model, which is anchored firmly in the Group's history and identity. But this strategy is also continuously refreshed. It involves the joint development of the Group's two core businesses, Concessions and Contracting, which are complementary in terms of their operating cycles, capital intensity and know-how. Year after year, VINCI broadens its model to include new geographies and new business activities. The steady progress in VINCI's results over a long period, in a variable and sometimes volatile economic climate, illustrates the resilience of the business model. That resilience is strengthened not only by the diversity of the Group's geographical operations and business activities, but also by its highly decentralised organisation and strong management culture, which make VINCI companies and employees particularly agile when facing change in their markets and business lines.

In 2018, drawing on these fundamentals, VINCI will continue to pursue the growth of its two core businesses, particularly outside France, where it expects to see more than 50% of its total revenue generated within a few years. Boosting cross-business synergies will open up new opportunities for creating value, as it will increase the Group's capacity to bring together its various areas of expertise and provide comprehensive solutions, in line with the expectations of its public and private clients.

CONCESSIONS

— *Accelerate development in airport and motorway infrastructure*

— The strong growth and internationalisation of Concessions business activities over recent years exhibit the development potential and differentiating benefits of combining the expertise of investor, concession company, builder and infrastructure operator. This is how VINCI Airports has, in just a few years, become one of the world's top five airport operators, with 35 airports in seven countries and 157 million passengers managed in 2017. In motorway infrastructure, VINCI Autoroutes operates half the network of motorways under concession in France, while VINCI Highways has expanded the footprint of the Group's concessions in Europe and the Americas. Over the years, VINCI has developed a portfolio of high-quality infrastructure concessions, with an average maturity of almost 30 years, giving it very good visibility.

VINCI will continue this proactive strategy of developing its Concessions business. It will focus mainly on airport and motorway infrastructure, where investment needs worldwide amount to €700 billion, and take a more ad hoc approach to other sectors such as rail and major public facilities. The Group's approach will combine taking over existing companies or contracts (brownfield projects), winning new projects (greenfield) and creating value through concessions already in service. One key example of this last point is when it extended VINCI Autoroutes' contracts in exchange for investment under the motorway stimulus plan. This strategy will continue to diversify the concession portfolio while extending its overall maturity.

CONTRACTING

— *Extend the networks of international companies, with particular emphasis on energy and specialist niche activities*

— Starting from their long-standing bases in France, VINCI's Contracting business lines have developed international networks of companies, which now cover around 100 countries. The experience they have acquired in their various local contexts helps the Group with its comprehensive projects, especially when VINCI Concessions moves into a new country. Each business line also develops its own activities through both organic and external growth.

This growth dynamic applies firstly to VINCI Energies as its business activities are directly associated with the energy transition and digital transformation. They therefore benefit from particularly promising trends over the long term. Continuing on from the external growth activity in 2017, VINCI Energies will continue its proactive growth strategy in the coming years in a sector where, at European and international level, there has been relatively little consolidation.

The other Contracting business lines will also continue to flesh out and extend their international networks, as illustrated by the 2017 external growth activity of Eurovia in Germany and the Baltics, and of VINCI Construction in Oceania and Canada. Eurovia will focus mainly on rail works in the Americas from its bases in Canada, the United States and Chile. VINCI Construction may acquire, depending on opportunities, general contracting construction companies in its target markets, particularly outside Europe, and will continue to develop its highly technical, specialist activities that have a worldwide presence and are performed primarily by Soletanche Freyssinet companies.

VINCI, which is applying its proactive growth strategy to concessions, mainly in the airport sector, recently won the concession contract for Kobe Airport in Japan.

1891

Creation of Grands Travaux de Marseille (GTM).

1899

Creation of Girolou (power plants and grids, concessions).

1908

Creation, as part of Girolou, of Société Générale d'Entreprises (SGE).

1946

SGE, heavily involved in electricity until the sector was nationalised after the Second World War, moves into building and civil engineering.

1966

Compagnie Générale d'Électricité acquires control of SGE.

1984

Compagnie de Saint-Gobain becomes SGE's majority shareholder.

1988

Saint-Gobain sells its interest in SGE to Compagnie Générale des Eaux.

1990s

Several acquisitions in the United Kingdom, Germany and Central Europe make SGE a European player.

1996

SGE reorganises into four core businesses: concessions, energy, roads and construction.

2000

Vivendi (formerly Compagnie Générale des Eaux) completes its withdrawal from SGE's share capital. Friendly takeover bid by SGE for Groupe GTM: merger of SGE-Groupe GTM to create VINCI.

2002

VINCI enters the CAC 40.

2006

VINCI acquires Autoroutes du Sud de la France (ASF), the biggest French motorway concession operator, from the government.

2007

Acquisition of Soletanche Bachy and Entrepose Contracting, specialist companies with a high level of international business.

2010

VINCI acquires Cegelec and Faceo in energy and facilities management.

2013

VINCI speeds up its development in airport concessions by taking over Portugal's 10 airports.

2014

VINCI opens up the capital of VINCI Park to new partners and sold this business in 2016.

2017

VINCI continues its international expansion in airport and motorway concessions, and in all Contracting business lines.

__ AN INNOVATION DRIVE THAT COMBINES SHORT AND LONG TIME FRAMES

— In common with its core businesses, where Contracting has a short business cycle and Concessions and operations involve long ones, VINCI's innovation policy aims to continuously improve its companies' operating performance and project itself forward into the business models of the future in response to the new challenges of the urban environment and sustainable mobility.

— *Leonard, a Group-wide foresight approach*

— One of the key initiatives of 2017 was VINCI's creation of its new foresight and innovation platform, Leonard. This platform aims to bring the business lines together to reflect on how the Group's activities and markets may change in the face of challenges such as the sustainable city and new forms of mobility, which are themselves becoming increasingly global. As a technology watch hub working with experts from multiple disciplines, Leonard also brings employees on board from different business lines into foresight working groups, generally led by a member of the Executive Committee. Their role is to identify the challenges, opportunities for change and growth drivers for VINCI over the coming five to 10 years that may open the way to building new products and services. Four groups were created in the middle of 2017. They will report on their initial work in 2018 on the following topics: autonomous vehicles and their impact on infrastructure construction and operation; climate-resilient cities and infrastructure; digitised infrastructure and buildings; new forms of work and their impact on the Group's managerial model.

Complementing the foresight approach and working to a shorter time frame, Leonard has an operational mission as a project accelerator with an intrapreneur programme for Group employees. In response to a first call for projects in June 2017, 83 projects were submitted. A selection committee comprising VINCI and partner institution members selected 11 of these projects, which covered such diverse fields as 3D printing, the circular economy of worksite waste, climate resilience, shared living and augmented reality to boost worksite efficiency. A second season is being launched at the beginning of 2018. Leonard provides intrapreneurs with a comprehensive, two-stage support programme, enabling them to work part-time and then full-time on the development and acceleration of their project. Leonard can also be integrated with initiatives launched by Group business lines and companies in their sphere of operation. One example is VINCI Energies' La Factory, which stimulates open and cross-business innovation by bringing together, on a single platform, employees from VINCI Energies' brands and networks, its development and innovation department, and in-house startups. The Leonard approach will take on a new dimension in 2018 when a central Paris venue will be opened to serve as a platform for all Group innovators and their partners.

— *A large number of tools for urban innovation*

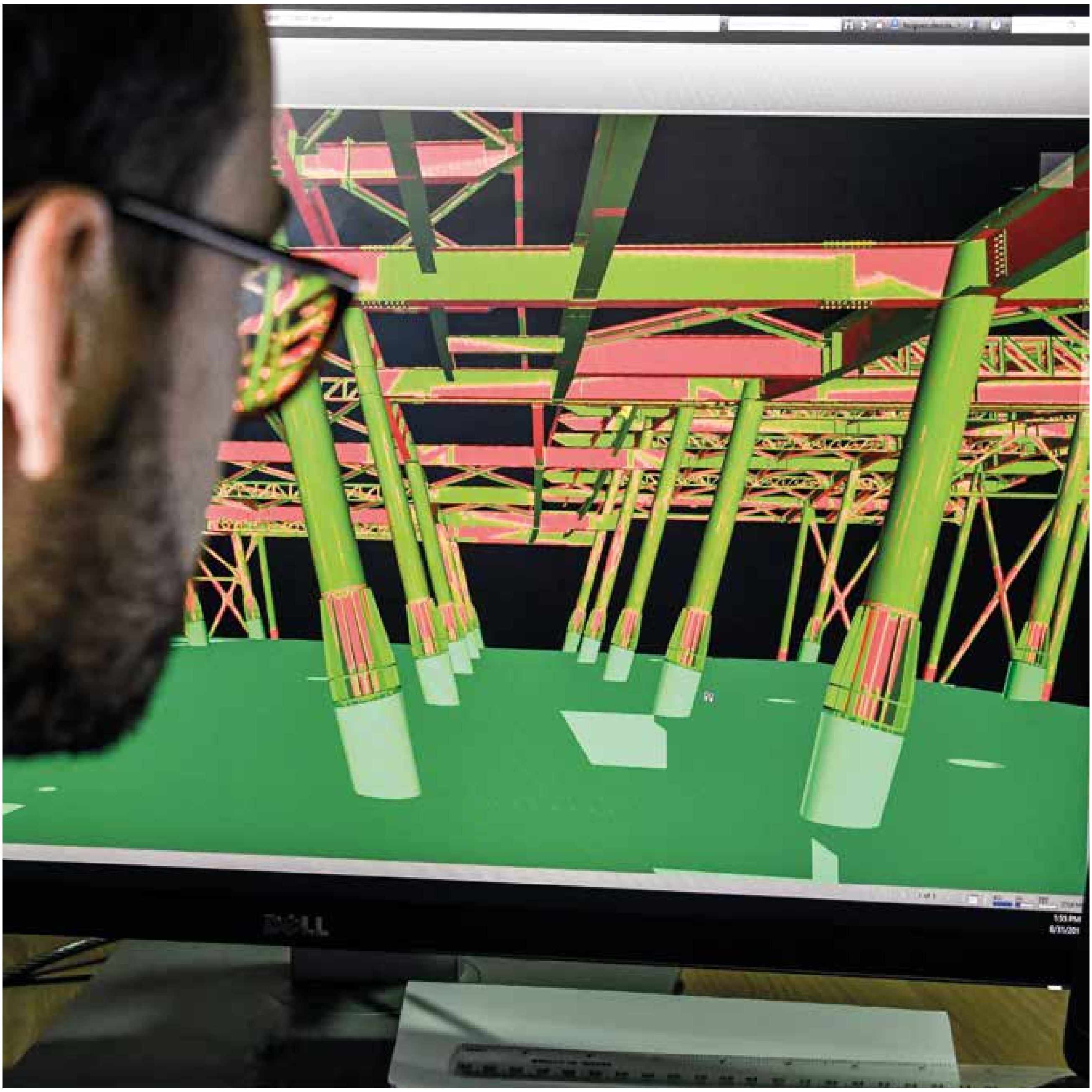
— The changing face of cities has been a topic of research and innovation for VINCI for many years. For instance, since 2008, to help people working in urban development and similar sectors with their long-term environmental decisions, the Group has been supporting the VINCI-ParisTech Eco-design of Buildings and Infrastructure Chair. This scientific sponsorship promotes the development and sharing of multidisciplinary knowledge on eco-design. VINCI's business activities provide a testing ground and source of data for the Chair's researchers, whose work is disseminated via such platforms as the Ecowork community. The partnership also creates tools and guidelines used by Group companies and made available to their clients *(see page 107)*.

For the past 10 years or so, the Group has also been coordinating the activities of the Fabrique de la Cité (City Factory), a sustainable city think tank it created to reflect on urban innovation and to showcase pioneering initiatives in that field. The Fabrique de la Cité's work in 2017 focused mainly on the resilience of European cities facing demographic phenomena (refugees), the expectations of millennials for the city of the future, and urban logistics reinvention scenarios.

In parallel, VINCI and its companies participate in numerous collective initiatives related to the sustainable city. The Group leads the "Rêve de scènes urbaines" (Dream of urban scenes) urban development project, which brings together some 60 stakeholders in a collaborative innovation approach with the public partners of the Plaine Commune urban community north of Paris, where the Group's construction companies have stamped their mark. VINCI Energies, meanwhile, is participating in Smartmagne in a town in the Loire region. This demonstrator aims to establish a balance between the production and self-consumption of renewable energy at district level.

— *Stimulate operational innovation within business lines*

— VINCI believes that innovation is not only a matter of forward-thinking but must also focus on the methods, production techniques, services and solutions implemented by its companies. It is to showcase this type of initiative that the VINCI Innovation Awards were created. Held every two years, this event is firmly rooted in the Group's culture. It takes place in two stages – regional and geographical area awards are followed by the final winner awards – and is open to all Group employees from around the world, who compete in teams. The 2017 awards were a resounding success, attracting a particularly large number of participants, with a total of 1,874 proposals submitted, and bringing together many winning innovations of very high quality. They illustrate the speed with which the Group's companies have embraced new digital technologies and use them to refresh their expertise and upgrade their products and services.



The use of Building Information Modelling (BIM) promotes optimal collaboration between worksite players and improves performance.

FIFTH-BEST STOCK MARKET PERFORMANCE IN THE CAC 40

Apart from the Shareholders' General Meeting in Paris, which brings together almost 600 shareholders, events are organised all over France throughout the year.

— *Strong rise in share price*

— VINCI's share price increased strongly in 2017, reaching a new record high. It closed the year at €85.15, up almost 32% compared to 31 December 2016, outperforming both the CAC 40 index, which rose by slightly more than 9% in 2017, and the Stoxx Europe 600 Construction & Materials index, which grew by around 8% over the same period. The VINCI share, which reached its record high of €88.77 during the 8 December trading session, recorded the fifth-best stock market performance in the CAC 40 in 2017. At 31 December 2017, VINCI ranked eighth in the CAC 40 with a market capitalisation of €50.3* billion. In March 2017, VINCI's share entered the Dow Jones Brookfield Global Infrastructure Index. It is made up of 102 listed companies domiciled globally and deriving over 70% of their cash flow from infrastructure assets. The inclusion of our share in this index highlights the growing weight of infrastructure concessions in the Group's results and gives us access to institutional investors specialising in infrastructure sectors.

Between 1 January 2008 and 31 December 2017, our share price grew by a little over 68%, while the CAC 40 fell by almost 6% over the same period. A VINCI shareholder who invested €1,000 on 1 January 2008 and reinvested all dividends received would have had an investment of €2,508 on 31 December 2017, representing an average annual return of 9.6%. During the same period, our market capitalisation increased by a factor of 2.1.

— *Dividend: €2.45 per share*

— In 2006, the year VINCI acquired ASF, we introduced a dividend policy consisting of distributing 50% of our consolidated net income. In accordance with that policy, the Board of Directors at its meeting on 7 February 2018 decided to propose to the Shareholders' General Meeting of 17 April 2018 a total dividend of €2.45 per share in respect of 2017, a 16.7% increase on the previous year. This represents a return of 2.9% on the share price at 31 December 2017. After deducting the interim dividend of €0.69 paid on 9 November 2017, the final dividend to be paid in cash on 26 April 2018 would be €1.76 per share if approved by the Shareholders' General Meeting.

— *An international and diversified shareholder base*

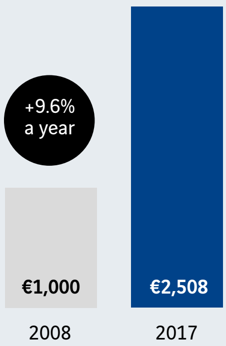
— At 31 December 2017, 73.6% of our share capital was held by more than 500 financial institutions located in France and, for the majority, in North America, the United Kingdom, the rest of Europe and Asia-Oceania. At the same time, Qatar Holding LLC, which became a VINCI shareholder in 2010 through Qatari Diar Real Estate Investment Company, slightly reduced its stake in 2017. It held a 3.8% interest in our capital at 31 December, compared with 4.0% at 31 December 2016.

Employee savings funds group together some 122,000 former and current Group employees, of which more than 100,000 are based in France; they owned 8.8% of VINCI's share capital at 31 December 2017, making them our biggest shareholder. An estimated 160,000 individual shareholders, excluding employee savings funds, accounted for 7.7% of our share capital. Lastly, we held 6.1% of our share capital in treasury at 31 December 2017.

* *Based on the number of shares at 31 December 2017: 591,216,948.*

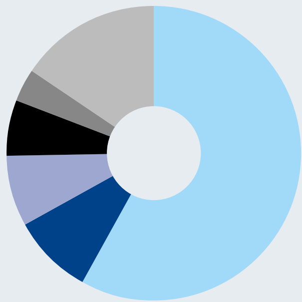
RETURN ON INVESTMENT IN VINCI SHARES OVER 10 YEARS

A VINCI shareholder who invested €1,000 on 1 January 2008 and reinvested all the dividends received would have had an investment of €2,508 on 31 December 2017. This represents an annual return of 9.6%.



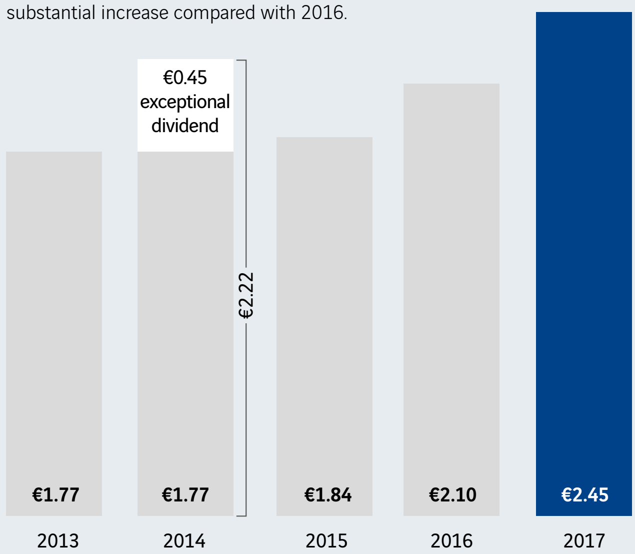
SHAREHOLDER BASE

Institutional investors – outside France	58.3%
Employees (savings plans)	8.8%
Individual shareholders	7.7%
Treasury shares	6.1%
Qatari Diar Real Estate Investment Company	3.8%
Institutional investors — France	15.3%



DIVIDEND PER SHARE UP 16.7%

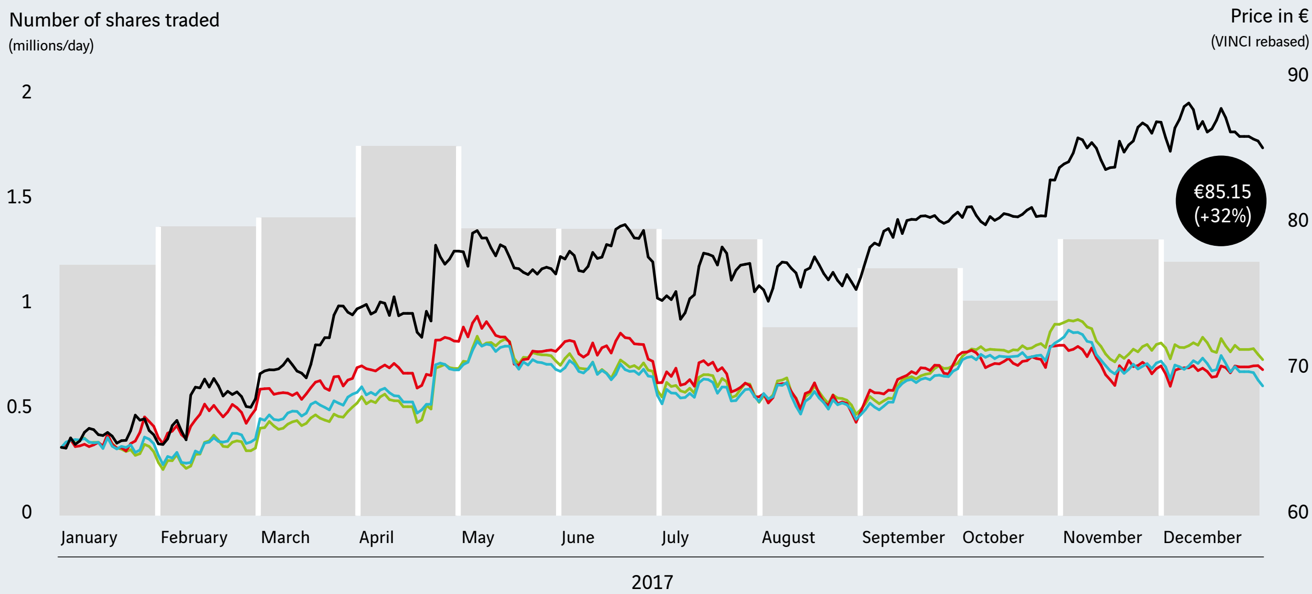
The dividend proposed to the Shareholders' General Meeting of 17 April 2018 in respect of 2017 is €2.45 per share, a substantial increase compared with 2016.



VINCI SHARE PERFORMANCE AND AVERAGE DAILY TRADING VOLUME

Market capitalisation at 31 December 2017: €50.3 billion based on a price of €85.15 per share, ranking VINCI eighth in the CAC 40.

Between 31 December 2016 and 31 December 2017, the VINCI share rose 32% while the CAC 40, Euro Stoxx 50 and Stoxx Europe 600 Construction & Materials indexes increased 9%, 6% and 8% respectively. In 2017, a daily average of 1.3 million shares was traded on the Euronext market.



VINCI
CAC 40 (base: VINCI share price at 31 Dec. 2016, i.e. €64.70)
Euro Stoxx 50 (base: VINCI share price at 31 Dec. 2016)
Stoxx Europe 600 Construction & Materials (base: VINCI share price at 31 Dec. 2016)
VINCI shares traded

VINCI WEBSITE AND SHAREHOLDER PUBLICATIONS

Our website features special pages for individual and institutional investors under the "Shareholders" and "Investors" tabs. Real-time share price, results, financial calendar, press releases, shareholder publications (in French only), videos and more: our www.vinci.com website keeps you connected to the Group's news.

VINCI SHAREHOLDER RELATIONS DEPARTMENT

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Individual shareholders
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Tel.: +33 1 47 16 45 07/33 46

INDIVIDUAL SHAREHOLDERS

— Choosing to be a VINCI shareholder means supporting the driving force of a robust model based on growth – in France and internationally – of two sets of complementary business activities: Concessions and Contracting.

— *Top award for VINCI in 2017 from young shareholders in France*

— In 2017, VINCI received a "Palme d'Or" for the quality and enhancement of the digital component of its communication with individual shareholders. In recent years, we have launched several digital tools for our shareholders, including a mobile app, quarterly e-newsletter and e-meetings.

Organised by Edhec Business School and F2iC (the French federation of individual shareholders and investment clubs), the "Palmes d'Or des Jeunes Actionnaires" awards recognise companies that young and future shareholders find the most attractive.

— *Launch of the VINCI Ambassador Network*

— Individual shareholders play a key role in the stability and development of companies, enabling them to build growth over the long term.

To take this idea further, we launched an unprecedented and experimental initiative in 2017: the VINCI Ambassador Network. Its aim is to extend the special relationship we have with our individual shareholders by giving them the opportunity to be selected as ambassadors and bring them greater insight into the Group's values, strategy and challenges. Four individual shareholders and two employee shareholders have been named VINCI Ambassadors. They are called on to participate in the debate on VINCI's role and challenges in society, discuss issues with the Group's top management, contribute on some editorial messages and help teach current and future shareholders about the Group's strategy and corporate values.

— *Clear, transparent information*

— Under the pact of trust that binds VINCI to its individual shareholders, transparency and knowledge-sharing are fundamental. Our Shareholder Relations Department strives constantly to improve the way we keep individual shareholders informed so that they better understand the Group's strategy, challenges, business activities and news. Means of communication include our website with its dedicated shareholder tab, a freephone number in France, the annual magazine *À plus d'un titre,* and a quarterly e-newsletter.

— *A club for individual shareholders to build closer ties*

— Membership of our Shareholders' Club, which grows every year, stood at almost 21,300 on 31 December 2017. The club organises events aimed specifically at its members.

In 2017, apart from the Shareholders' General Meeting in Paris attended by nearly 600 shareholders, Christian Labeyrie, executive vice-president and chief financial officer, and Yves-Thibault de Silguy, vice-chairman and senior director of the Board, hosted meetings with shareholders in Strasbourg and Versailles respectively. Mr de Silguy also hosted the first e-meeting set up by the Shareholders' Club and had lunch at VINCI's head office with the winners of the fifth "In private with VINCI" competition.

In 2017, the Shareholders' Club organised around 20 events, including four cruises to discover the history of Paris, Lyon and Marseille, as well as VINCI's constructions and business activities in those cities. Other events gave them opportunities to visit the outstanding Luma Foundation Arles worksite in southern France, go behind the scenes at Lyon-Saint Exupéry Airport, participate in "VINCI through time" interactive urban rambles in Paris and Marseille, as well as a themed tour of Saint Denis, near Paris, that focused on the sustainable city and urban innovation.

In 2017, over 3,000 Shareholders' Club members participated in these events.

INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

— VINCI's senior management and investor relations team keep the financial community informed of the Group's developments and financial performance throughout the year.

In 2017, our senior management participated in almost 140 events, interacting over 750 times with around 430 institutional investors and sell-side financial analysts covering our share.

Apart from the meetings and conference calls set up for the publication of our results, we organised road shows totalling 26 days in Europe and North America. We also participated in eight conferences organised by major financial institutions in Paris, London and New York. In addition, one-on-one meetings at our head office and conference calls were coordinated throughout the year. These actions enable us to keep close, continuous contact with the financial community.

With a view to ensuring transparency, our senior management uses these meetings as opportunities to present the Group's news, performance, strategy and corporate governance.

In November 2017, we organised a one-day meeting at Lyon-Saint Exupéry Airport to present VINCI Concessions to institutional investors and financial analysts.

Shareholders' Club members discover the Group's constructions and business activities through guided tours.


CONSTRUCTION
PARC DES ATELIERS
ARLES
FONDATION
LUMA

Committing to a sustainable world

As the designer, builder and operator of infrastructure and buildings incorporated sustainably into cities and regions, VINCI has a global view of their life cycle and impact. Its aim is to develop and apply the most effective social and environmental solutions in response to the issues created by economic, ecological and technological change.

STRONG GOVERNANCE SERVING A SHARED POLICY

The sustainable development policy is overseen by the VINCI Executive Committee and led by a specific delegation working directly with the operational and functional units together with numerous external (economic, institutional, non-profit, scientific, etc.) stakeholders.
Given the Group's decentralised organisation, each entity is responsible for establishing its sustainable development guidelines and targets in line with its own business and challenges.
Quarterly sustainable development committee meetings encourage the dissemination and sharing of experience and best practices within Group companies.

INTANGIBLE COMMITMENTS

VINCI's main sustainable development guidelines are set out in its Manifesto, including the eight main principles that establish the Group's commitments with regard to its customers, employees and all stakeholders. Published in around 15 languages, the Manifesto applies to all VINCI entities worldwide.
VINCI's Advance digital platform allows the Group's businesses to perform a self-assessment of the Manifesto's commitments, to gauge their level of maturity in each one and to implement appropriate action plans.

NOUS SOUTENONS LE PACTE MONDIAL
UN GLOBAL COMPACT

ROBECOSAM Sustainability Award Bronze Class 2018

CDP DISCLOSURE INSIGHT ACTION

RECOGNISED ACTIONS

Actions taken by VINCI to promote sustainable development are recognised by socially responsible investors and non-financial rating agencies. In 2017, the Group maintained its position in the DJSI (Dow Jones Sustainability Index) World Index. For its response to the 2017 Carbon Disclosure Project (CDP) survey, VINCI was rated B for its carbon strategy and B- for its water strategy.

MEMBERSHIP IN INTERNATIONAL AGREEMENTS

VINCI's sustainable development policy complies with the Universal Declaration of Human Rights, the Guiding Principles of the Organisation for Economic Cooperation and Development (OECD) and the International Labour Organisation (ILO) standards. It is in line with the ISO 26000 international standard and complies with the 10 principles of the United Nations Global Compact, which VINCI signed in 2003. This policy also includes the Sustainable Development Goals adopted by the United Nations General Assembly and which came into effect on 1 January 2017.

Creating the best working and safety conditions for our employees, partners and customers

VINCI MANIFESTO COMMITMENT

"WE REJECT THE IDEA THAT WORKPLACE ACCIDENTS ARE UNAVOIDABLE AND WE COMMIT TO THE ZERO ACCIDENT GOAL."

VINCI places strong emphasis on preventing the potential health and safety risks for employees that are caused by its businesses. The zero accident goal is a target for the teams in every workplace, for Group or subcontractors' employees and temporary staff. A growing number of companies are working finding ways to improve workplace quality of life and defining relevant action plans. VINCI also focuses on the safety of customers using its infrastructure especially motorway networks and airports.

SAFETY POLICY AND RESULTS

● Under the authority of the Executive Committee, the health and safety policy is implemented by a coordination body including all Group safety officers. The work carried out in 2017 focused on compiling shared methods and tools to analyse the root causes of workplace accidents.
To improve how organisational and human factors are taken into account in accident prevention, VINCI formed a partnership with France's Institute for an Industrial Safety Culture (ICSI).

PERCENTAGE OF COMPANIES WITH NO LOST-TIME WORKPLACE ACCIDENTS

2012
63%

2017
72%

LOST-TIME WORK-PLACE ACCIDENT FREQUENCY RATE

2012
8.60

2017
6.60

- Safety efforts have brought tangible improvements to working conditions at construction and operational sites. At Group level, the lost-time workplace accident frequency rate has fallen from 8.60 to 6.60 and the severity rate from 0.57 to 0.47 over the past five years. In 2017, 72% of VINCI companies reported no lost-time workplace accidents compared with 63% in 2012.

SAFETY MANAGEMENT AND TRAINING

- Managers regularly receive safety management training, and are evaluated based on their safety practices and performance. They encourage the organisation of annual safety and prevention events and awareness actions involving a large number of employees. In 2017, VINCI Construction launched two campaigns: "PreTask" (a safety briefing for each new procedure) and "PreStart" (organisation and safety briefing at the beginning of each work day at worksites).
- Digital tools are increasingly used to improve employee safety. VINCI Energies continued its Eveil (Awareness) approach that encourages sharing information about risk situations using a variety of means such as smartphones.

VINCI Construction Dom-Tom created a portable digital stand to promote safety. VINCI Autoroutes has tested several innovative solutions to reduce motorway employees' exposure to risks when working on the network (vehicle detection systems using on-board cameras and warning messages sent to motorway users' smartphones to indicate the presence of nearby agents).

- On 18 May 2017, Eurovia held its fifth International Prevention Day, involving employees from each base (over 38,000 people in 15 countries) as well as temporary staff and subcontractor employees. Eurovia also implemented an ambitious training programme for its division and regional managers (Managing Health & Safety), to reinforce safety practices and culture across all its companies.

In 2017, 350 managers were trained across about 10 countries.

COLLABORATION WITH PARTNER COMPANIES

When VINCI companies act as programme manager or general contractor, safety is a fundamental criterion in selecting partners. Safety is also an integral prerequisite in relations with subcontractors, in particular by sharing guidelines and best practices that often go beyond regulatory requirements. Specific awareness and training actions are organised for temporary employees – similar to those provided by VINCI Construction Terrassement as part of its partnerships with Adecco and Proman.

CUSTOMER INVOLVEMENT

Safety programmes also target Group customers. The VINCI Autoroutes Foundation leads numerous awareness campaigns, with company employees acting as responsible driving ambassadors.

One example is a competition in which motorway users were asked to create their own safety messages focusing on inattentiveness and distractions that reduce driver concentration, and the safety of the "men and women in yellow" (motorway employees).

HEALTH AND QUALITY OF LIFE IN THE WORKPLACE

- Group companies pay close attention to the health of their employees. In Cambodia, VINCI Airports created a health centre for Phnom Penh airport employees and their families in September 2017. With a capacity of 4,000 people a year, it offers advice about diet, health and physical activity.
- Actions aimed at enhancing quality of life in the workplace are implemented by the various VINCI entities. In France, 14 VINCI Facilities (VINCI Energies) companies in the South Centre East region introduced a programme to improve quality of life in the workplace that includes employee interviews, diagnostics and action plans run by a network of coordinators. Eighty percent of the employees interviewed said they were satisfied with their quality of life in the workplace.

VINCI Construction France has also run a campaign to prevent psychosocial risks.

Acting for green growth

VINCI MANIFESTO COMMITMENT

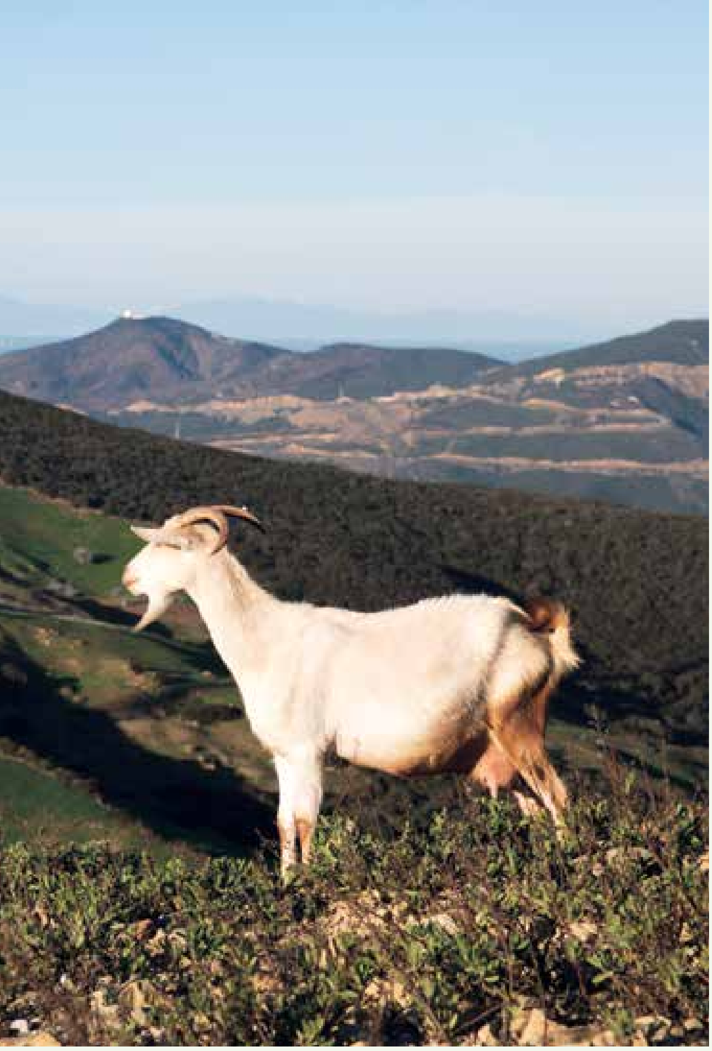
"WE COMMIT TO REDUCING OUR GREENHOUSE GAS EMISSIONS BY 30% BY 2020, TO SUPPORTING OUR CUSTOMERS IN THEIR QUEST FOR BETTER ENERGY EFFICIENCY AND TO ENCOURAGING THEIR ADOPTION OF AN ENVIRONMENTALLY RESPONSIBLE APPROACH."

VINCI takes into account the environment at each step in the projects it carries out, with a broad perspective that tends to reduce the footprint across the life cycle of structures. The Group offers solutions that help improve people's living conditions in cities and regions, while at the same time providing solutions to major environmental challenges.

REDUCING POLLUTION AND LIMITING EMISSIONS

• The Group's businesses impact natural environments causing nuisances and even pollution. One key approach to limiting these risks is worksite certification and internal labelling. For example, 13 Eurovia worksites were awarded the company's own environmental excellence label in 2017.

• Within VINCI, measures to fight climate change involve reducing greenhouse gas emissions by improving energy efficiency and the increasing use of renewable energy. Specific initiatives are taken within the business lines. For instance, all VINCI Airport sites participate in the ACA (Airport Carbon Accreditation) programme; in 2017 Lyon-Saint Exupéry Airport was awarded Level 3+, the highest certification level in the ACA programme.



SOLUTIONS DEVELOPED FOR CUSTOMERS

VINCI companies develop solutions to help their customers reduce their own environmental impact. Menard, a subsidiary of Soletanche Freyssinet (VINCI Construction), has strengthened its positioning in soil remediation with the creation of the Remea brand. VINCI Environnement has developed a technique to treat turbine flue gas produced by its industrial processes and released into the air through stacks and opened several recovery facilities in France and the United Kingdom. VINCI Construction Grands Projets has rolled out a new wastewater treatment technique that removes medication residue prior to discharge in rivers. Oxygen 2, an eco-design solution offered by VINCI Construction France and VINCI Facilities (VINCI Energies), provides a model of an energy-efficient building throughout its life cycle from design to operation. The hypervisor system rolled out by VINCI Energies' facility management teams aggregates and analyses the various types of building data in real time, for example to optimise energy consumption. Eurovia has developed Power Road®, a major innovation that enables roads to produce thermal energy *(see p. 99)*.

GREENHOUSE GAS EMISSIONS

2009
71
teq CO_2eq/€m
of revenue

2017
58
teq CO_2eq/€m
of revenue

2020 target
50
teq CO_2eq/€m
of revenue

ENERGY INTENSITY

2012
227
MWh/€m
of revenue

2017
201
MWh/€m
of revenue

MATERIALS AND THE CIRCULAR ECONOMY

VINCI companies have developed solutions to manage materials from source to reuse. As part of its materials production and recycling business, Eurovia is contributing to the circular economy by developing its worksite recycling business to convert excavated material into aggregates. Its multimodal logistics solutions also encourage the recovery of materials in a short circuit, such as the programme implemented to remove and process the material excavated in the underground works for Nice's tramway network.

BIODIVERSITY CONSERVATION

Biodiversity conservation is a central aspect of the Group's environmental approach. Its companies implement a suite of measures to avoid or reduce insofar as possible the impact of their activity on species and natural environments. Any residual impact is offset by specific ecological restoration measures, especially at motorway worksites. VINCI Autoroutes is thus one of the main ecological engineering programme managers in France: its investment in biodiversity conservation across its network totals €150 million over the past seven years. Ecological engineering is part of the Group's business activity: for example, in 2017, VINCI Construction Terrassement launched the Equo Vivo brand bringing together all its expertise in this area. VINCI Construction also created the Urbalia startup under a partnership with the AgroParisTech engineering school, which provides solutions to incorporate biodiversity into urban development projects. VINCI Airports has introduced a biodiversity assessment and tracking tool at several of its airports.

Biodiversity is also a vital issue in the quarry business, during both the operation phase and the site restoration phase following site operation. In 2016, Eurovia renewed its partnership with France's Natural History Museum (MNHN). Since 2012, the MNHN has been working with Eurovia to scientifically assess quarry potential using an ecological quality indicator (IQE), which is already applied at nearly 30 sites, and to determine the measures needed to conserve biodiversity and provide a favourable environment for new plant and animal species at each site. In addition to the MNHN, local partners have been trained and authorised to use this methodology.

CUSTOMER AWARENESS

All the rest areas throughout the VINCI Autoroutes network have waste sorting bins. Each year, VINCI Autoroutes runs campaigns to encourage its customers to use these bins and to adopt environmentally responsible behaviour as a general rule.

Engaging in an ethical and long-term relationship with regions and our stakeholders

VINCI MANIFESTO COMMITMENTS

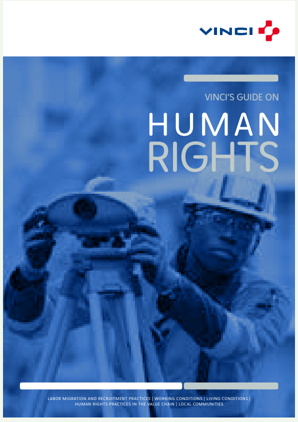
"WE COMMIT TO ENSURING TOTAL TRANSPARENCY IN OUR OWN PRACTICES AND IN THOSE OF OUR SUBCONTRACTORS."

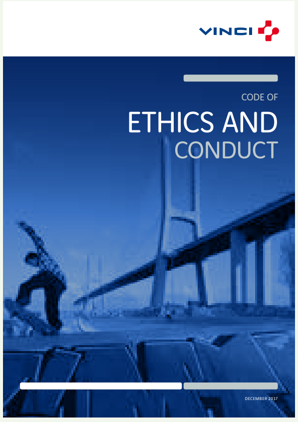
"WE COMMIT TO PROMOTING OUTREACH AND CONSULTATION IN CONDUCTING OUR PROJECTS TO ENSURE THAT OUR PARTNERS ARE CLOSELY INVOLVED."

VINCI's projects are conducted in accordance with ethical principles and the protection of human rights, which are non-negotiable for the Group. Because stakeholder support is increasingly a determining factor, project implementation relies on systematic consultation and dialogue under a co-constructive approach with regional stakeholders.

ETHICS AND COMPLIANCE

- Extending its Manifesto commitments, VINCI is developing new ways to promote and implement ethical principles in its activities. Numerous entities have created their own standards and training programmes in this area. At the Group level, the Code of Ethics and Conduct was revised in 2017 in order to adapt it to the French law relating to transparency, anti-corruption measures and the modernisation of economic life, referred to as the Sapin 2 Act. Applicable since 2010 in its initial version, this Code sets out the rules of conduct applicable to all Group companies and employees who undertake to abide by its provisions when hired. It is additional to the anti-corruption code of conduct used as a training document for this particular subject.
- The monitoring process for ethical behaviour was stepped up in 2017 in light of the changes to the duty of vigilance for both companies and contracting authorities. This process is now coordinated at the Group level by a specific department reporting to the General Management and supported in its work by the network of Ethics and Compliance managers and officers within the various entities.





CODE OF ETHICS AND CONDUCT: DIRECT RECIPIENTS WHO HAVE ACKNOWLEDGED RECEIPT

2017
98%

RESPECT FOR HUMAN RIGHTS

- VINCI has for many years been committed to supporting and promoting human rights within its businesses. To explain the rules relative to this commitment, VINCI's Guide on Human Rights was widely distributed to Group companies and their partners and made available online on the VINCI website. These guidelines are the result of two years of joint efforts between the human resources departments and operational representatives from across the entire Group. This in-depth work identified the main areas where VINCI activities can have a significant impact on human rights, and defined a set of shared guidelines applicable by all entities whatever their business or location. Additional tools are currently being developed to raise employee awareness and to provide appropriate answers to the various areas in which the Group operates, taking local issues directly into account.
- In Qatar, VINCI QDVC (VINCI Construction's Qatari subsidiary) and Building and Wood Worker's International (BWI) signed an agreement in November 2017 concerning human rights in the workplace, accommodation, equal hiring conditions and workers' rights. This agreement applies to all QDVC employees in Qatar and provides for a due diligence process for subcontractors. It introduces an extended supervision, inspection and audit system under the authority of a reference group comprising representatives of the three parties. This is the first agreement of this type agreed between a union federation and a Qatari company.
- A partner of various union networks and institutions, VINCI is also a founding member of the Building Responsibly collaborative initiative promoting research into solutions at the sector level, and has also joined the Leadership Group for Responsible Recruitment.

RELATIONS WITH STAKEHOLDERS

- In the regions, dialogue starts in the early stages of projects with numerous local stakeholders (non-profits, actors in the local economy, public employment and training services, local residents, etc.). During the works phase, it is increasingly commonplace to create specific positions for liaison officers who develop close relations with local residents and organise dialogue and information platforms. Such initiatives were introduced in particular when transferring the route of the A9 motorway around Montpellier on the VINCI Autoroutes network, as well as by VINCI Construction for the HEB Construction worksites in the New Zealand, and Entrepose in Nigeria and Algeria. In the case of concession companies, these local relations continue even after the works have been completed, once the operation teams take over from the construction teams.
- Dialogue with the stakeholders is facilitated by digital tools. For example, one Eurovia entity located in Lille, France, under a partnership with the startup Tymate, devised a smart planning solution that informs local residents of the precise dates that road resurfacing work is to be carried out and also provides this information on variable message boards. To improve the acceptability of projects, VINCI companies also develop tools to analyse their socioeconomic impact. An observatory created by the concession company LISEA during the construction of the South Europe Atlantic high-speed rail line between Tours and Bordeaux, was tasked with analysing the effect on employment, the economy and mobility practices in the regions served for a period of 10 years following the line's commissioning. Tools of this type are also used to develop proposals for public tenders, such as for the Grand Paris Express projects.

Encourage our teams' professional fulfilment

VINCI MANIFESTO COMMITMENTS

"WE COMMIT TO SUPPORTING THE CIVIC ENGAGEMENT OF OUR EMPLOYEES AND TO DIVERSIFYING OUR MANAGEMENT STAFF TO INCLUDE MORE WOMEN AND PEOPLE OF DIVERSE ORIGINS."

"WE COMMIT TO PROPOSING TRAINING AND JOB MOBILITY OPPORTUNITIES FOR ALL OUR EMPLOYEES IN ORDER TO PROMOTE SUSTAINABLE EMPLOYABILITY."

VINCI implements a concerted social policy aimed at recruiting and retaining talented individuals within the Group, which had a total of 194,428 employees worldwide at 31 December 2017. Employee training, sharing the benefits of performance as well as initiatives to encourage integration and diversity are all part of the commitments to employees expressed in the VINCI Manifesto. They are all aspects supporting the Group's attractiveness and the development of its human resources.

EMPLOYEE UPSKILLING

- Driven by an upturn in business and international development in 2017, VINCI companies ran numerous recruitment initiatives. A campaign to promote the VINCI employer brand was launched to enhance the Group's appeal among young talent and boost the engagement of recent hires. The core essence of the message is to emphasise human qualities that reflect the Group's values and managerial vision *(see photo, page 43)*.
- VINCI employees benefited from around 3.5 million hours of training in 2017, an average of 18 hours per employee. This training is in part provided by internal centres in order to pass on the technical and cultural fundamentals of the various Group companies. Digital technology is used to speed up this approach by enabling remote upskilling as international business grows. The VINCI business lines enhanced their e-learning websites in 2017 with more digital features. Company social networks also promote the sharing of best practices and the development of expertise.
- Some training is designed to facilitate internal mobility and so retain the expertise acquired within the Group. Developed in 2017 for the Grand Paris Express worksites, the City under the city training programme encourages employees initially trained to work on civil engineering structures to transfer skills to underground activities. In 2017, 270 VINCI Autoroutes employees took advantage of a "bridge" programme to enable them to move towards other jobs and business segments. They were provided with a comprehensive support pathway as part of the transformation of motorway operation businesses. This policy encourages employee mobility in a company where the average length of service exceeds 21 years and with a particularly low rate of employee churn (3.7%).
- Given their international growth, VINCI companies provide their employees with support programmes to encourage mobility in line with their career path. VINCI Mobility also facilitates the international careers of VINCI Construction employees by providing them with long-term employment contracts and continuous welfare protection when they change country, subsidiary or worksite assignment.

SHARING THE BENEFITS OF PERFORMANCE

Employee engagement is in particular encouraged by a series of programmes that involve them in the economic performance of their company and the Group. In France, almost 97% of employees benefited from profit-sharing and/or incentive plans in 2017. VINCI also has an employee savings plan, called Castor, which has been widely and continuously supported since it was introduced in 1995, reflecting the trust that employees have in the Group. At the end of 2017, more than 122,000 employees and former employees (France and internationally) were VINCI shareholders through employee savings plans. Collectively, they owned 8.8% of the company's share capital and as such are VINCI's main group of shareholders.

DIVERSITY

- VINCI is convinced that diversity in employee profiles is a source of value for the company, especially given the complexity of the projects conducted in both France and around the world. The Group's companies are committed to promoting equal opportunity and preventing any form of discrimination in the course of their business activities. The diversity network which leads the Group's diversity policy, now has 208 members with the number outside France having increased fivefold in 2017.
- The percentage of women in managerial positions was 19.3% at end-2017. The target of 25% by 2020 has already been exceeded by VINCI Autoroutes, VINCI Concessions and VINCI Immobilier.
- There were 3,901 disabled employees at the end of 2017. The business outsourced to companies employing a majority of disabled people totalled

FONDATION VINCI POUR LA CITÉ: NUMBER OF EMPLOYEE SPONSORS

2016
252

+38%

2017
347

AVERAGE HOURS OF TRAINING PER EMPLOYEE

18
hours
in 2017

€5.9 million in revenue. In metropolitan France, Trajeo'h works with Group companies to redeploy or recruit disabled employees. In 2017, it assisted 465 people into a new professional position.
- The hiring and training of young people aged under 25 is one aspect of the Group's diversity policy, backed by a culture of tutorship that has historically been part of its businesses. For example, young engineers hired by VINCI Environnement are coached by a tutor from the technical division as part of a 12-month programme enabling them to learn about the company's various businesses and the range of its expertise.

INTEGRATION OF THE LONG-TERM UNEMPLOYED

The hiring and training of employees under integration programmes is a specific area of expertise within the Group. It is recognised by its customers, in particular because of its integrated ViE (VINCI Insertion Emploi) social enterprise. Employees on integration programmes benefit from specific support designed to assist with their integration at worksites and, for some of them, within the Group companies. Support for the long-term unemployed is also a major issue addressed in the Grand Paris Express projects for which a dedicated unit was created in 2017.

CITIZENSHIP

- Employees' civic engagement helps drive their motivation at their company and within the Group. For the past 15 years, the Fondation d'Entreprise VINCI pour la Cité has been supporting non-profit projects suggested by employees who want to donate their skills to combat social exclusion. In 2017, 332 projects were supported by the 12 Group foundations and sponsored by more than 460 employees.
- Numerous initiatives are also taken by the business lines or companies together with their employees. For example, for the Grand Paris Express projects, VINCI companies conducting work on this project developed the Chantiers et territoires solidaires fund in 2017, a corporate sponsorship plan to assist local general interest projects, especially in the area of access to employment and support for entrepreneurialism. As part of the SolidariTerr' programme, VINCI Construction Terrassement volunteer employees devote at least one day a year from their work time to supporting a non-profit. VINCI Energies' employees assist young people experiencing difficulties in order to improve their digital skills.

CONCESSIONS

Concessions are central to the Group's integrated approach and growth curve. They are also the cornerstone of its recurring revenue and resilience. In France, the Group is market leader in motorway concessions via VINCI Autoroutes, and in stadiums via VINCI Stadium. VINCI Concessions, meanwhile, operates the South Europe Atlantic high-speed rail line – after having financed and built it – along with 12 airports, including Lyon-Saint Exupéry. In the international arena, VINCI Concessions is driving the development of the Group's concession portfolio, as witnessed by the strong growth of VINCI Airports, now one of the world's top five airport operators, and VINCI Highways, which operates in some 10 countries in Europe and the Americas.

VINCI AUTOROUTES

INVESTING AND TAKING ACTION IN MOBILITY SERVICES

As a partner to the French government and local authorities, VINCI Autoroutes serves 10 regions in France, 45 administrative departments, 14 major cities, over 100 towns with a population of more than 10,000 and thousands of rural communities located near its motorway network under concession, which measures 4,443 km. By linking regions together and promoting new uses of motorways, VINCI Autoroutes is contributing to the development of inclusive, connected and safe mobility, a catalyst for economic and social cohesion.

ECONOMIC DATA

— *Traffic and revenue*

— Traffic on the VINCI Autoroutes network continued to increase (1.7%) in 2017, confirming the trend in 2016. Growth was 1.3% for light-vehicle traffic and 4.3% for heavy-vehicle traffic. Benefiting from an upturn in Europe's economy, heavy-vehicle traffic returned to levels reached before the financial crisis in the late 2000s.

Traffic growth and the increase in toll prices applied on 1 February 2017, in accordance with concession contract price clauses, boosted revenue by 3.2% to €5.3 billion. In parallel, continuous efforts to improve operational performance, drawing in particular on digital technology to optimise operations in each business sector, raised Ebitda margin to 73.0%.

— *Investment*

— The level of investment remained high at €719 million. Most investments went towards road widening, network upgrades and environmental performance improvements. These works were carried out either under the concession companies' master plans or the motorway stimulus plan signed with the French government in 2015 in exchange for an extension to the concession contracts. Implementation of the stimulus plan ramped up in 2017 and represented an investment of almost €2 billion for VINCI Autoroutes, of which more than 40% had been spent by the end of 2017.

In the wake of that plan, an agreement on a new motorway investment plan was established with the French government in January 2017. It covers a series of projects selected by the government in conjunction with local authorities. As part of the extension of intercity networks, the projects aim for example to improve access to major urban areas and the connection between motorways and regions. The agreement, currently being finalised, provides for 24 projects on VINCI Autoroutes' network, representing an investment of more than €400 million.

— *Debt*

— At 31 December 2017, the net financial debt of VINCI Autoroutes' companies amounted to €21.0 billion, down €1.4 billion year on year. Taking advantage of very favourable market conditions, ASF, Cofiroute and Arcour (holder of the concession for the A19) carried out four bond issues totalling almost €2.7 billion. These optimised the cost of their debt and extended its average maturity.

1
The VINCI Autoroutes network comprises almost 4,500 km of motorways in the west and south of France (above, the A11 linking the Paris region to Nantes).

2
Works to widen the A63 to a three-lane dual carriageway between Ondres and Saint Geours de Maremne, carried out thanks to investment under the motorway stimulus plan.

MOTORWAY PROJECTS
IN FULL BIM

Since 2017, VINCI Autoroutes has been testing the full Building Information Modelling (BIM) process on major road widening projects, notably the A63. Unlike in the construction sector, BIM is still the exception rather than the rule for linear infrastructure projects. Using full BIM, data consolidated during the study phase is fed into the design and dialogue about the digital model throughout the works phase, thereby improving collaboration between all project stakeholders. This information is also used to plan and optimise infrastructure maintenance throughout its life cycle.

ELECTRIC VEHICLES
ON THE MOTORWAY

During the 2017 Étapes Estivales, VINCI Autoroutes organised the first motorway road trip for electric vehicles, in partnership with Sodetrel and BlaBlaCar. The event, which covered 1,000 km of motorway, confirmed that, contrary to popular belief, electric mobility is not just for urban travel. There are already 72 rapid charging stations in service areas on the VINCI Autoroutes network, installed as part of the Corri-Door project. In addition, VINCI Autoroutes hosted the start and several stages of the third France Électrique Tour in October 2017.

Rerouting the A9 near Montpellier, the biggest motorway project in France in the past five years.

INFRASTRUCTURE

— A great deal of construction work was carried out in 2017, with 549 projects ongoing or under review during the year: 303 on ASF's network, 149 on Cofiroute's network and 97 on Escota's network. Together, these made VINCI Autoroutes one of France's leading private programme managers of public works. The programme management activity sector employs more than 200 people, working in the construction department or operations departments located near the main sites. They are responsible for project governance, consultation with all stakeholders and works organisation. The sector also participates in the development of new digital tools, which improve coordination of everyone involved in a given project *(see box, page 49)*.

— *New sections*

A9 AT MONTPELLIER. Work on rerouting the A9 near Montpellier, the biggest motorway project in France in the past five years, was completed in 2017. The new peri-urban infrastructure was opened to traffic at the end of May, more than six months ahead of the contractual schedule. The project, which represented an investment of almost €800 million for VINCI Autoroutes, consisted of separating transit and local traffic – the road is used by an average of 100,000 vehicles a day – by building a new 12 km section to the south of Montpellier and widening the existing motorway over 13 km to the east and west of the urban area, making it 4 x 3 lanes instead of a three-lane dual carriageway. The works employed up to 1,500 people at any one time from 300 companies; 500 local jobs were allocated for the most part to long-term unemployed people. This project, which garnered increasing support as it developed and the consultation process advanced, symbolises the new generation of peri-urban infrastructure that reconciles the motorway with the city.

WESTERN STRASBOURG BYPASS. Under the terms of a 54-year concession contract, VINCI has been building the western Strasbourg bypass (A355) since January 2016, which it will operate on completion of the works. The 24 km infrastructure will provide a new north-south itinerary and separate transit and local traffic to limit the recurring congestion on the A35 and improve road safety.

In two years, over 200 meetings have been held with all project stakeholders. Environmental measures, developed in collaboration with 36 ecologists, were described in a dossier of over 4,000 pages and presented twice to France's National Nature Conservation Council (CNPN). As part of these measures, concession holder Arcos will finance the construction of two viaducts and 25 water retention ponds to guarantee the infrastructure's hydraulic transparency, 120 ecological transparency structures (crossings for large and small animals) and implement offset measures over more than 1,000 hectares – i.e. an area four times greater than the motorway land take – to conserve water and biodiversity. On 23 January 2018, the French government announced an eight-year extension to the public interest decision and its intention to apply the environmental single permit procedure, based on CNPN's opinion.

A45. A consortium set up by VINCI was named the preferred bidder for the A45 in 2016; the public interest decision was announced in 2008. The new 47 km motorway is to run between Saint Étienne and Lyon, doubling the capacity of the existing A47 to relieve traffic congestion. The project, supported by the French rail and road activities regulation authority (Arafer) in October 2016, was still awaiting the government's final decision at the end of 2017.

— *Road widening*

— Road widening projects under way during the year covered a total of 185 km of motorways (114 km on ASF's network, 51 km on Cofiroute's, and 20 km on Escota's). The projects started under the motorway stimulus plan are:

- on the A9, the 9 km section between Le Boulou and the Spanish border, the last on this corridor with only two lanes. Works began in 2016 and continued in 2017. The Perpignan North–Le Boulou section (31 km) had been widened in previous years;
- on the A63, the 27 km section between Ondres and Saint Geours de Maremne. Works started in the autumn and will involve 600 people over the duration of the project. Their launch coincided with the completion of the widening works on the 22 km section between Biarritz and Biriatou, located on the Spanish border;
- on the A10, a 16 km section to the north of Orléans and a 24 km section to the south of Tours. Both projects are in the study and consultation phase, conducted mainly in the form of joint construction workshops with stakeholders;
- on the A61, the entire section between the A66 and A9 (118 km) for studies and administrative procedures relating to the public interest decision. Works concern the sections located at the two ends of this corridor: between the A61/A66 junction and the Port Lauragais service areas, and between the Lézignan–Corbières interchange and the A61/A9 junction at Narbonne;
- on the A46 South, the section of this corridor serving the eastern suburbs of Lyon: the motorway stimulus plan is financing the pre-widening works studies;
- on the A57, a 7 km section through Toulon, operated by Escota since 2016. In the study and consultation phase in 2017, this complex project, to be carried out in a densely populated environment, is scheduled to start in 2020.

The following road widening and upgrade projects included in the concession companies' master plans are currently under way:

- on the A10 to the south of Tours, between Chambray lès Tours and Veigné (6 km);
- on the A85: doubling the capacity of six viaducts between Vierzon and Angers;
- on the A52 to the north of Aubagne, between Roquevaire and La Bouilladisse to widen the 8 km section and create a new interchange.

— *Peri-urban infrastructure*

— Apart from upgrade work carried out on behalf of the French government and included in the concession contracts, other projects also involve local authorities. The motorway investment plan provides for the creation of 18 interchanges to improve service in urban and peri-urban areas.
As a forerunner of this type of upgrade, the new Borderouge interchange was officially opened on the eastern Toulouse bypass (A61). Jointly financed by the government, regional authorities and VINCI, it is part of an overall programme to improve the transport infrastructure in and around Toulouse.

— *Environmental upgrades*

— A significant proportion of works carried out on the VINCI Autoroutes network is related to protecting the environment. All motorway construction or widening projects feature comprehensive biodiversity programmes, designed and jointly managed by VINCI Autoroutes' programme management teams and ecologists from specialist design offices or environmental non-profit organisations. The rerouting of the A9 near Montpellier, for example, led to the acquisition of 60 hectares of scrubland and almost 10 hectares of wetland to help conserve 28 protected species.

In parallel with major projects, targeted upgrades are carried out to improve the environmental performance of motorways, particularly on the oldest sections, by applying the latest scientific expertise in ecological engineering. The motorway stimulus plan, for instance, is financing a series of projects in 31 administrative departments. These include the creation of six animal crossings over the motorway, around 100 underpass tunnels for small animals, engineering structures to protect aquatic environments and 22,600 sq. metres of noise barriers. These upgrade projects follow on from those already carried out under the green motorway package (2010–2013) or the concession companies' master plans. In seven years, VINCI Autoroutes has invested €150 million in conserving biodiversity, making the company one of France's leading ecological engineering programme managers.

Next-generation crossing for large animals over the A10 in south-western France, ensuring the ecological continuum of the Landes forest.

Collaboration with people and organisations active in the environment sector focuses mainly on analysing and monitoring the usage of infrastructure to ensure ecological connectivity. VINCI Autoroutes also supports France's Bird Protection League (LPO) through a three-year sponsorship agreement for the rollout of its environmental database (Faune France) and the implementation of environmental protection projects proposed by local LPO chapters. To conserve biodiversity across the 28,500 hectares of green spaces around its network, VINCI Autoroutes has introduced robust management measures that have enabled it to reduce its consumption of phytosanitary products by 61% since 2008.

OPERATION

— VINCI Autoroutes' goal is to offer its customers a journey experience of the highest standard by giving them access to a complete palette of mobility services.

SAFETY. The basic premise of this service is to enable customers to travel, in optimal conditions of safety and free-flowing traffic, on motorways maintained to the best operating standards and under the constant eye of operations teams. The maintenance and safety sector has more than 2,000 employees, whose work is coordinated by 21 operations control centres equipped with top quality traffic management systems. The most visible of these motorway professionals are the "men and women in yellow" for the colour of their uniforms, who are ready to take immediate action and offer assistance in the event of accidents or breakdowns, to pick up any objects that have fallen onto traffic lanes, and to establish temporary traffic management areas. They are also the most exposed to dangerous driving: 88 service vehicles were hit on the VINCI Autoroutes network in 2017. In an endeavour to instil a sense of responsibility into drivers and the general public, two national awareness days were organised on 20 and 21 October 2017 by French motorway companies and the Directions Interdépartmentales des Routes.

INFORMATION. Motorway information contributes to both the safety and comfort of drivers and their passengers on the road. VINCI Autoroutes supports customers in their preparations and throughout their journeys by providing a complete range of media and information services: Radio VINCI Autoroutes, the benchmark for quality news and traffic information; 3605, the 24/7 customer service help line; the vinci-autoroutes.com website and VINCI Autoroutes app; the Twitter traffic news accounts by major corridor (11 were launched in 2017), with real-time information updated by teams working at motorway operations control centres. To optimise the overall performance of these measures, a convergence programme was started in 2017. This will, in synch with the digital transformation of motorway jobs and systems, lead to smoother communications between VINCI Autoroutes' component parts and increase the speed with which information is collected, processed and disseminated for the benefit of motorway customers.

CARPOOLING. This is an integral part of VINCI Autoroutes' mobility services. Through its partnership with BlaBlaCar and the Temps Libre carpooling service, VINCI Autoroutes' electronic toll collection (ETC) customers pay no service fees as long as they book one carpooling trip a month on BlaBlaCar and undertake it on motorways. Over 112,000 BlaBlaCar subscriber-members have signed up to this service since its launch. In 2017, VINCI Autoroutes also supported the launch of the BlaBlaLines app, which is based on a carpooling "line" concept applied to shorter distance commuter journeys, by launching a trial of the app on the Toulouse–Montauban corridor (A62), in partnership with BlaBlaCar.

In addition, VINCI Autoroutes is encouraging carpooling on the motorway by providing special parking facilities at the network entrance and exit, generally in partnership with local authorities. Around 30 of these car parks are in operation, totalling almost 2,500 spaces. An Ipsos survey carried out on behalf of VINCI Autoroutes, coupled with a field survey of users of the company's carpooling parking facilities on its network, revealed continuous growth of carpooling for business travel – 27% of people interviewed had already used the service to go to or from work – and the usefulness of motorway car parks in the development of this practice: 45% of people parking in the facilities carpool at least once a week, and 81% do so for journeys related to their work.

REST AND SERVICE AREAS. The programme to upgrade 120 rest and service areas on VINCI Autoroutes' network neared completion in 2017. In addition to building refurbishment and redevelopment of surrounding areas, the company broadened the range of its retail services by introducing new brands, and rolled out free high-speed Wi-Fi (30 sites offer continuity of VINCI Autoroutes service and high-speed Wi-Fi access is also provided by the retail brands). Communication technologies are also improving the quality of service at rest areas. In partnership with Orange, for instance, VINCI Autoroutes trialled a remote equipment maintenance system (toilet facilities, waste containers, parking spaces, etc.) through a network of sensors feeding back the necessary information to the operations control centres.

During holiday periods, VINCI Autoroutes organises numerous events at its rest and service areas to encourage drivers to take regular breaks on their journeys. Some 2,000 VINCI Autoroutes employees participated in the 2017 Étapes Estivales summer programme at 36 sites on the network. With the support of Radio VINCI Autoroutes and other partners, they welcomed holiday-makers to the relaxation areas and proposed a variety of activities devoted to sport, culture and the environment, as well as road safety, with the participation of the VINCI Autoroutes Foundation for Responsible Driving.

SALIVARY MARKERS
OF SLEEP DEPRIVATION

As part of its scientific research programme into drowsiness and inattentiveness at the wheel, the VINCI Autoroutes Foundation for Responsible Driving published a ground-breaking study on biological screening for sleep deprivation. Research carried out in laboratory conditions by the Hôtel Dieu Sleep Centre and Paris Descartes University revealed that partial sleep deprivation during two consecutive nights modified the biological markers in saliva. It also confirmed that, over and beyond drowsiness, sleep deprivation increases levels of inattentiveness and stress.

ELECTRONIC TOLL COLLECTION. The increase in the number of non-stop 30 km/h lanes at the main toll plazas on the network promoted further and brisker development of ETC. Over 588,000 new tags were sold, representing 13.2% growth in the number of tags in service. Marketing campaigns with partners, mainly in the car and tourism industries, contributed to this momentum by giving VINCI Autoroutes ETC subscribers special offers.

In 2017, VINCI Autoroutes tested contactless payment by non-ETC subscribers at around 20 toll lanes on the ASF network with a view to rolling it out to its other networks in 2018. Once they have installed the app, drivers can use this system to pay tolls simply by waving their smartphone in front of the reader, converting their device into a payment tool.

INNOVATION

— Connectivity is becoming a key characteristic of the mobility universe. VINCI Autoroutes' customers are now connected motorists, their cars are communicating objects, and the exchange of data in real time between vehicles, users and the motorway infrastructure is opening the way to new services. Some are already part of daily life such as driver assistance systems and these are the forerunners to future autonomous mobility developments.

This sea change is currently transforming VINCI Autoroutes' role and business activity, converting it into a mobility services operator beyond its role as a transport infrastructure operator. Against this backdrop, VINCI Autoroutes intensified its innovation drive in 2017 by getting its teams more involved. The aim is to have all its employees take ownership of the digital revolution in the same way as its customers have.

To that end, VINCI Autoroutes created the Digital Factory. Its three-stage approach – concept development, incubation and marketing – promotes strong involvement on the part of employees. The innovations coming out of the Digital Factory target both optimisation of operations in each activity sector (for example, the use of new facial recognition technologies to identify vehicle categories at the tolls more efficiently) and identification of new service ideas. Simultaneously, as part of the Tous Connectés (everyone connected) programme, VINCI Autoroutes now covers its employees' access to mobile tools and services. The company has launched H24 applications (internal collaborative media) for them, as well as Mona Lisa in the field of human resources.

1
Specially trained in winter maintenance, VINCI Autoroutes' operations teams are equipped with almost 700 gritting and snow-removal machines (above, on the A10 in the Greater Paris area).

2
Employees participating in a concept development workshop run by the Digital Factory, a new VINCI Autoroutes lab focusing on collaborative digital innovation.

→
As part of its digital innovation policy, VINCI Autoroutes is testing this "connected van" with new equipment designed to increase the safety of the men and women in yellow who work on the motorway: 5 metre pole with 360 degree camera, camera at the rear of the vehicle with image displayed on the smartphone of the person in yellow, and on-board computer and Wi-Fi antenna to save and transmit images to the safety control centre.


ASF

VINCI AIRPORTS

CONTRIBUTING TO SUSTAINABLE GROWTH IN COMMUNITIES

VINCI Airports draws on its expertise as a full-service provider and the commitment of its 12,000 employees to develop, finance, build and operate airports. It offers its investment capacity, international network and know-how to optimise the management and performance of existing airports and carry out new-build projects. Ranking among the world's top five airport operators and active in seven countries, VINCI Airports manages 35 airports, serving 157 million passengers in 2017.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CS-TPO

In 2017 VINCI Airports built on its strong growth trajectory, making further gains thanks to record growth in traffic in its airports and expansion of its international network.

VINCI Airports revenue rose 33.5% to €1.4 billion, with organic growth from sustained development of activity in airports already under operation accounting for 13.7%. 2017 was also an eventful year in terms of acquisitions and network extensions, with full-year operation of the Lyon airports in France and the acquisition of new concessions, in Japan (Kobe), Brazil (Salvador de Bahia) and, at the beginning of 2018, in Serbia (Belgrade).

GROWTH IN TRAFFIC AND REGIONAL DEVELOPMENT

— Altogether, 156.6 million passengers were welcomed at airports in the VINCI Airports network. Following growth of 10% in 2016, total traffic rose by 12.4% on a like-for-like network base, about double the world average. This trend was evident in all countries where VINCI Airports operates. Buoyed by favourable trends in global air transport, this increase also reflects the proactive traffic development policy aimed at airline companies, with 272 new routes opened during the year. By end-2017, VINCI Airports was working with 218 regular airlines (including 18 new companies in 2017), over 90 charter companies and 300 tour operators. VINCI Airports marketing teams organised around 2,400 business meetings with these partners during the year, providing them with sophisticated data and analyses that help them develop their business in liaison with each airport.

The expertise developed across the network goes hand in hand with strong local roots. In harmony with the Group's culture, VINCI Airports works on a long-term view in each country or region in which it operates, nurturing close relations with the different stakeholders to ensure that each airport plays an integral part in enhancing the attractiveness and economic development of its region. A striking example of this approach is Cambodia, where for over 20 years VINCI Airports has been supporting the country's efforts to open its borders and further its economic and social development. This deep relationship with the host region is empowered, at human resources level, by VINCI's global experience in integrating new companies and new teams, combining local culture and the Group's management model.

NON-AVIATION ACTIVITIES

— Shops and services add to passengers' comfort and general well-being while also generating income amounting to over 25% of total revenue. As for traffic development, VINCI Airports implements a proactive policy in this area.

Airport extension and redevelopment programmes that improve the user experience, organisation of operations and smooth passenger pathways are also an opportunity to refresh the retail offering, in particular by showcasing regional products and resources.

2017 saw the inauguration of new terminals in the airports of Kansai in Japan, Faro in Portugal, Phnom Penh in Cambodia and Lyon in France. Over and above major extension-redevelopment programmes, the expertise of non-aviation marketing teams helps all the network's airports optimise passenger flows in retail areas while at the same time improving the offering by installing shops and services suited to each airport's customer base.

INNOVATION

— VINCI Airports' innovation policy gets both employees and outside partners involved to improve day-to-day operations and develop passenger services, relying in particular on digital technologies. The creativity of employees was illustrated in two VINCI 2017 Innovation Awards prizes, one for I-Sense, a passenger flow management solution that reduces waiting time at checkpoints by 20%, and another for the "See you later" service, which lets passengers retrieve objects prohibited in the cabin and confiscated on boarding after they return home.

At the same time, partnerships with startups foster the development of new services that improve the passenger experience. Selected through events such as the VINCI Airports Innovation Challenge *(see box, page 65)*, these services are often incubated and trialled on the local level before being rolled out more broadly. By way of example, the Portuguese startup Business in the Air, supported by VINCI Airports, designed a service enabling passengers to use the time they spend in the airport to develop new business opportunities. This service is now available in the Lisbon and Porto airports through an application provided by ANA, the VINCI Airports network in Portugal.

— *Japan*

— As a confirmation of its successful move into Japan, VINCI Airports, in collaboration with its Japanese partner Orix, was awarded the airport concession by the city of Kobe. The 42-year contract, signed in September 2017, will take effect in April 2018. Built on an artificial island in Osaka Bay, the Kobe airport, opened in 2006, is the third airport in the Kansai region. The two others – Kansai and Osaka – have been managed since April 2016 by a consortium comprising VINCI Airports and its Japanese partner Orix under the first airport concession ever awarded in Japan, for a term of 44 years.

1

Retail spaces in the VINCI Airports network showcase regional products, as here, in the Lyon-Saint Exupéry Airport.

2

In 2017, for the first time, the three international Cambodian airports broke through the 8 million passenger mark, welcoming 8.8 million passengers over the 12-month period (up 25.1%).

1

2

The two partners can now deploy an integrated approach to serve the region's three major cities – Osaka, Kobe and Kyoto – and drive their economic and tourism development.

Traffic in the two airports currently in operation rose 8.5% over the year to 43.6 million passengers. The new terminal 2 at Kansai, dedicated to international links, was brought into service at the beginning of the year. It doubled the airport's total surface area and introduced for the first time in Japan the walkthrough duty free concept for an enhanced shopping experience. At the international Passenger Terminal Expo in Stockholm, Kansai won the award as the world's best airport for luggage delivery.

— *Portugal*

— 2017 was another year of record growth for ANA, the wholly-owned VINCI Airports subsidiary that holds the concession for the country's 10 airports until 2063. Traffic increased by 16.5% on average and rose over the 50 million passenger mark, including 26.7 million for Humberto Delgado Airport in Lisbon. Other ANA airports also exceeded annual passenger thresholds: 3 million for Madeira, 8 million for Faro and 10 million for Porto. Since VINCI Airports' takeover of ANA in 2013, these four airports have undergone substantial upgrades. A new terminal was brought into service in July 2017 at Faro, with €33 million invested in extensions to support the airport's development over the next few years. The airport in Porto, reconfigured in 2016, was named Europe's best airport in the 5 to 10 million passenger category at the Airport Service Quality Awards.

Taking a long-term view and anticipating future growth of the Lisbon international hub, where traffic has increased by almost 80% since the privatisation, ANA proposed a development plan to the Portuguese government. A draft agreement was signed by the two partners at the beginning of the year. It provides for an integrated solution that entails optimising use of Humberto Delgado Airport, on the one hand, and using the Montijo military base for civil aviation, on the other hand, building a second airport to release additional capacity.

In the non-aviation sphere, in July 2017 VINCI Airports acquired 51% of Lojas Francas de Portugal (LFP), national leader in airport retail and subsidiary of the Dufry Group, a world player in the sector, which retains 49% of the capital. LFP operates 31 shops in seven of the 10 Portuguese airports managed by ANA, representing approximately 7,500 sq. metres of retail space. This deal enables VINCI Airports to bolster its expertise in an activity that complements its airport operator business and offers strong growth potential.

Lastly, relying on ANA's experience in Portuguese-speaking countries, VINCI Airports has offered its airport management expertise to the Cabo Verde government: a draft agreement has been signed to conduct an audit and propose a new management model for the international airport located in the capital, Praia.

— *Cambodia*

— VINCI Airports has been supporting sharp economic and tourism growth in Cambodia since the middle of the 1990s through ongoing development of the country's three international airports.

1
In March 2017, VINCI Airports won the concession for Deputado Luís Eduardo Magalhães International Airport in Salvador de Bahia, Brazil, and became official operator on 2 January 2018.

2
With an investment amounting to €32.8 million, the enlargement and renovation works at Faro airport represent the biggest operation carried out by VINCI Airports in Portugal since the acquisition of ANA in September 2013.

They serve Phnom Penh, the capital, Siem Reap near the Angkor temples, and Sihanoukville, a new beach destination in the Gulf of Thailand. Traffic in these three airports rose 25.1% in 2017, with over 4 million passengers welcomed for the year in Phnom Penh and Siem Reap. New international terminals opened at both of these airports in 2016, doubling their capacity and allowing them to achieve the highest quality of service standards. On top of this first phase of investment, amounting to $100 million, extension work was also carried out on the domestic terminal of the Phnom Penh airport. The works, completed in December 2017, were executed by a joint venture led by VINCI Construction Grands Projets. Extension works are also under way in Sihanoukville to boost this airport's passenger capacity from 150,000 currently to 500,000 a year.

— *Dominican Republic*

— VINCI Airports has been operating six of the Dominican Republic's nine airports since 2016, under a concession contract running until 2030: Las Américas international airport, which serves the capital Santo Domingo; Gregorio Luperón in Puerto Plata, gateway to the island's second most popular tourist destination; the Presidente Juan Bosch and Arroyo Barril airports in Samaná, and La Isabela and María Montez airports in Santo Domingo and Barahona respectively. In 2017 these six airports handled a total of 5.1 million passengers, 3.9 million of them in Santo Domingo. In line with VINCI Airports policy, in 2017 they were equipped with free unlimited Wi-Fi access, a service already rolled out in all the network airports in previous years. At the 2017 Airport Service Quality Awards, the Puerto Plata airport was named the best airport serving under 2 million passengers per year in Latin America and the Caribbean.

— *Chile*

— VINCI Airports has held the concession for the Santiago-Arturo Merino Benítez Airport since 2015, in the framework of a consortium with Aéroports de Paris and the Italian construction group Astaldi. Almost 22 million passengers were welcomed in 2017 at this airport, South America's sixth-largest. It caters for almost all international flights to and from Chile, but also handles a strong domestic air travel component given the country's geography.

As part of its contract, the concession consortium is building a new international terminal, for which the foundation stone was laid on 12 September 2017. This vast renovation-extension project, which will increase the airport's passenger capacity to 30 million in 2020, represents an investment of over $900 million. The works are being carried out by a joint venture between VINCI Construction Grands Projets and Astaldi. Covering a total area of 294,000 sq. metres (175,000 sq. metres for the new terminal), this building complex is the largest tackled by VINCI to date outside France. Use of highly sophisticated digital Building Information Modelling (BIM) tools allows the concession holder and the construction joint venture to work to a particularly tight schedule and integrate the new terminal's operating system from the design-build phase.

— *Brazil*

— At the close of the call for tenders on 16 March 2017, Anac, the Brazilian civil aviation authority, awarded the concession for the Deputado Luís Eduardo Magalhães Airport in Salvador de Bahia, the country's ninth-largest, to VINCI Airports. The 30-year concession contract encompasses operation of the airport and extension-renovation of the existing terminal and runways. On completion of two preliminary phases during which VINCI Airports prepared and implemented a transition plan with Infraero, the former public operator, VINCI Airports took over officially as operator on 2 January 2018. During a third and final phase of transition lasting a maximum of six months, the new concession holder will be assisted by Infraero during the gradual handover of operations.

— *Serbia*

— On 6 January 2018, VINCI Airports was named preferred bidder by the Serbian government for Nikola Tesla Airport in Belgrade, the country's largest, which welcomed 5.3 million passengers in 2017. VINCI Airports will handle renovation and extension of the airport and its runways under a 25-year contract. As operator, VINCI Airports will help the flag carrier Air Serbia – which absorbs over 50% of passenger traffic at the airport – to develop new long-haul flights to and from the hub. The contract is expected to be signed in the first quarter of 2018 with the transfer of operations planned for the beginning of 2019.

— *France*

— 2017 was the first full year of operation by VINCI Airports of France's second-largest regional airport, Lyon-Saint Exupéry, following acquisition at end-2016 of 60% of the capital of the concession company Aéroports de Lyon. Traffic at this airport – and at Lyon-Bron, dedicated to business aviation – rose 7.7% over a year to 10.3 million passengers.

To support the development of Lyon-Saint Exupéry Airport and, more broadly, the Lyon conurbation and the Auvergne Rhône Alpes region, France's second-largest region for exports and third-largest hotel base, a new 70,000 sq. metre terminal, doubling the area of the existing airport, was brought into service during the year. This light and functional space, with its modular blueprint designed to adapt to future air transport needs encompassing all types of traffic, improves the quality of service offered to airlines and passengers, who can now enjoy a 10,000 sq. metre relaxation and shopping area.

In the 12 regional airports managed by VINCI Airports in France, passenger numbers rose to 18.2 million. The Nantes Atlantique Airport, second after Lyon-Saint Exupéry in terms of traffic, alone welcomed 5.5 million passengers (up 14.9% over a year).

Regarding the plans to build a new airport near Nantes in western France, on 17 January 2018 the Prime Minister announced the government's decision not to proceed with the project. Talks began with the French government, as concession grantor, to determine and evaluate the contractual and financial consequences of this decision.

Lastly, VINCI Airports has an 8% shareholding in Aéroports de Paris.


Portas de Embarque_Terminal 1
Boarding Gates_Terminal 1
Elevador
Lift
Um passageiro de cada vez
One passenger at a time

Innovation

NANOSENSORS TO ENHANCE

THE PASSENGER EXPERIENCE

The Toulouse-based startup Nanomade, winner of the VINCI Airports 2017 Innovation Challenge organised at the Web Summit held in Lisbon, presented a patented nanosensor technology that makes any surface sensitive to touch and pressure. Nanomade can detect and record the data collected in real time. To develop a solution that will enrich the passenger experience, the startup can draw on the support of VINCI Airports experts. The solution will be embedded mainly in seats in the food court of the Humberto Delgado Airport in Lisbon, to trial the technology in real-life conditions and as such collect data on the area's occupancy rates.

DIGITAL INNOVATION

IN ACTION

As part of its digital innovation policy, VINCI Airports – working with the startup Destygo, which specialises in artificial intelligence applied to the tourism and transport sector – has developed a smart assistant (chatbot) that responds instantaneously to any questions asked by passengers at the Lyon-Saint Exupéry Airport, on its website or on Facebook Messenger. This tool can be used to obtain information on a 24/7 basis. Furthermore, the self-service technology is deployed in some airports to smooth the different stages of the passenger pathway: registration terminals in the Portuguese and Japanese airports, automatic baggage drop-off points in Nantes (France) and Lisbon (Portugal), and eGates for automated boarding pass checks in Lisbon and security checks in Lyon (France) and Lisbon, which will also be testing a biometric-based system to move passengers through the different checkpoints. These new self-service solutions are designed to improve safety and quality of service and handle the steady growth in passenger numbers.

OTHER CONCESSIONS

VINCI HIGHWAYS

OPTIMISING ROAD INFRASTRUCTURE
AROUND THE WORLD

VINCI RAILWAYS

DESIGNING AND OPERATING
NEW RAIL LINKS

VINCI STADIUM

CONNECTING FANS


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ALTURA MÁXIMA

VINCI HIGHWAYS

VINCI Highways, a VINCI Concessions subsidiary, had a busy 2017 in terms of development, programme management and bringing recently won concessions into operation, thereby increasing the density of its network in the Americas as well as in Europe. The subsidiary's revenue rose significantly following the acquisition of Lamsac, the concession operator of the Lima ring road.

— At a time when road mobility challenges are increasing all over the world, VINCI Highways offers the global vision and capacity to take action of an international leader, with 24 concessions, representing a total of over 3,200 km of motorways, bridges, tunnels and urban roads, and a large number of contracts for infrastructure operation and toll services. Its integrated business model, which covers design, financing, construction, operation and services to motorists, is now provided to public authorities in 13 countries. By adapting its international know-how to the specific requirements of each country, VINCI Highways now handles almost 1 million transactions a day in both mature and emerging markets.

EUROPE

— *Germany*

— VINCI Highways strengthened its position as leading motorway concession operator by winning a fourth public-private partnership (PPP) under the A-Modell programme, which aims to finance the modernisation of Germany's motorway network. The new contract is for a period of 30 years and covers the A7-2, which stretches 60 km between the Bockenem and Göttingen interchanges. It represents total financing of €441 million and will enable the renovation of the entire section, including a 29 km segment, which is to be widened to three-lane dual carriageway. The works will be completed within three and a half years by a consortium led by Eurovia. Together, the new PPP and those for the A4, A5 and A9 sections make VINCI Highways operator of a network of 220 km of the country's motorways.

VINCI Concessions is also a shareholder in Toll Collect, which installed and now operates the satellite-based toll collection system for heavy goods vehicles that covers the entire German motorway network. Under an extension to its initial contract, Toll Collect will also cover over 40,000 km of trunk roads from July 2018 through a next-generation electronic toll collection system rolled out in 2017. Tolls collected on behalf of the German government during the year totalled €4.6 billion.

— *Greece*

— Two major projects were completed in 2017: the Athens–Corinth–Patras motorway (201 km) on the east-west corridor across the country, and the Maliakos–Kleidi motorway (230 km) along the east coast. Investment on these two concessions amounted to a total of €2.8 billion. In the turbulent times that Greece has known in recent years, the completion of these two important projects confirms the soundness of the concessions contractual model and the quality of relations established with the Greek government as concession grantor. The worksites to modernise existing sections and build new sections on these two motorways created up to 10,000 jobs at the peak of activity, helping to support the country's economy. Now in operation phase, the motorways have created about 1,000 permanent jobs. Modernised and installed with the latest-generation equipment, the two motorways meet the best European standards for safety and traffic flow.

In addition to the above motorways, VINCI Highways holds the concession for the Charilaos Trikoupis Bridge. Built by the Group in the early 2000s, this major engineering structure links the Peloponnese to the mainland, between the cities of Rion and Antirion.

— *Russia*

— There was significant business development in Russia in 2017. Firstly, through subsidiary UTS, VINCI Highways strengthened its position as leading private motorway operator by winning two new operation contracts: one for a 70 km section of the M3 motorway on the outskirts of Moscow, the other for new sections totalling an additional 359 km on the M11 motorway between Moscow and St Petersburg, for a total of 956 km operated by UTS. As concession holder with Russian partners, VINCI Highways is also participating in the construction of section 0, which starts from Moscow (43 km) and has been in service since 2014, and sections 7 and 8, which start from St Petersburg (138 km), currently under construction. Lastly, on section 0 of the M11 motorway between Moscow and Sheremetyevo International Airport, operated by UTS since it opened to traffic in 2014, an aggressive marketing strategy and the development of electronic toll collection have increased traffic by more than 20%; 14.7 million transactions were recorded on this section during the year.

VINCI Highways also used its expertise in toll technology to support Avtodor, the state-owned company in charge of Russia's motorways, in deploying a system ensuring interoperability of toll systems across the network: motorists can now travel non-stop over a 700 km network of motorway with a single transponder.

In other European countries, VINCI Highways operates infrastructure under PPPs, including:

- in the United Kingdom, road networks in the London Borough of Hounslow and on the Isle of Wight, in collaboration with Eurovia's UK subsidiary, as well as the Newport Southern Distributor Road;
- in Slovakia, the PR1BINA expressway and the Banská Bystrica northern ring road, both built by VINCI;
- in Portugal, two bridges over the Tagus River in Lisbon, the Vasco da Gama Bridge having been built by VINCI;
- in France, the Prado Carénage and Prado Sud tunnels in Marseille, both built by VINCI.

1
In Germany, as part of the A-Modell programme, VINCI Highways operates a 220 km network of motorways.

2
Completion and commissioning of two major motorways in Greece: Athens–Corinth–Patras (201 km) and Maliakos–Kleidi (230 km).

1

2

NORTH AMERICA

— *Canada*

— The biggest infrastructure project in the province of Saskatchewan is the construction of the bypass around its capital, Regina. The project reached an important milestone in 2017 with the completion and commissioning of a first section in October. Carried out under a 30-year PPP, it calls for the construction and maintenance of the 61 km Regina Bypass, with 20 km to be upgraded and 45 km to be built, including 12 interchanges and 38 engineering structures. The works, due for completion in 2019, are being performed by a consortium comprising Carmacks, a Eurovia subsidiary based in the neighbouring province of Alberta, and VINCI Construction Terrassement.

VINCI Highways also owns shares in the concession companies for the Fredericton–Moncton highway in New Brunswick (195 km) and the Confederation Bridge, which links that province to Prince Edward Island. This 13 km structure, built by VINCI and the world's longest bridge over a stretch of ice-covered water, celebrated its 20th anniversary in 2017. In the two decades of its existence, the bridge has boosted the region's economy. In addition, in recognition of the operation team's professionalism, the Tourism Industry Association of Prince Edward Island named it "Operator of the Year".

— *United States*

— Commissioned at the end of 2016, the Ohio River Bridges – East End Crossing recorded traffic of over 6 million vehicles in its first year of operation. Under the terms of the Group's first PPP in the United States, VINCI Highways built the 12 km motorway in a consortium with local partners Walsh and BBGI. The works, which included the construction of a 762 metre bridge, a 512 metre twin-tube tunnel and 19 standard engineering structures, were carried out by VINCI Construction Grands Projets and Walsh Construction. The new infrastructure will be operated by VINCI Highways until 2051. In the 2017 America's Transportation Awards, the Indiana Department of Transportation won in the Quality of Life/Community Development category, emphasising the infrastructure's contribution to the region and its population, the quality of construction and the first-rate relations with the public authority.

In December, VINCI Highways won a contract for toll and customer relations services for the Central Texas and North East Texas Regional Mobility Authorities, which are in charge of transport in 14 Texan counties. The five-year deal, worth over $50 million, covers five free-flow motorways and expressways in Austin and Tyler, which generate around 60 million transactions a year.

In California, through its subsidiary Cofiroute USA, VINCI Highways has been operating 16 km of express lanes on the SR-91 urban highway for 20 years. Its free-flow toll system, developed by VINCI Highways, was one of the first dynamic toll systems worldwide, with pricing adjusted based on congestion on alternative routes. The system was updated in 2017 and extended to a new 17 km section on the I-15 south of Los Angeles.

Innovation

TOLLS AND INNOVATIVE MARKETING

Autonomy, mobility, fluidity: the new services for motorists present emotional markers that major brands want to capitalise on. For instance, to celebrate its 100th birthday, BMW, in collaboration with VINCI Highways, paid a month of tolls for all motorists driving one of its vehicles on the M11 motorway between Moscow and Sheremetyevo International Airport. The campaign took home an award at the Cannes Lions International Festival of Creativity. The success of this initiative led VINCI Highways to present a similar campaign to Disney, which paid tolls for all red cars to celebrate the release of its animated film *Cars 3*.

SOUTH AMERICA

— *Colombia*

— 2017 was the first full year of operation for Vía 40 Express, holder of the concession for the motorway between the country's capital, Bogotá, and Girardot awarded to VINCI Highways, in a consortium with Colombian company Constructora Conconcreto in October 2016. The 141 km motorway is located in the central region of the country, which is the most densely populated and the most economically vibrant.

Under the terms of the 30-year contract, which represents a total of 4,200 billion Colombian pesos (€1.3 billion), the concession joint venture is operating the infrastructure, on which tolls have been introduced, while financing a major upgrade programme of the entire motorway. The upgrade includes creating a third lane on a 65 km section and building four tunnels, each 2 km long. In 2017, the focus was on operating the motorway, with the creation of O&M, and on studies and site preparation. The works, to be carried out by VINCI Construction and Constructora Conconcreto, will start in 2018 and will take five years to complete. They will reduce the journey time by about 25%.

After just six months of taking over the infrastructure, all the performance indicators set by the concession grantor have been achieved. Traffic increased by more than 5% in 2017, representing almost 17 million vehicles. During the year, in collaboration with the highway police, Vía 40 Express's teams organised several campaigns aimed at motorway users to raise their awareness of responsible driving.

— Peru

— VINCI Highways established a presence in Peru at the end of December 2016 by acquiring Lamsac, the concession operator of the Lima ring road, and Pex, Peruvian market leader in toll tag distribution. The deal signed at the end of 2016 represented €1.8 billion and was the biggest investment ever made by VINCI outside Europe.

Traffic on the ring road around Lima, where over 10 million people live, reached an average of 193,900 equivalent paying vehicles a day in 2017. Despite the exceptional weather events that led to the closure of access roads during February and March, equivalent paying vehicle traffic remained stable. The new concession company's two initial tasks were: to operate the existing ring road by integrating a team of 620 employees, and to take over the construction of a new 9 km section, included in the concession scope. This unprecedented project, now 50% complete, includes a tunnel of almost 2 km under the Rímac River, nine viaducts and two interchanges.

The project is exceptional, not only by virtue of its size but also technically, due to the sensitive geological environment, frequent flooding of the Rímac and the very dense population along the river banks. Combining its programme management expertise with VINCI Construction's major project management expertise and VINCI Energies' expertise in tunnel equipment and systems, VINCI Highways relaunched the project using a different approach, with up to 5,000 people working on the site at any one time. The tunnel under the Rímac, the country's first urban tunnel spanning 2 km to comply with international safety standards, was completed at the end of October 2017, with the new section scheduled for commissioning in the first quarter of 2018.

— Electronic toll collection

— Electronic toll collection (ETC) is a high-potential market. These services are an effective response to the challenges of alleviating congestion on motorway networks and reducing greenhouse gas emissions. ETC also responds to the need for new sources of revenue to finance the maintenance of road networks all over the world by having users pay. Since its 2016 acquisition of a stake in TollPlus, headquartered in the United States and present in India, VINCI Highways has a global capability covering the entire value chain of these innovative services.

This expertise is applied to VINCI Highways' concession projects. Examples include the interoperability of the toll systems on Russia's motorway network in 2017 and the new service combining toll, fuel and parking fee payment using a single transponder developed for the Lima ring road in Peru.

In addition, ETC services can also be contracted separately from motorway concessions. Already market leader for motorway toll systems in India, handling 90% of the country's electronic transactions, TollPlus was awarded a contract in 2017 by Bank of Baroda to roll out a transaction management system enabling customers of the country's second-largest public bank to pay motorway tolls using a dedicated transponder.

In Peru, the final 9 km section of the Lima ring road will be opened to traffic in 2018.

VINCI RAILWAYS

Completion to particularly tight deadlines of the huge South Europe Atlantic high-speed rail line (SEA HSL) project confirmed the vitality of the integrated concession-construction model of VINCI, one of the few groups in the world with the capacity to tackle this enormous challenge. With the successful commissioning of the high-speed line, VINCI Concessions, through its subsidiary VINCI Railways, has bolstered its expertise in railway operation in the French market.

SOUTH EUROPE ATLANTIC HIGH-SPEED RAIL LINE

— The SEA HSL was a major challenge for VINCI. The project, led by VINCI Concessions via LISEA, the concession company, represented an investment of €7.8 billion, making it the biggest high-speed rail line concession in Europe. The contract, signed in 2011, provided for construction and commissioning of the line by mid-2017. Despite this very tight deadline, the construction joint venture COSEA, composed of the VINCI Contracting business lines and their partners under the programme management of LISEA, successfully completed all the design, consultation and construction stages, building 302 km of high-speed line, 38 km of connecting lines, 24 viaducts and 500 other engineering structures. The works mobilised up to 8,500 people at the peak of activity, 2,000 of whom were recruited and trained locally. The worksite was completed under exemplary environmental stewardship to ensure, notably, conservation of the 223 protected species identified along the line and implement the corresponding offset measures over an area of more than 3,500 hectares.

Completion of this vast project several months ahead of the contractual schedule was celebrated with an official inauguration on 28 February 2017 attended by France's President. The next few months were devoted primarily to tests on the line and preparation for the start of operation. The commercial opening took place on 2 July, a month ahead of schedule. The new rail line cuts travel time between Bordeaux and Paris from three to two hours.

MESEA, 70%-owned by VINCI Concessions and 30% by rail engineering specialist Systra, is responsible for maintenance of the line, and has to meet particularly stringent standards of safety and reliability. The company recruited – and trained to very short deadlines – 180 employees for these very specific jobs. To maximise its efficiency and achieve the required level of performance, MESEA uses equipment and machines designed especially for this infrastructure, such as multipurpose trucks that can travel on both rail and road, equipped with detachable modules to adapt logistical support (cranes, work platforms, workshops, etc.) to intervention needs, while leaving the track as free as possible for normal operations. MESEA operates from three bases located along the line, including the Villognon site, which houses the supervision centre and which continuously liaises with the remote SNCF Réseau command centre in Bordeaux.

1-2
The SEA HSL, which reduces travel time between Paris and Bordeaux to two hours, has been a huge success. Some 24 viaducts and 500 other engineering structures were built along the 302 km of track.

3
In December 2017, in collaboration with the startup Was Light, Rhônexpress inaugurated the world's first electro-luminescent light rail train, as part of the celebration of the city of Lyon's traditional Festival of Lights.

Through its MESEA subsidiary, LISEA offered its customer SNCF Mobilités the right conditions to operate 80 to 90 trains a day, in both directions, i.e. 500,000 km travelled every month, from the moment the line was brought into service. The operational quality put into running the new line contributes to its commercial success: as of September 2017, traffic on the Paris–Bordeaux route had increased by 75% since commissioning of the line. Furthermore, with the national rail network set to open to competition in 2021, other operators might be interested in using the line. International connections between Bordeaux and some European cities could become operational before then – LISEA has already entered into discussions about these plans.

RHÔNEXPRESS

— Rhônexpress, built and managed by a joint venture led by VINCI Concessions under a 30-year contract, is the first light rail shuttle dedicated to airport to city-centre transport in France. Since it came into service in 2010, Rhônexpress has been carrying passengers between the Lyon-Saint Exupéry Airport and the Lyon Part Dieu railway station in just 30 minutes, 365 days a year, with one departure every 15 minutes at peak daytime activity. Traffic, up 10.1% in 2017, and the very positive feedback from customer satisfaction surveys confirm the success of this shuttle, which combines speed, reliability and outstanding service. Illustrating its commitment to continuous improvement, Rhônexpress organised a call for projects in 2017, inviting startups to develop innovative initiatives to enhance mobility.

GSM-RAIL

— Under a public-private partnership (PPP) contract with SNCF Réseau, Synerail, in which VINCI Railways has a 30% stake, is responsible for operation and maintenance of a mobile telecommunications system between train drivers and control centres on the national rail network, using the GSM-Rail standard compatible with the European Rail Traffic Management System (ERTMS). Executed primarily by VINCI Energies, the work included the deployment of the system over 11,500 km, with the installation of over 2,000 radio transmitters along the track and in more than 350 tunnels. It was completed in 2016, and the final sections were activated in 2017. The system now covers the full scope of the contract, i.e. a total of 16,000 km of track. This technology replaces the analogue communications system, which had become obsolete, and helps boost network performance and safety.

BUS RAPID TRANSIT IN MARTINIQUE

— Caraibus, a VINCI Concessions subsidiary, built the new bus rapid transit (BRT) system in Martinique and is in charge of maintaining the 2.5 km infrastructure under a PPP contract until 2035. After a series of tests conducted in 2017, commercial opening – the responsibility of the local authorities – is scheduled for 2018.

Innovations

A UNIQUE MACHINE
FOR DAY-TO-DAY MONITORING OF THE LINE

French rail regulations call for an empty train to run every morning along high-speed lines to ensure that there are no obstacles to operation of the commercial service. This mission is traditionally performed using a TGV high-speed train without any passengers aboard, but MESEA developed a more economical solution by acquiring a line inspection car dubbed Broom (an acronym for rapid observation and maintenance opening twin-engine vehicle in French) for the SEA HSL. The machine does not simply carry out visual inspections of the track but also carries on-board instruments to measure the signalling systems installed along the line.

3

VINCI STADIUM

VINCI Stadium hosted 152 events at its five venues in 2017 and welcomed 5.3 million(*) spectators, offering them an increasingly digital experience.

— *France*

— Following 2016, a year dominated by the UEFA Euro soccer championship, 2017 stood out for its music programming. The Stade de France hosted nine concerts (Depeche Mode, Guns N' Roses, three Coldplay concerts, and two each for U2 and Les Insus), matching the stadium's historic record since it opened in 1998. The Matmut Atlantique in Bordeaux hosted its first concerts ever (Céline Dion, Les Vielles Canailles), as did the Allianz Riviera stadium in Nice (Céline Dion). A large number of concerts will be organised in all the network's stadiums in 2018, including the MMArena in Le Mans, which will host UK group Jamiroquai during the Le Mans 24 Hours endurance race as part of a partnership with the Automobile Club de l'Ouest.

The sports calendar was equally eventful. The Stade de France hosted 11 matches, including the finals of the Top 14 rugby and the Coupe de France soccer competitions. The Matmut Atlantique hosted 28 events, including the matches of resident soccer club FC Girondins de Bordeaux, plus five of the Top 14 rugby matches with the Union Bordeaux Bègles. The Allianz Riviera organised 26 events, including the matches of resident soccer club OGC Nice, while the MMArena hosted 24 soccer matches, including those of its resident club Le Mans FC. Concerts and sporting events combined, VINCI Stadium's four French venues welcomed a total of 2.8 million(*) spectators.

2017 also saw two major announcements: on 13 September, the International Olympic Committee officially confirmed the choice of Paris to host the 2024 Olympic Games, while on 15 November, World Rugby announced that the 2023 Rugby World Cup would also be organised in France. These two exceptional events will have a particularly strong impact for the Stade de France, where the main Rugby World Cup matches will be played. It will become an Olympic stadium the next year, hosting the opening and closing ceremonies, together with Olympic athletics events. The 80,000-seat venue will top the list of world stadiums for the number of prestigious sporting events it has hosted over the years: the Football World Cup in 1998, the world athletics championships in 2003, the Rugby World Cup in 2007 and the UEFA Euro 2016 competition. The Matmut Atlantique and the Allianz Riviera will also host several 2023 Rugby World Cup matches and some of the soccer events for the 2024 Olympics.

— *United Kingdom*

— Reopened after renovation works in 2016, the Queen Elizabeth Olympic Park stadium in London welcomed almost 2.5 million(*) spectators at 51 different events. Among the highlights were the world athletics and paralympic athletics championships, which attracted record numbers of spectators – 740,000(*) and 290,000(*) respectively – for 20 days of events. The 57,000-seat stadium also hosted 26 soccer matches, including those of its resident club West Ham United FC, an athletics meeting and four concerts (Depeche Mode, Robbie Williams and two Guns N' Roses performances).

Innovation

ENHANCED
APPLICATIONS

The high-speed Wi-Fi connections installed in the stadiums have made it possible to develop new services for spectators. During the summer of 2017, the Stade de France launched an on-the-spot snack service (click & eat) via its application, which notched up more than 20,000 orders in six months. The Allianz Riviera launched the same service at the end of the year and is developing a new service on its app to allow spectators to watch slow-motion replays of match highlights on their smartphones.

(*) Tickets distributed.

CONCESSIONS / OUTLOOK

VINCI expects its Concessions business to post further growth in 2018.

Traffic on VINCI Autoroutes' network should continue its upward trend against an improved economic backdrop in Europe, which facilitates national and transnational trade. VINCI Airports will continue its growth, boosted by the extension of its international portfolio and sustained growth in passenger numbers. The pace of growth will, however, be less brisk than in previous years due to the high base for comparison. VINCI Highways, meanwhile, will benefit from the contribution from concession and operation contracts recently won in Europe and the Americas. Lastly, 2018 will be the first full year of operation of the South Europe Atlantic high-speed rail line in France. VINCI expects it to go on being a commercial success or become even more successful.

In programme management, the Group will be applying its expertise as an integrated concession operator-builder to a large number of projects: in France, where the motorway stimulus plan projects make VINCI Autoroutes one of the country's main programme managers of public works; outside France, with the works programmes associated with the airport concession in Chile and motorway concessions in Germany, Russia, Canada, Colombia and Peru.

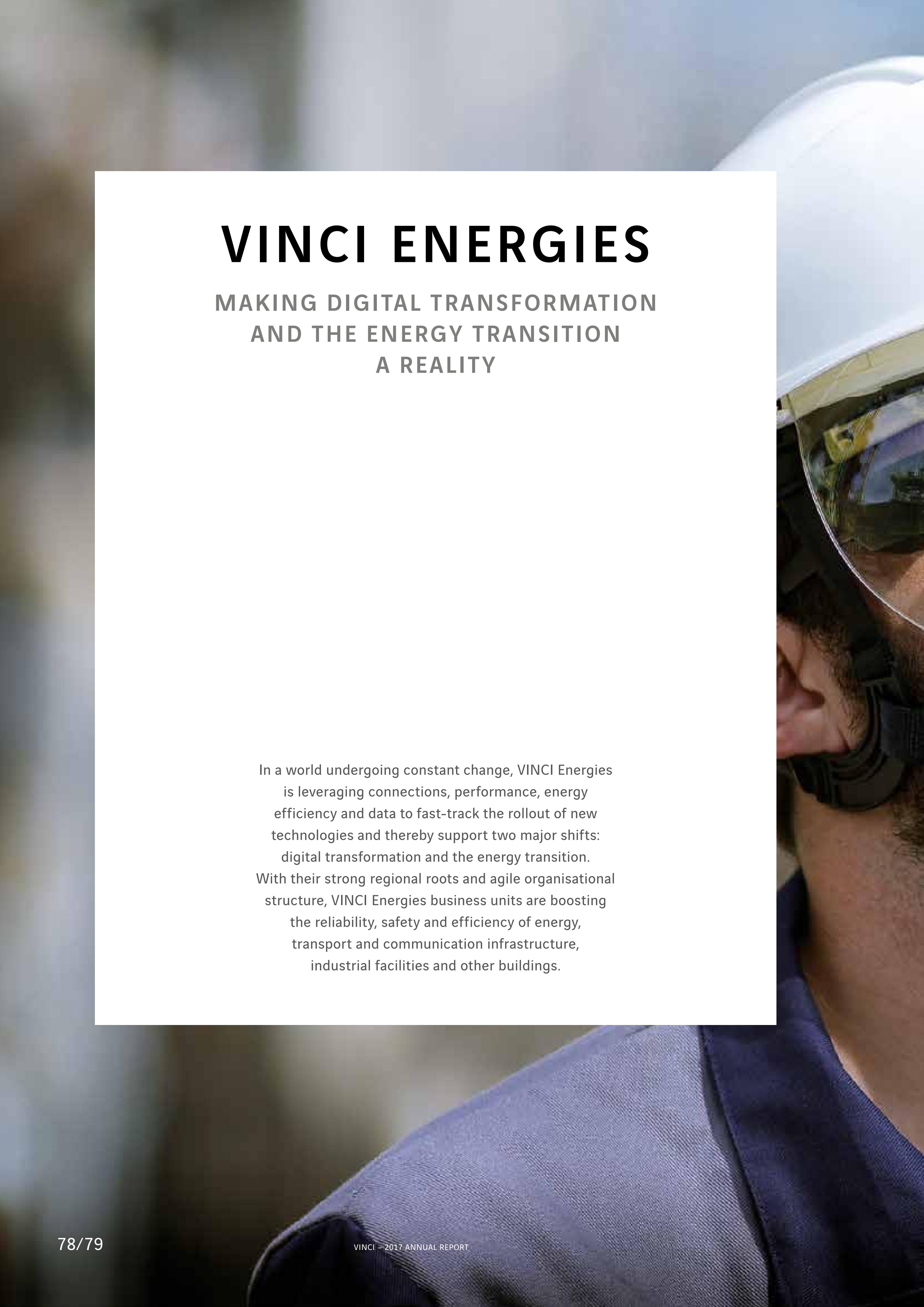
VINCI will continue its proactive business development strategy, taking over existing concessions in the airport and motorway sectors, as well as acquiring new concessions. The skills sharing and mobility within the VINCI Concessions divisions (VINCI Airports, VINCI Highways, VINCI Railways) and with VINCI Autoroutes will facilitate the approach to new markets. That approach will also benefit from synergies with Contracting business lines and their networks, which operate all over the world. In line with the Group's unwavering policy, these developments will help replenish the concession portfolio by expanding its international footprint and extending its average maturity.

New avenues for creating value will be opened up through innovation. Innovation policies will optimise the operational performance of each business line and identify new services for infrastructure users, focusing in particular on connected mobility and the journey experience. In the longer term, the Group-wide innovation approach will reveal new business models, associated with the profound transformation in infrastructure and mobility practices.


EUROVIA

CONTRACTING

VINCI's Contracting business brings together, in 3,000 business units, an unrivalled array of expertise in energy and information technology, road and rail works, and building and civil engineering. With their 180,000 employees, VINCI Energies, Eurovia and VINCI Construction operate in some 100 countries, carrying out 270,000 projects a year.



VINCI ENERGIES

MAKING DIGITAL TRANSFORMATION AND THE ENERGY TRANSITION A REALITY

In a world undergoing constant change, VINCI Energies is leveraging connections, performance, energy efficiency and data to fast-track the rollout of new technologies and thereby support two major shifts: digital transformation and the energy transition. With their strong regional roots and agile organisational structure, VINCI Energies business units are boosting the reliability, safety and efficiency of energy, transport and communication infrastructure, industrial facilities and other buildings.

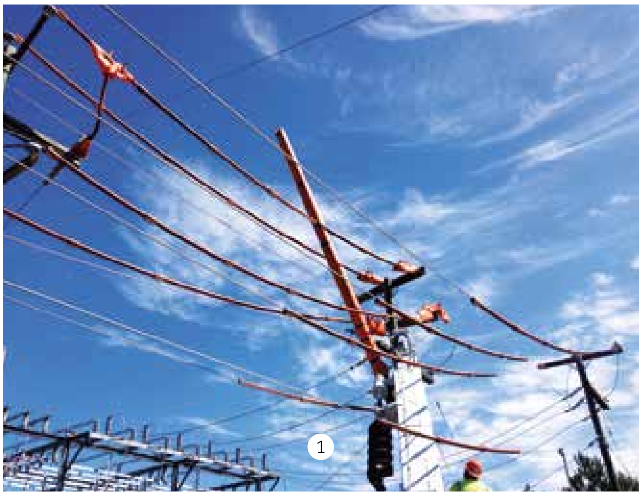

ACTEMIUM

VINCI Energies returned to growth in 2017. The upswing was driven by the group's dynamic business unit networks across Europe and around the world and supported by the group's proactive acquisition policy, particularly towards the end of the year in the United States and Scandinavia. Operating at the heart of major technological changes, VINCI Energies is increasingly interconnecting its expertise and adapting its range of solutions and services to help its customers navigate their own transformation.

— After remaining stable in 2016, revenue rose 5.5% to €10.8 billion in 2017. The recovery, which took hold in all business lines, picked up momentum in the second half. Because it operates in 53 countries, including 31 outside Europe, VINCI Energies benefited from the buoyant business environment driven by new-build projects in emerging countries and large-scale modernisation projects in mature economies covering energy, transport, and communication infrastructure, industrial facilities and other buildings.

In France, volume increased 4%, primarily as a result of organic growth fuelled by VINCI Energies' strong roots in its legacy markets. Outside France, overall volume rose 7%. Growth in Europe was particularly buoyant in the Iberian Peninsula and Scandinavia, now the group's third-largest market after France and Germany. Outside the European Union, business activity increased markedly in Africa, New Zealand and Indonesia, mainly on the back of electricity infrastructure projects.

In 2017, VINCI Energies also stepped up external growth, with 34 acquisitions accounting for combined full-year revenue of €1.6 billion. The main acquisition, which will be finalised in 2018, was PrimeLine Utility Services, an American company specialised in energy and telecommunications infrastructure that employs 2,900 people, operates from 50 sites across 25 eastern and southern states and generated pro forma revenue of $530 million in 2017. Notable acquisitions in Europe included Infratek and Horlemann (with revenue of €340 million and €100 million respectively) in Scandinavia and Germany, and Eitech (€220 million) in Sweden. For the past decade VINCI Energies has implemented a consistent international expansion policy designed to enhance its networks of business units in general and those operating under the Omexom, Actemium and Axians brands, which are now international benchmarks in their respective business lines, in particular. The endeavour has boosted the group's ability to build on its interconnected organisation to deliver solutions combining local service and networked expertise. The group's management model has proven to be a major advantage, facilitating the integration of new companies of all sizes across all geographies and sustaining growth momentum based on a strong common culture.



1-2
The acquisitions of PrimeLine Utility Services in the United States (currently being finalised) and Eitech in Sweden are further illustrations of VINCI Energies' international expansion strategy.

Innovation

SMART CHARGING
FOR ELECTRIC BUSES

To support the widespread introduction of electric buses, VINCI Energies designed CWay, a smart charging solution that spreads the load to shave consumption peaks and reduce costs.
This solution, which won a prize at the 2017 VINCI Innovation Awards, collects and analyses operational, weather and traffic data to charge batteries overnight based on the predicted needs and constraints of the following day. The system can be scaled up over time to accommodate expanding bus fleets and lines.

ASSEMBLY LINES
AND RECOGNITION CAMERAS

Actemium, VINCI Energies' brand specialised in industry, is particularly active in the field of visual recognition. In France, Actemium has developed a solution that enables a robot in a carmaker's plant to sort bulk castings in a crate, i.e. identify them, pick them up one by one whatever their position and place them on a conveyor belt.
Actemium also designed and implemented a robotised line for the commercial services group Servair. This system can recognise and select food products then arrange them on meal trays. In the aerospace sector, the brand devised a system to check the conformity of parts by comparing a photo of an assembly with its 3D model.

One of VINCI Energies' fundamentals is its focus on innovation to drive its expansion strategy. The business line has also undertaken a far-reaching renewal of its solutions and services to keep pace with the two game-changing trends in its markets, its customers' business activities and its own business fields: the energy transition and digital transformation. In a move to step up the interconnection of its areas of expertise and accelerate the development of new solutions to meet its customers' needs, VINCI Energies set up a collaborative innovation venue, La Factory, in 2017. The goal is to spark creative synergies among employees, customers and partners. Similarly, VINCI Energies continued to expand its managerial and financial investment fund Inerbiz to support startups and generate innovation in its business sectors. The business line is also working with the many players in its ecosystem to develop common initiatives. It is notably a partner in Viva Technology, an annual event held in Paris providing opportunities for startups and large companies to discuss collaborative projects, as well as in thecamp, a digital innovation campus that opened in Aix en Provence in 2017 and focuses on the city of the future.

INFRASTRUCTURE

— The energy infrastructure activity, primarily carried out under the Omexom brand covering 300 business units in 31 countries, recorded strong growth. The very favourable business environment was driven by the dominant position of electricity in the energy mix, diversification of generation modes (nuclear, solar, wind, etc.), reconfiguration of electricity transmission and distribution grids and the emergence of smart grids building on new digital technologies. Omexom also benefited from the expansion of its geographical coverage, with business volume totalling some €2 billion roughly balanced between France and the rest of the world.

The year's main large contracts were won or carried out outside France. In Senegal, VINCI Energies won a contract to build several new solar plants with a combined capacity of 40 MW, after commissioning a 20 MW plant in Bokhol. The business line also built the 33 MW, 130,000-panel Zagtouli solar plant, West Africa's largest, in Burkina Faso, and won a further contract to build a 1,677 km high-voltage line to interconnect Senegal, Guinea-Bissau, Gambia and Guinea. In the Gulf countries, Omexom expanded its operations for public operator GCCIA, winning major contracts to reroute and bury lines in an extension of its EHV line maintenance activity. The year's large orders and completions also included projects in Brazil (two EHV lines with a combined length of 432 km); in Indonesia (national network of high-voltage substations; wind farm on Sulawesi island); in New Zealand (North Island electricity distribution grid) and in Australia (maintenance of the Queensland distribution grid). In the United Kingdom, VINCI Energies is part of the joint venture tasked with building new transmission infrastructure in Scotland (160 km of lines, 73 towers in isolated areas). Lastly, in France, a joint venture set up by VINCI Energies and VINCI Construction will build the 320 kV Tourbe conversion station in Normandy, a high-voltage infrastructure project designed to provide an onshore connection for a 200 km submarine line between France and the United Kingdom that will ultimately enable the two countries to exchange 1,000 MW of electricity capacity.

Actemium assisted in the digital transformation of a plant belonging to international animal feed company Nuscience.

In the nuclear sector, volume remained stable in France, where the group won new contracts for example to equip the Jules Horowitz research reactor at the French Alternative Energies and Atomic Energy Commission's Cadarache site in southern France and to build the Areva crisis management centre in La Hague in northern France. Nuclear activity expanded further in Belgium with the waste management and life span extension project at the Doel plant. In the United Kingdom, VINCI Energies acquired the North West Projects company in the run-up to further developments in that country.

In urban lighting and equipment, an activity handled by the 70 business units making up the Citeos brand in France, business expansion was driven by the move to renew existing lighting in order to save energy. In 2017, VINCI Energies held 20 energy performance contracts in France with an average duration of nine years and associated consumption reduction targets. In Oceania, following the urban lighting contract in the northern and western parts of greater Auckland, New Zealand, the group won Australia's first smart lighting contract. The seven-year contract covers LED installation at 79,000 light points and installation of a smart public lighting management system in Canberra.

Lastly, rural electrification remains a core business activity for VINCI Energies in a market boosted by municipal investment in grid undergrounding projects.

VINCI Energies operates across all segments of the transport market, delivering wide-ranging transport system energy, communication and engineering expertise.

In rail infrastructure, the business unit helped build the South Europe Atlantic high-speed line and has been responsible for maintaining its communication systems since it opened to traffic. VINCI Energies is also working with Eurovia to replace the overhead power lines on Line C of the Greater Paris regional express line and with VINCI Concessions to maintain the GSM-Rail telecommunications network that it rolled out under a public-private partnership.
In urban transport infrastructure, VINCI Energies worked on metro line construction and upgrades. The main projects involved electrical systems and 3G and 4G coverage for light rail networks, which the group equipped with signalling and central management systems, and bus rapid transit systems, in which the group for example positioned itself in the buoyant electric bus charging infrastructure market *(see box, page 81)*. VINCI Energies also took part in work to extend the Nice tramway and Line 14 of the Paris metro in France and in the construction of the tramway in the capital city of Luxembourg. In Belgium, the group was awarded a contract by the Flemish transport company De Lijn to roll out a mobile digital and on-board equipment system connecting more than 4,000 buses and trams.

In road infrastructure, VINCI Energies worked primarily on traffic management and communication system rollout (CCTV cameras, variable message panels, optical fibre systems, etc.) and on comprehensive tunnel equipment projects requiring advanced systems integration expertise. The group's mobility engineering solutions and services were expanded with the acquisition of the Sormea company, which specialises in traffic data collection and modelling. The year's main projects included participation in VINCI Concessions motorway

1
Omexom built the Sahel region's largest solar power plant on a turnkey basis. The plant is made up of 130,000 solar panels stretching over 60 hectares on the outskirts of Ouagadougou, Burkina Faso.

2
Rolling out a traffic and communications management system (CCTV cameras, variable message panels, optical fibre, etc.) for motorways.

projects in Canada (Regina Bypass in Saskatchewan) and Peru (Línea Amarilla expressway in Lima).

Lastly, in local and regional road networks, VINCI Energies took an active part in boosting electric vehicle use by installing, maintaining and supervising charging stations. Several thousand such stations have been installed for public authorities and vehicle manufacturers in France and in Germany, and for operators such as Allego and service station company Tank & Rast.

INDUSTRY

— In a business environment boosted by the resumption of capital investment, notably in Western Europe, VINCI Energies recorded substantial volume growth and an even stronger increase in order intake. Some 10 business units joined the Actemium network, which now covers 350 BUs in 40 countries. Actemium extended its operations to additional markets in Europe (Finland and Norway). Acquisitions also broadened its range of expertise in countries where the brand already operates. During the year, VINCI Energies acquired the Lepta group in France, which specialises in robot cells, and the Asas company in Spain, which specialises in handling systems, particularly for the automotive industry, and also operates in Belgium, Germany, Poland, the United States and Mexico.

Across all its sectors of activity, Actemium develops process-oriented, multi-country solutions and services to meet the needs of major industrial customers engaged in streamlining their production systems and reducing their costs. Among customers, the trend is toward reducing the number of suppliers and working with partners able to support them across all their sites, notably under framework agreements. Actemium's simultaneously local and global approach is fully in synch with this trend.

Actemium's expertise in information technologies applied to industry, often combined with Axians' dedicated know-how, is an increasingly important factor in giving the brand a competitive edge in the digital revolution. Long considered a remote possibility, Industry 4.0 is now becoming a reality

as artificial intelligence algorithms and big data analysis and processing tools are introduced in production systems. The new digital technologies now included in Actemium's solutions and services are used to boost the speed, customisation, traceability and safety of production modes and products and pave the way for new sources of activity for VINCI Energies business units. The same is true of maintenance system optimisation based on new virtual reality tools and of cybersecurity at production sites.

In terms of economic trends, activity was buoyant in VINCI Energies' traditional markets (food processing, automotive, aerospace, chemicals and pharmaceuticals) and expanded strongly in the promising automated logistics sector. The year's main contracts included: in France, maintenance of two Sanofi sites in Vertolaye (central France) and Marcy l'Etoile (eastern France) and three plants belonging to the chemicals group Yara; in Spain, renovation of the Captur model assembly line at the Renault plant in Valladolid; in Morocco, outsourced maintenance at the production sites of the Office Chérifien des Phosphates; and in China, rollout of an MES (manufacturing execution system) to collect and manage production data in real time at a site belonging to the Galderma dermatology company, originally an Actemium customer in France.

In the oil and gas sector, despite the decline in new projects, overall revenue held steady thanks to maintenance activities and innovative solutions and services. VINCI Energies specialist teams worked at more than 150 offshore sites around the world, including some 30 large FPSO (floating production storage and offloading) platforms. The main new contracts were for the Asab and Zakum West projects in Abu Dhabi, Mad Dog Phase 2 in the Gulf of Mexico and major maintenance projects on two platforms operated by the Petrobras group in Brazil.

In the aerospace sector, volume and order intake increased with the addition of significant contracts to build the new Ariane 6 launch complex in French Guiana, where VINCI Energies will notably work with partners to install fluid, ELV and safety systems.

SERVICE SECTOR

— *Engineering and works*

— In France, VINCI Energies benefited from the upturn in the service sector property market, notably in the Greater Paris area where most of the large projects were concentrated. The shift in this market towards connected, increasingly complex buildings designed to serve different purposes is in line with VINCI Energies' positioning as an integrator able to handle the full range of technical works packages. In the Greater Paris area, the main projects of this type involved the new regional head office of the judicial police in Clichy Batignolles and the U Arena in Nanterre, carried out by VINCI Construction France on a general contracting basis, the new Tribunal de Grande Instance courthouse in Paris and the Ecowest building in Levallois Perret. The largest new orders were for the Duo towers in Paris and restructuring of the international departures building at Orly Airport outside Paris as well as the new campus for the Avril group near Rennes.

Outside France, the main projects included three hubs for the Hermes logistics group in Germany; the Postel 2001 tower in Abidjan, Côte d'Ivoire; Roche's new offices in Basel, Switzerland; the Commercial Bay tower in Auckland, New Zealand; and the Casa Finance City tower in Casablanca, Morocco, designed as a regional African financial hub.

— *Facilities management*

— Activity in this sector, operated by 160 VINCI Facilities business units located primarily in Europe, increased substantially as the market expanded. Taking up where works business units leave off, and often in synergy with them, VINCI Facilities delivers comprehensive facilities management solutions. These include, in addition to multi-technical maintenance, an increasing number of services that use digital technologies to meet user expectations and manage user systems. For example, VINCI Facilities has developed a hypervisor that aggregates and analyses a wide variety of data from different sites belonging to the same customer to give the latter a broad, real-time overview of activity.

Likewise, VINCI Facilities works with VINCI Construction to develop new BIM (Building Information Modelling) applications that take future building uses and maintenance systems on board from the design stage forward, so as to ensure more seamless continuity between the construction and operation phases. Solutions of this type, based on co-innovation with customers, were rolled out in France on Thales's Hélios campus in the Greater Paris area and at the Nantes site of biotechnologies group Eurofins in western France. In another development, acquisition of the Opal Group startup has rounded out VINCI Facilities' range of corporate concierge services.

Other noteworthy developments during the year included the renewal of the full facilities management contract for Société Générale buildings in Paris and nearby Fontenay sous Bois (combined floor area of 143,000 sq. metres), in France; a 29-year, €164 million public-private partnership signed with the city of Cologne to build, renovate and operate four schools, in Germany; and the SNCB contract covering preventive maintenance and upkeep of the Antwerpen Centraal railway station in Belgium.

INFORMATION AND COMMUNICATION TECHNOLOGIES

— Axians' volume rose over 14% as a result of both organic and external growth. Following acquisitions finalised or initiated during the year, eight companies joined the Axians network: Novabase IMS (Portugal, Mozambique and Angola); Redtoo (Switzerland, Czech Republic and United States); Televic AV (Belgium); VCD IT Groep (Netherlands); Acuntia (Spain); Saiv (Italy and Algeria); Athos (Germany); and Alliacom (France and Tunisia). The Axians brand now spans 237 business units in 22 countries.

Axians' mission is to support customers as they negotiate the digital transformation against a backdrop of constant change in telecommunications infrastructure and IT architectures and services. At a time when information and communication technology systems are increasingly being configured to fit uses and applications, Axians builds on its close working relationships with customers to adapt these systems to their specific needs. Its activity also includes a growing range of services, notably with respect to big data and artificial intelligence as well as the substantial challenges associated with cybersecurity.

In France, the optical fibre rollout activity under the plan to expand high-speed broadband access was particularly intense. As part of its work to cover mobile telephone dead zones, for example, Axians built and commissioned towers in the Mayenne department to carry the frequencies of four operators. Its business units also implemented the digital works package at the European thecamp campus in Aix en Provence, which included a broad range of technologies (connectivity, mobility, interactivity and audiovisual systems). They also rolled out a private cloud system to provide 24-hour information system management for the Dunkirk urban community.

In the Netherlands Axians won a seven-year contract in partnership with Cisco and IBM to roll out and operate an IoT platform in the port of Rotterdam. Also noteworthy were the data storage solutions implemented for insurer Phoenix Group in Germany, and the rollout of a public Wi-Fi network at 24 airports and two heliports for operator Aena in Spain. Lastly, Axians won the contract to roll out 1,920 km of optical fibre for the new national broadband network in Côte d'Ivoire.

Innovation

CYBERSECURITY
AT PRODUCTION SITES

With the digital transformation, a large number of networks are now nested within each other, providing a variety of possible entry points for hackers seeking vulnerabilities in industrial systems. The danger has spread to production sites, in which installations are no longer separated from IT networks. Security therefore seeks to prevent disruption of production and to protect employees and customers. Actemium and Axians teams are increasingly called on to work at sites in industries posing specific risks, such as the nuclear, rail, air transport, food processing and pharmaceutical sectors. Actemium's business process expertise combines with Axians' IT capabilities to deliver appropriate solutions that meet the specific security needs of a wide range of companies.

VIRTUAL ASSISTANT
IN FACILITIES MANAGEMENT

Startup Aeon X, which won a VINCI Energies hackathon in 2017, is working in partnership with VINCI Facilities to develop a virtual assistant dedicated to facilities management. The chatbot uses artificial intelligence to dialogue with the people using a building, from an automated conversation service (embedded in a website, social network, etc.). It is able to understand the situation surrounding a request and carry out several complex tasks simultaneously. The virtual assistant, developed at La Factory, the VINCI Energies co-innovation venue, is already able to reserve a meeting room, circulate an alert, order a meal or obtain real-time information on public transport schedules and road traffic. Semantic testing raises its intelligence level on an ongoing basis.

VINCI ENERGIES / OUTLOOK

VINCI Energies' revenue will exhibit strong growth in 2018. The order book, which rose substantially over the past year, suggests that organic growth will continue apace in markets where the overall recovery is expected to continue. Moreover, VINCI Energies will have the benefit of the significant acquisitions it made in 2017 and early 2018. As a result of its proactive international expansion policy, VINCI Energies is expected to generate more than 50% of its revenue outside France for the first time.

VINCI Energies will continue this policy to expand its networks of business units in Europe and on the other continents. In line with the expectations of its major contracting authorities, VINCI Energies will boost its ability to roll out simultaneously local and global solutions configured to meet the individual needs of each customer by networking the complementary expertise of its various entities. In managerial terms, VINCI Energies' strong ability to integrate new entities and enable them to take its management fundamentals on board will foster long-term growth.

In terms of markets, VINCI Energies will benefit from very favourable long-term trends. The energy transition and the development of renewable energies will require a reconfiguration of energy networks and large-scale thermal renovation of buildings. At the same time, the digital revolution will proceed full steam ahead and bring about an in-depth transformation of energy, transport and communication networks, industrial processes and building equipment and uses. VINCI Energies will step up its co-innovation policy accordingly. The move to team up its business units with the Group's other business lines and with customers and partners to work on joint innovation projects will build momentum. The endeavour will ultimately renew the group's range of solutions and services and consolidate its position as an integrator supporting its customers as they carry out their own digital transformation.

In transport infrastructure in the Netherlands, Axians has won a multi-year contract in partnership with Cisco and IBM to design, roll out and operate a connected IoT platform that will transform the port of Rotterdam into the world's smartest.

EUROVIA

DEVELOPING MOBILITY SOLUTIONS FOR COMMUNITIES

Eurovia serves communities by developing mobility solutions that cover design, construction and maintenance of transport infrastructure and urban development projects. Its innovation policy is focused on improving the environmental impact of the resources and products used in roadworks and developing new functions for infrastructure, such as the positive energy road.

Eurovia returned to growth as its main markets recovered, notably in France, Central Europe and North America. It combined its strong regional roots, stimulating managerial system and ambitious innovation policy to consolidate its competitiveness in markets driven by substantial demand for transport infrastructure renewal.

— Following five years of downturn, Eurovia recorded a substantial increase in revenue (up 6.9% to €8.1 billion), almost exclusively due to organic growth. The recovery was particularly strong in Eurovia's legacy core business, roadworks in France, and also reached the company's other markets in Europe and the Americas. In rail works, following the completion of the South Europe Atlantic (SEA) Tours–Bordeaux high-speed line, Eurovia shifted its focus to the buoyant market for existing line renovation in France.

— *Working Together*

— Eurovia continued to roll out its Eurovia 2020 Working Together strategic programme, which involves focusing its management and teams on shared objectives and progress indicators, across its entire geographical scope. Each Eurovia business unit has its own strategic business plan that builds on its local and regional roots while implementing common policies with respect to commercial development, recruitment and training, worksite safety and excellence in production. The programme, which applies to all locations and all four business lines – works, industrial production, maintenance and quarries – has helped boost operating income from ordinary activities.

— *Innovation*

— Eurovia's innovation policy, involving everyone in the company and all opportunities to increase operational performance, also enhances its competitiveness. Its international research and development centre in Mérignac near Bordeaux won the Grand Prize in the VINCI 2017 Innovation Awards *(see opposite)* and Eurovia as a whole won five further prizes.

The innovation policy is particularly focused on environmental protection. It is designed to foster development of products and processes that improve the energy consumption and carbon footprint of the roadworks activity and recycling to conserve natural resources. Upstream, Eurovia's network of 350 quarries and 400 production sites develops circular economy solutions based on local production and transport loops. For example, in the port of Fos sur Mer, France, Eurovia created a "virtual quarry" that produces 400,000 tonnes of aggregate from worksite spoil and recycled materials annually. Accessible by road, inland waterway and sea, the Fos sur Mer platform played a key role in removing spoil from Nice tramway underground works by sea and then processing and recycling it.

The participatory innovation programme is combined with partnerships linking Eurovia with the other participants in its ecosystem. Power Road® *(see page 99)* is a case in point. The positive energy road, initially devised by a local Eurovia works agency as an experiment, was further developed by Eurovia's international research and development centre in conjunction with public- and private-sector partners working to model the process, carry out further experiments and perform trials under real conditions. The project, part of the French government's Investissements d'Avenir (investment for the future) programme, is supported by the country's Environment and Energy Management Agency (Ademe).

Similarly, the goal of the 100% recycled road project is to design the technical resources and materials needed to produce asphalt mix containing only recycled materials.

FRANCE

— The upturn in activity, reflected in 2016 order intake, was confirmed in 2017, when revenue increased by a substantial 7.0%, primarily as a result of the recovery in investments by local and regional authorities. The trend was especially noticeable in large urban areas, first and foremost the Greater Paris area, where urban renewal is fuelling demand for transport infrastructure upgrade and public space development projects. In this market, Eurovia's strong local roots stand it in good stead. The company worked on an increasing number of small- and medium-sized projects that more than made up for the reduction in large projects as a proportion of revenue.

IN THE MOTORWAY SECTOR, Eurovia completed the A9 rerouting at Montpellier and the A63 widening project between Biarritz and Biriatou for VINCI Autoroutes. It also continued construction of the 31 km A304, extending the A34 motorway towards Belgium, on behalf of the French government. In addition to these major projects, the company carried out environmental development projects under the French motorway stimulus plan, including a series of water protection structures along the A10 motorway at Niort and a wide range of resurfacing and maintenance projects on the A4, A5, A8, A10 and A71 motorways.

IN NATIONAL, DEPARTMENTAL AND MUNICIPAL ROAD NETWORKS, Eurovia handled a large number of routine maintenance projects for authorities. The largest included the widening to a two-lane dual carriageway of a 10 km section of the RN57 in the Haute Saône department, the construction of the Chepy bypass on the RN44 in the Haute Marne department, the upgrade of the Avenue Aristide Briand and the RD920 at Antony in the Hauts de Seine department and resurfacing of roads in the Essonne department, where the last stage of the 2017 Tour de France took place.

Innovation

ASPHALT MIX
TWICE RECYCLED

Eurovia's international research and development centre worked with ASF (VINCI Autoroutes) to develop and test the use of second-generation recycled asphalt mix that includes 50% RAP from a previous recycling process to resurface a 10 km section of the A7 motorway. Some 1,500 tonnes of this type of asphalt mix were laid. Technical and scientific tests subsequently confirmed that the surfacing meets the same requirements as "conventional" mixes. It can now be considered for industrial use in motorway projects.
The project won the Processes and Techniques prize in the VINCI 2017 Innovation Awards.

GREEN ROADWORKS PRODUCTS

Eurovia won the Grand Prize in the VINCI 2017 Innovation Awards for developing new "green" fluxes. Fluxes are oils that reduce the viscosity of bitumen so that it can be mixed with aggregate to produce asphalt mix in fluid form. The new fluxes jointly developed by Eurovia and Solvay include 40% compounds derived from plants and are completely biodegradable. They deliver significant public health and environmental benefits and open the door to a wide variety of applications in roadworks. Their performance has been tested and validated in several experimental projects. A multipurpose flux was marketed in 2017.

URBAN DEVELOPMENT PROJECTS, which involve expertise ranging from road network rerouting to traditional cobblestone paving, included security upgrade works at the Eiffel Tower esplanade and development works on the Terrasse 9 and Boulevard des Provinces Françaises in the La Défense business district near Paris; renovation of the Rue Royale and its historic arcades in Orleans; beautification of the Allées Jean Jaurès and infrastructure works for the new exhibition grounds in Toulouse; development of public spaces in the Grand Coeur development zone in Nancy; and similar work at the Charles Bernard development zone and the Place Lully in Saint Cyr l'École. Eurovia also worked for private-sector clients, building the new Pernod Ricard University campus at Clairefontaine en Yvelines and extending the Tontarelli group factory in Bascharage, Luxembourg.

IN URBAN TRANSPORT INFRASTRUCTURE, Eurovia took part in a further phase of the Nice tramway extension project, for which it removed and treated materials excavated from the worksite, laid tracks and installed overhead power lines. Other large projects included the first section of Line D of the tramway in Bordeaux, for which Eurovia is building the full range of facade-to-facade infrastructure over a 3.7 km section in the middle of the city centre; extension of the T3 tramway in Paris and preparatory work for the construction of Line T9 in the Greater Paris area; and new bus rapid transit lines in the cities of Dunkirk and Montbéliard, including engineering structures and associated works. Eurovia also won a major order to build the 6.7 km Line 6 of the Lyon tramway.

IN RAIL WORKS, following the completion of the SEA Tours–Bordeaux high-speed line, Eurovia shifted its focus to renovation of existing lines. Eurovia's specialist subsidiary ETF had signed a multi-year contract in 2015 covering railway infrastructure in the Greater Paris area as part of the "Grand Plan de Modernisation du Réseau" network revamp initiated by SNCF Réseau. In 2017, the contract entered the works phase with the commissioning of a highly efficient *suite rapide* factory train specially designed to work in densely populated areas *(see page 97)*. ETF won a similar contract in 2016 to renovate the railway network outside the Paris area, on which work will start in 2018 with the commissioning of a second *suite rapide*.
In another development, ETF began work on a new phase of the Vigirail plan in 2017, designed to strengthen switch safety, part of three multi-year works contracts covering a total of 550 switch replacements annually. Lastly, in the 2017–2024 period, ETF and Mobility (VINCI Energies) are replacing the catenaries on the 180 km Line C, the second longest line of the RER regional express system in the Greater Paris area.

IN THE AIRPORT SECTOR, Eurovia carried out work to reroute utility lines as part of the city tramway extension project at Nice-Côte d'Azur airport. At Paris-Orly airport, Eurovia completed the comprehensive renovation of runway 4 for ADP and began preparatory work for the construction of the Grand Paris Express station that will serve as the end stop for Lines 14 and 18.

The 2,400 metre runway 4 renovation and marking project at Paris-Orly Airport took six weeks to complete and employed up to 500 people.

LASTLY, ACTIVITY IN THE SPECIALIST SUBSIDIARIES was driven by the overall upturn in the construction markets. Cardem, which specialises in demolition, expanded through acquisition of the Prestosid company, which works in industrial environments, and through organic growth, notably driven by large projects for the Sanofi group in Saint Fons and the Danone group in Évian (both in eastern France).
Signature (road equipment) developed an innovative range of very lightweight signs that are easy to install and can be customised in a wide variety of ways. The subsidiary is also taking part in the V2X programme designed to strengthen the decision-making capabilities of autonomous vehicles by placing equipment such as radars and cameras along roads to transmit information to the vehicles.

EUROPE

— *Germany*

— In Germany, Eurovia's second-largest market after France, revenue came in at €0.8 billion. Eurovia GmbH, which recently underwent an in-depth reorganisation, increased its volume by 8.3% on the back of strong markets. Two acquisitions rounded out its network of subsidiaries: the THG Baugesellschaft company, which works on both tramway lines and the German national railways, in North Rhine Westphalia; and TKP Krächan, which works in concrete structures and enables Eurovia GmbH to extend that activity in the Saarland and the western part of the country. Activity, spread across a large number of medium-sized contracts, also included larger projects such as refurbishment of the A42 motorway through North Rhine Westphalia; construction of 7 km of noise barriers along railway tracks in the Ruhr region; renovation of the Rudolf Wissell Brücke, Berlin's longest road viaduct; and construction of a 4.3 km pipeline at the site of the former Zollverein coal mine, now a Unesco World Heritage site.
Synergies forged in recent years with VINCI Highways on the A4, A5 and A9 motorways extended to a fourth instalment of the A7-2 public-private partnership programme *(see page 68).* Eurovia will lead the joint venture in charge of designing and building this major project, which includes widening 30 km of the 60 km motorway section.

— *United Kingdom*

— Revenue held steady at a high level (€0.6 billion, down 2.5% at constant exchange rates) as a result of considerable road infrastructure modernisation requirements, which continue to bolster the market.

Eurovia's Ringway subsidiary works in a joint venture with several partners to manage more than 60,000 km of roads under the long-term maintenance contracts that account for the bulk of its revenue in the United Kingdom. Business activity in this sector notably included the signature of a 15-year, £225 million contract with Highways England that covers 1,700 km of roads and motorways in the southwest England counties of Cornwall, Somerset, Dorset, Wiltshire and Gloucestershire. In addition to road infrastructure renovation and maintenance, the contract also covers lighting maintenance, incident and severe weather response and traffic management.

This was in addition to the many ongoing contracts with local authorities, including two public-private partnerships jointly managed with VINCI Highways covering comprehensive maintenance of the road networks in the London Borough of Hounslow and the Isle of Wight.

Inauguration of the fountain at Queen Victoria Square in Hull, United Kingdom.

WORKS TRAIN

ACHIEVING HIGH EFFICIENCY

To renew railway tracks in the Greater Paris area, which carry France's highest traffic load, ETF needs to work at night and during very brief windows. To optimise its operations, it designed a new method based on a *suite rapide* high-efficiency factory train that improves worksite productivity and environmental performance. While the conventional system uses different wagons to transport new and used ballast, the *suite rapide* machine uses a dual-flow system and a two-level conveyor to perform both operations. The "*suite rapide* for densely populated areas", which won a prize in the VINCI 2017 Innovation Awards, was brought into operation in September 2017.

POLLUTION- REDUCING SURFACING

To help reduce pollution in the Theodor Heuss Ring, a major traffic artery in Kiel, the capital of Schleswig Holstein in northern Germany, the municipality opted for Eurovia's NOxepur® process. The road surfacing contains titanium dioxide, which reacts with sunlight to foster a chemical reaction between NOx, the nitrogen compounds found in polluted ambient air, and oxygen. Oxidation neutralises NOx, which is then washed away by rain.

Alongside service contracts, the works business remained brisk as a result of a large volume of recurring urban and suburban development projects. Eurovia UK won new contracts of this type in the cities of Oakham (Rutland), Nottingham, Bristol and High Wycombe on the outskirts of London. Ringway also built a road serving a new residential neighbourhood in Barking, built on an industrial brownfield site east of London.

— *Czech Republic*

— Following the previous year's downturn, overall volume recovered to €0.4 billion, thanks in large part to major infrastructure projects funded by the European Union. Eurovia CS completed work on two sections of the D3 and D11 motorways, started work on a new 10 km section of the D3 between Ševětín and Borek in the south of the country and won a fourth contract to refurbish a 6.5 km section of the D1 motorway between Hořice and Koberovice. In railway works, the company began renovating a 6 km section in central Bohemia, part of a trans-European corridor.

— *Slovakia*

— At Eurovia SK, volume rose substantially (46% to €0.2 billion), driven, as in the Czech Republic, by major infrastructure projects funded by the European Union. The company continued construction of a 4.3 km section of the D3 motorway and won, as part of a joint venture, a €356 million contract for a new 8 km section of the D1 motorway near Prešov in the eastern part of the country. The work includes construction of a 2.2 km tunnel, 18 viaducts and more than 6 km of noise barriers. During the year work also started on the tramway rehabilitation project in Košice, the country's second-largest city.

— *Poland*

— Following several years of marked negative growth and an in-depth reorganisation to focus the company on its legacy locations, activity rose 52% to €0.2 billion at Eurovia Polska. In addition to a steady stream of medium-sized recurring projects, the company worked on European Union-funded infrastructure projects: the S3 motorway in Lower Silesia and the S11 in western Pomerania; highways 251 (Kaliska–Inowrocław) and 559 (Lipno–Kamień Kotowy); and redevelopment of access roads to Nowa Ruda and Złotoryja in Lower Silesia and the main artery in Sosnowiec in Silesia. Eurovia Polska is also involved in the construction of the VeloDunajec cycle path in Lesser Poland, for which it is building the Zakopane–Sromowce and Szczawnica–Zabrze sections, including installation of signs and construction of footbridges.

— *Other Central European markets*

— Eurovia acquired the Saldus Ceļinieks company in Latvia to boost its position in the Baltic states, where the transport infrastructure market is buoyant. In Lithuania, for example, Eurovia Lietuva renovated the runways at the international airport in Vilnius and is building the second track of the railway corridor around the capital. Eurovia also has a location in Romania, where the main projects were the construction of the Brașov bypass and refurbishment of the DJ132 highway north of the same city, in Transylvania. Lastly, Eurovia divested its subsidiary in Croatia.

The combined revenue generated in Latvia, Lithuania and Romania came to €0.1 billion.

— *Spain*

— Following a strong downturn in 2016, revenue rose slightly, by 3.5%, to €0.1 billion. The political situation continued to adversely affect the business environment, despite the fact that Eurovia has no locations in Catalonia. Multi-year road network maintenance contracts helped bolster activity.

AMERICAS

— *Canada*

— Operating in the western and eastern provinces, Eurovia generated revenue of €0.4 billion, up 5.7% at constant exchange rates.

IN QUEBEC, Eurovia made the most of the recovery following several difficult years. Eurovia Québec notably carried out large street and urban road network rehabilitation projects in the cities of Montreal and Longueuil. The company also continued renovation of the Dubuc Bridge in Saguenay and the Laviolette Bridge in Trois Rivières. In Montreal, Eurovia Québec joined forces with the Communauto car-sharing company to introduce an experimental parking service based on connected parking spaces reserved for self-service vehicles.

IN ALBERTA, where the economy is primarily based on oil and gas resources, the sudden halt to investment in this sector continued to severely constrain volume. At Eurovia's subsidiary Carmacks, the activity downturn was limited thanks to projects for local authorities and the major Regina Bypass project carried out by VINCI in the neighbouring province of Saskatchewan. Carmacks is the lead company in the design-build joint venture and its teams completed and opened the first phase of the huge project on schedule. The project includes construction of 45 km and renovation of 20 km of motorways and construction of 12 interchanges and 38 engineering structures.

IN BRITISH COLUMBIA, volume held steady. Subsidiary BA Blacktop carried out major street renovation works in Abbotsford and Chilliwack. It also continued the intermodal hub redevelopment at the Deltaport container terminal south of Vancouver.

Installation of Power Road® in Becquerel square in Pontarlier, in eastern France. The source of energy to clear snow from the car park is the heat from household waste combustion at the energy-from-waste facility (Valopôle).

POWER ROAD®,

THE POSITIVE ENERGY ROAD

The Power Road® process involves embedding heat exchangers (made of tubes carrying heat-transferring fluids) in the upper layers of carriageways. In 2013, a Eurovia subsidiary (Vermot TP) tested a first version of Power Road®, using geothermal energy in roads, in Pontarlier, eastern France. The breakthrough was submitted to the French Environment and Energy Management Agency (Ademe) via a call for projects for the “Route du Futur” under the French government’s Investissements d’Avenir (investment for the future) programme, in 2016. It was selected for further research, and public support made it possible to begin a second phase of experiments including construction of two new demonstrators. One of them was on the access road to the truck parking zone in the Saint Arnoult service area on the A10 in the Cofiroute (VINCI Autoroutes) network. Talks are under way with other public- and private-sector stakeholders to conduct further Power Road® trials at other sites. Power Road®, which generates renewable energy, is a sustainable process in more ways than one. The polymer tubes that make up the heat exchangers built into the carriageway are 100% recyclable and Power Road® was designed to be built with the warm mixes and recycled materials that Eurovia routinely employs in its projects. Eurovia has already filed two patents covering application of the process and the company is working on the project with partners providing expertise that dovetails with its own: the Ifsttar public laboratory to analyse the mechanical behaviour of the roadway using Power Road®; CEA Tech to model and optimise the expected energy performance; and the Burgeap engineering office to provide the geothermal design of the system.

United States

Following strong organic growth in 2016, activity again rose (by 8.5% to €0.5 billion) at Hubbard and Blythe, Eurovia's two subsidiaries in the south-east.

IN FLORIDA, Hubbard continued a major State road infrastructure renovation programme designed to accommodate a strong increase in tourism. The main focus of the programme is on State Road 528 and International Drive in Orlando and State Road 21 connecting McMeekin with Jacksonville. The contract covering roads at the Disney theme park in Florida was also extended.

IN NORTH AND SOUTH CAROLINA, Blythe worked on a series of major motorway projects along interstate I-85: after widening a 12 km section, the subsidiary is now widening a 32 km section in Spartanburg and Cherokee Counties between Charlotte and Greenville from four to six lanes. Blythe also completed the resurfacing of a section of I-77 in Charlotte and won the contract to rebuild two interchanges on the northern ring road in Winston Salem.

IN GEORGIA, Hubbard continued work on the North West Corridor in Atlanta, a major project designed to create reversible express lanes along I-75 and I-575.

Chile

After rising substantially in 2016, volume remained high at €0.2 billion. Eurovia's works and materials subsidiary Bitumix notably refurbished urban streets and public spaces in Calama and Vallenar in the Atacama region of northern Chile and carried out coastal development works in the port city of Caldera. Bitumix also completed the runway renovation project at the airport in Iquique, where it used an in-situ retreatment process – a first in this context – based on recycling.

In the rail works sector, specialist subsidiary ETF continued and extended its activity on the Santiago de Chile metro system. Under a first contract signed in 2013, a French joint venture led by ETF completed construction of Line 6 (15 km), which was officially opened in November 2017, and continued work on Line 3 (22 km), which will open in 2018. The contract includes maintenance of the two new lines over a period of 20 years. At the beginning of the year, the same joint venture was also awarded a new contract to maintain five existing metro lines covering a total of 103 km of tracks and 100 stations.

Opening of the first phase of the Regina Bypass in Canada, which is designed to improve safety on the Trans-Canada Highway, east of the city of Regina.

EUROVIA / OUTLOOK

Following the 6.9% increase in revenue in 2017, Eurovia expects further activity growth in 2018 based on the rise in order backlog over the past year.

In France, investments by public authorities continue to support roadworks and urban development activity, particularly in large cities faced with the need to expand and upgrade their transport infrastructure and public spaces. Rail works will continue to expand with the growing number of multi-year contracts covering renovation of the national rail network.

In the other European countries, activity is expected to remain buoyant. In Germany, it will be driven by major infrastructure renovation programmes currently under way and by the start of widening work on the A7-2 motorway, now part of the Group's concessions. In the United Kingdom, Eurovia will continue to make the most of its local roots and balanced portfolio of works and services provided under multi-year and works contracts. In Central Europe, Eurovia will have the benefit of infrastructure upgrades supported by European structural funds.

In the Americas, the recovery is expected to continue in the Canadian province of Quebec. In the United States, business should remain brisk, borne by major contracts now under way in Florida, North Carolina, South Carolina and Georgia.

In this context, Eurovia will pursue its international expansion strategy combining organic and external growth, with a proactive approach in rail works and a targeted approach in North and South America. It will coordinate its growth with VINCI Highways as part of concession projects to step up this expansion.

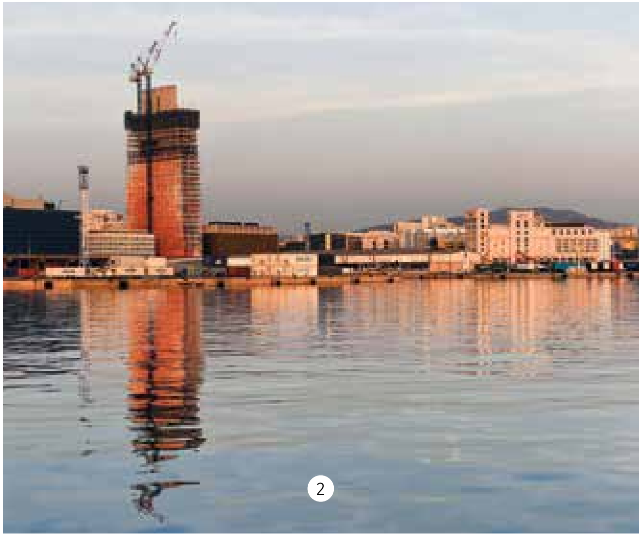
Across all its business lines, Eurovia will continue to implement its ambitious innovation policy to create medium- and long-term value. Current and future projects involving positive energy roads and comprehensive recycling of road surfacings should confirm Eurovia's ability to develop solutions providing high environmental value. Digital technologies will also generate new "smart road" services. Above and beyond technical progress, Eurovia will encourage innovation across the board to optimise the company's operating performance and the quality of the services it delivers.

VINCI CONSTRUCTION

BUILDING TOMORROW'S STRUCTURES AND INFRASTRUCTURE

VINCI Construction, the leading French building and civil engineering group and a global player, operates on five continents with more than 70,000 employees and 700 companies. Firmly rooted in its host geographies, it designs and builds structures and infrastructure that address the major issues facing society, namely global warming, population growth and increasing mobility. For VINCI Construction, every project is a new challenge. Its success rests on attentiveness, respect, social and environmental responsibility and stakeholder partnership and trust. VINCI Construction strives to marshal its expertise and its teams' engagement to support its customers in a changing world.

VINCI Construction returned to growth in 2017 as the recovery took hold in France and most of the group's other markets also experienced an upturn.



1
Australian company Seymour Whyte, which joined VINCI Construction in 2017, is known for its work on infrastructure projects (here, the Bruce Highway north of Brisbane).

2
Construction of the Marseillaise tower, which will offer a total of 35,000 sq. metres of office space over 31 levels in Marseille, as part of EuroMéditerranée project, one of Europe's largest urban renewal programmes.

— The upward trend in order intake perceptible in 2016 resulted in an increase in volume in 2017, with VINCI Construction's revenue increasing 2% to €14 billion following a three-year decline. The growth occurred primarily in France, where revenue, income and order intake all rose. Volume also expanded across the network of local subsidiaries outside France, bolstered by a major acquisition in Australia, and in the specialist activities provided by Soletanche Freyssinet and Entrepose. The Major Projects Division broadened its international coverage while concentrating, in France, on the first Grand Paris Express projects, which generated orders with a value of nearly €1.2 billion during the year. The various VINCI Construction civil engineering entities coordinated and structured their broad range of design capabilities for these projects and their production capabilities will be increasingly called on in coming years.

While cultivating its companies' local roots, autonomy and agility in their respective markets, VINCI Construction continued to roll out common tools and Group-wide programmes designed to reinforce its competitiveness, commercial visibility, ability to meet customer expectations and development potential. One important move is to create new brands that structure common solutions and services. VINCI Construction introduced new brands in 2017 covering marine and inland waterway works then environmental engineering (Equo Vivo), then in 2018 covering the hospital segment (Hycare) and metals (Steeleum). These are in addition to existing brands Plendi, covering prestige buildings, and Sixense, covering digital solutions for the construction sector. The same cross-cutting approach applies to innovation policy, which is networked across VINCI Construction and interlinked with the other VINCI Group business lines.

NETWORK OF LOCAL SUBSIDIARIES

— *VINCI Construction France*

— Following a three-year downturn, VINCI Construction France's activity returned to growth (up 1.3% to €5.4 billion). The increase in order intake was significantly stronger: 16% over the year. In a more buoyant market environment, particularly in the Greater Paris area as a result of the Grand Paris programme's momentum, VINCI Construction France stepped up its selective order-taking policy, which gives priority to profitability.

The recovery of operating income vindicated the "Entreprendre et s'Engager Ensemble" (building and engaging together) programme initiated in 2016 and rolled out in 2017. VINCI Construction France now has a more agile, unified organisational structure focused on best-in-class operational performance. The new structure is better geared to the differentiated economic strength of the group's various regions and focuses on collective action based on increased pooling of the regional entities' design departments and functional resources in order to optimise costs. In the Greater Paris area, the reorganisation of the building activity into three specialist divisions – residential, new-build functional structures and renovated functional structures – has enhanced VINCI Construction France's strategic consistency, clarity and operational efficiency in a market that accounts for over one-third of the division's overall revenue.

VINCI Construction France also plans to consolidate its leadership positions by generating a competitive edge and creating value based on its innovation policy, optimised production and ability to offer clients comprehensive general contracting services. Upstream, VINCI Construction France has made property development a cornerstone of its strategy. The projects carried out by its dedicated Adim network generate an increasing volume of activity.

THE BUILDING SEGMENT, which accounts for over two-thirds of overall volume, was given a boost by increased orders for major projects, especially service sector buildings, and strong demand in the housing sector.

The year's major orders illustrate this trend. The main ones were: in the Greater Paris area, the 180- and 122-metre Duo buildings at the Paris Rive Gauche site and the 50,000 sq. metre Condorcet Campus in Aubervilliers; and in the French regions, the second phase of the Cap 3000 shopping centre restructuring and extension project in Saint Laurent du Var and the Vista Palace Hotel in Roquebrune Cap Martin, both in south-eastern France, and the Testimonio II building in Monaco.

In addition, VINCI Construction France handed over the U Arena in Nanterre, Europe's largest modular covered venue with seating capacity of nearly 40,000 in concert configuration; the Aqualagon water park, Europe's largest aquatic centre, near Disneyland Paris; the new head office of the judicial police with 31,000 sq. metres of office space over eight levels in Paris's Clichy Batignolles development zone; the new 477-bed Robert Boulin hospital in Libourne near Bordeaux; the 160,000 sq. metre multipurpose Muse complex in the eastern city of Metz; and the Archade centre in the northern city of Caen. VINCI Construction France built the Archade centre, a cancer research and hadron-therapy facility, on a general contracting basis, calling on VINCI Construction and VINCI Energy for a wide range of expertise, particularly nuclear engineering and digital construction quality control.

Projects initiated or continued during the year included the 140-metre, 31-level Trinity Tower and the 165-metre, 44-level Saint-Gobain building in La Défense; the 70,000 sq. metre Samaritaine renovation and Roland Garros stadium upgrade projects in Paris; construction of the 250 metre long, 80,000 sq. metre building connecting the South and West terminals at Paris-Orly Airport; the Marseillaise tower, with 35,000 sq. metres of office space spread over 31 levels, in Marseille; and the Luma Foundation in Arles, a 56-metre sculpture building designed by Frank Gehry.

THE CIVIL ENGINEERING SEGMENT was primarily centred on projects initiated under the Grand Paris transport infrastructure programme. In synergy with other business line entities, VINCI Construction France is responsible for works package T3C of Line 15 South, which involves construction of an 8.2 km tunnel between the Fort d'Issy Vanves Clamart and Villejuif Louis Aragon stations, as well as eight shafts, five new stations and the Noisy Champs station on the same line. VINCI Construction France is also lead company in the joint venture in charge of building the new underground station and adjacent tunnels at La Défense to extend Line E of the RER regional express line (Eole) west of Paris. The company also continued work on the extension of metro Lines 12 (construction of the Aimé Césaire and Mairie d'Aubervilliers stations), 14 (Clichy Saint Ouen station and access tunnels) and 4 (two tunnel sections and two stations).

In the French regions, VINCI Construction handed over two new stations on Line B of the Rennes metro; continued work on Line 2 of the Nice tramway and EDF's Gage II dam in the Ardèche region; and won the contract to build the new urban cable car line in Orleans.

In other developments, VINCI Construction Marine and Inland Waterways was set up during the year as a new company bringing together six long-standing VINCI Construction France subsidiaries providing specialist expertise in dredging, undersea rock excavation, sheet piling works, marine and inland waterway civil engineering and underwater works. The new company will offer integrated solutions and services in its markets in France and support the VINCI Construction network internationally. In 2017, VINCI Construction Marine and Inland Waterways continued renovation of 29 dams on the Aisne and Meuse rivers under a VINCI Concessions public-private partnership, and took part in several port projects in France (new terminal in Brest, port of La Cotinière on the island of Oléron) and other countries (port of Kamsar in Guinea, port of Kingston in Jamaica).

THE HYDRAULIC WORKS SEGMENT was spread over a large number of routine projects for local authorities as well as larger operations such as sewer rerouting over a distance of more than 10 km in the Bordeaux metropolitan area to prepare for construction of a new tramway line. In the optical fibre network activity, which calls for expertise similar to that used in pipeline works, VINCI Construction France and Axians (VINCI Energies) won a contract to build very high-speed broadband infrastructure in the Moselle department involving rollout of 6,000 km of optical fibre covering two-thirds of the department's municipalities.

IN SPECIALIST ACTIVITIES, Arbonis (timber construction) took part in several substantial projects in the Greater Paris area including the Glacière Daviel and Casa Jenga buildings in Paris, the Aqualagon water park in Marne la Vallée and several modular school buildings. Neom (cleaning, asbestos removal, remediation, demolition) consolidated its operations in the industrial markets with a project for EDF Energies Nouvelles, which involves dismantling 10 anemometric towers throughout France using an autonomous oxy-fuel cutting robot developed in-house.

Botte Fondations recorded strong growth in the Greater Paris area, driven by large VINCI Construction France infrastructure and building projects. In specialist activities relating to historic monuments, the main projects were the Marigny theatre, the Penthemont abbey and the Richelieu site of the French national library in Paris; the Jacobins monastery in Rennes; the Saint Sauveur cathedral in Aix en Provence; the Hôtel Dieu in Lyon; and the ramparts in Avignon.

THE PROPERTY DEVELOPMENT SEGMENT covered by the Adim network ramped up, with programmes initiated or carried out in Angers (Intencity), Nantes (Îlink and Ouche Buron), Bordeaux (E-mergence and Nouveau Monde), Saint Ouen (D1 block in the Docks), Strasbourg (NoLiStra), Saint Étienne (Cité des Aînés) and Lille (4.2).

Lastly, in the residential property market, VINCI Construction France broadened its Primméa offering by adding new modular product ranges. Primméa optimises the entire design and production process to sell housing units meeting high quality standards at affordable, below-market prices. The use of new digital tools, which have now been extended to cover all phases of project execution, helps it increase its competitiveness.

— *VINCI Construction International Network*

— This division brings together the entities located in Europe, Africa, Overseas France and Oceania. These entities build on strong local roots in their markets bolstered by the expertise of the business line's other divisions to operate as general contractors.

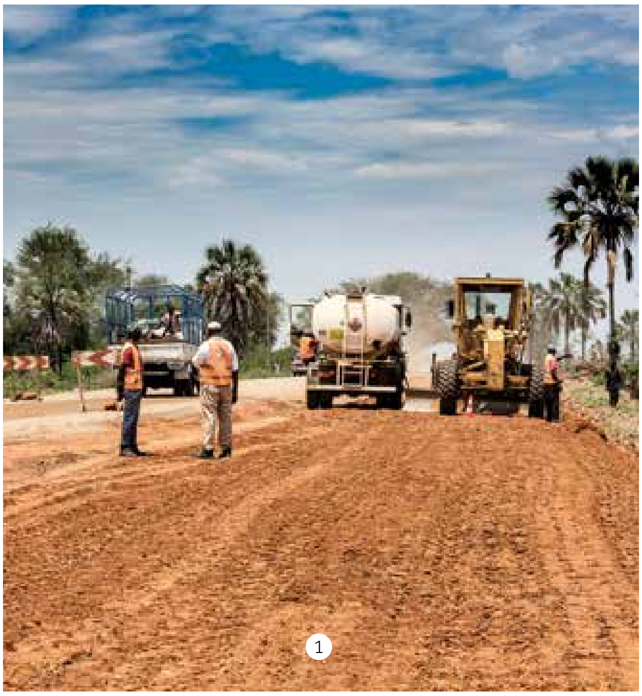
OVERSEAS FRANCE

VINCI Construction Dom-Tom maintained its revenue at €0.5 billion despite a difficult economic environment, with the effects of the crisis occurring later than in metropolitan France. The local subsidiaries built on their local networks to continue their core business activities across all building and civil engineering markets, particularly in the housing market where nearly 2,500 units were under construction. The local subsidiaries have strengthened their property development expertise, which is helping to boost activity in this market and compensating for the decline in public sector orders.

On Reunion Island, the major New Coastal Highway project, in full swing throughout the year, illustrates the good fit between the local subsidiaries and the Major Projects Division. Other large projects included the new molecular imaging centre in Guadeloupe; the Pacific Plaza tower in New Caledonia; and the Edgar Avril spring capture, pumping and backflow project on Reunion Island.

EUROPE

In the Czech Republic and Slovakia, revenue shrank 12% to €0.1 billion as the construction market came under strong pressure. SMP CZ, lead company of a joint venture responsible for extending the Prague wastewater treatment plant, completed the structural work on that major project. Projects in neighbouring countries helped to bolster activity. In Germany, for example, SMP CZ formed a joint venture with Eurovia to rebuild engineering structures along the A7 motorway, which was brought into the scope of VINCI Concessions in 2017.



1
Refurbishment, expansion and asphalt surfacing of a 30 km section of the RN5 national highway in Burundi.

2
The New Coastal Highway on Reunion Island is made up of an offshore viaduct and offshore causeways running parallel to the coast. The outsized project will provide a 12 km road connection between the city of Saint Denis and its commercial port.

BIODIVERSITY
IN CITIES

The scientific partnership formed by VINCI and ParisTech to set up the Eco-design of Buildings and Infrastructure Chair has led to a further development: Urbalia, created at the end of 2017 by VINCI Construction and AgroParisTech as a start-up dedicated to including biodiversity and agriculture in urban development projects. Urbalia's purpose is to work with urban authorities, urban developers and construction stakeholders to design in-city natural areas that improve life for inhabitants and boost the resilience of cities by reducing heat islands. Its solutions are notably based on Biodi(V)strict, the first tool designed to measure the biodiversity potential of an urban development project, and NewDistrict, which uses multi-agent simulation to track biodiversity within a given area. Both were developed by the VINCI-ParisTech Chair.

DIGITAL
RAMP-UP

BIM (Building Information Modelling) is transforming construction and spreading to all building project phases, as exemplified in the prizes won by three VINCI Construction companies in the 2017 Gold BIM awards organised by the Le Moniteur press group.

- Sogea Bretagne ("operation and maintenance" category), for a French Navy building in Brest; working with VINCI Energies, the company combined the potential of BIM with the asset technical management software used by the customer.
- Bateg ("new-build projects above 40,000 sq. metres" category) for the Saint-Gobain building in La Défense; BIM is now used to generate a digital as-built file that combines a virtual model, execution drawings and technical fact sheets. The tool will also be used in building maintenance.
- VINCI Construction Grands Projets ("building projects outside France" category) for the extension and renovation of the airport in Santiago de Chile; the use of BIM facilitates coordination in the construction phase and will enable VINCI Airports to optimise operation of the renovated airport.

In Poland, activity increased by 12% to €0.2 billion in a recovering market. Warbud began construction of a 7.5 km section of the S2 expressway, which forms the southern ring road around Warsaw. In the building sector, where the upturn was substantial, the subsidiary completed the boldly designed Museum of the Second World War in Gdańsk (with a seven-storey leaning tower) and the Wroclawia shopping centre in Wrocław (64,000 sq. metres of rental area). Three major orders for office buildings were booked in Warsaw during the year: the Skyliner tower (45 levels, 195 metres), Mennica Legacy building (36 levels, 140 metres) and Varso Tower (53 levels, 310 metres including an antenna surmounting the building). Warbud also handed over its first building project under a public-private partnership – the Nowy Sącz district courthouse – and won a similar contract for thermal renovation of school buildings in the city of Wiązowna.

OCEANIA

In New Zealand, revenue at HEB Construction jumped 65% to €0.4 billion. Besides reconstruction following recent earthquakes, it worked on major projects involving the Māngere wastewater treatment plant, which serves the greater Auckland area; the SH1 coastal highway near Kaikōura; and the Transmission Gully motorway north of Wellington.

A highlight at the end of the year was VINCI Construction International Network's acquisition of Australia's Seymour Whyte company, which significantly expanded its positions in the region. Based in Queensland, the well-known road, engineering structure and water network construction company has 475 employees and generates annual revenue of over A$430 million. The acquisition will bring VINCI Construction's full-year revenue in Oceania to nearly €1 billion.

AFRICA

After several years of declining volume, revenue held steady at €0.7 billion. Although business activity continued to suffer from the adverse economic environment in the oil, gas and commodity producing countries, it expanded in West Africa and the Sahel region, with the upturn accelerating in the second half. Order intake was also buoyant in a number of East African countries, particularly Uganda and Kenya.

Sogea-Satom continued to refocus its activities by moving into water infrastructure and building alongside its traditional core roadworks activity. In addition to the technical quality of its bids, the company's ability to assist customers in financially structuring their projects is a promising avenue for development. During the year, the new 850 metre bridge over the Wouri River was handed over in Douala, Cameroon. It was the Group's first major engineering structure in Africa and involved four VINCI Construction companies. Sogea-Satom also confirmed its position as a leader in drinking water supply systems in Africa, building the wastewater treatment plants in Bamako, Mali; Kigoro, Kenya; and Ouagadougou, Burkina Faso, where the new Ziga II plant will double the capital's drinking water supply. In the building segment, Sogea-Satom is taking part in the construction of the new Green Tech Valley business centre in Rabat, Morocco.

— *VINCI Construction UK*

— At VINCI Construction UK, which continues to pursue its selective order-taking policy, revenue contracted 8% to £0.9 billion.

IN THE BUILDING SEGMENT, the company won a first contract, for St Ann's Hospital in Tottenham, under the ProCure22 hospital programme, for which it is qualified, while continuing a number of projects contracted under the previous programme, ProCure21 (Chesterfield Royal Macmillan Cancer Centre; Life Science Centre in Liverpool). It was also shortlisted to take part in a private finance initiative (PFI) programme in the hospital sector for a period of four years. The year's orders also included redevelopment of the city centres in Warrington (Cheshire) and Wigan (Greater Manchester), Devonshire Park in Eastbourne (East Sussex) and construction of student housing at the universities of Hull (East Yorkshire) and Gloucestershire.

Projects currently under way include the New Covent Garden Market in the centre of London, which was developed by VINCI UK Developments and St Modwen Properties, which passed a major milestone with the completion of the temporary flower market, which paved the way for the sale of the land on which the old flower market sits to a Chinese investor. In other developments, VINCI Construction UK confirmed its strong positions in the education segment with several projects at the universities of Swansea (Bay Campus), Cardiff (Howard Gardens) and Cumbria County as part of the North West Construction Hub programme.

THE FACILITIES MANAGEMENT DIVISION won the renewal of several major contracts (Transport for London, Metropolitan Police, Unisys, Dixons Carphone). It expanded its maintenance activities for the Ministry of Justice and several universities (Buckinghamshire New University, Cambridge International School) and diversified into the automobile sector by winning a new contract covering Mercedes Benz's locations in Great Britain.

IN CIVIL ENGINEERING ACTIVITIES, the year's highlights included the award of two High Speed 2 rail line contracts *(see Major Projects Division, overleaf)* to a joint venture set up by VINCI Construction and Balfour Beatty. VINCI Construction UK also continued London Underground upgrade projects (Whitechapel and Victoria stations, western stations on the Crossrail network, construction of the Old Oak Common depot) and won a new contract to renovate the White Hart Lane station in North London. Other significant contracts covered the Filton Bank rail link in Bristol; the M4, M5 and M6 motorway upgrades under the Highways England smart motorways programme; and lastly a waste treatment plant in North Yorkshire, in conjunction with VINCI Environnement, which was completed during the year.

MAJOR PROJECTS DIVISION

— Consolidated revenue remained stable at €1.6 billion (down 0.2%) buoyed by large-scale projects in Yamal (Russia) and Chernobyl (Ukraine) among others. The division's total business volume, including its holding in QDVC in Qatar, reached €2.0 billion, approximately the same level as in 2016.

VINCI Construction Grands Projets generated €1.3 billion in revenue, including its holding in QDVC in Qatar, a slight decline (2.5%) from the previous year. Business was especially brisk in Latin America, driven by projects carried out for VINCI Concessions (on the airport in Santiago de Chile, Bogotá–Girardot motorway in Colombia, Lima ring road in Peru) and on its own, including the Atlantic Bridge in Panama. Activity also expanded in South-east Asia, with a series of hydraulic engineering projects in Vietnam (water transfer tunnel in Ho Chi Minh City) and Cambodia (wastewater treatment plants in Phnom Penh and Siem Reap).

In the underground works segment, in which the division is a global benchmark, activity was buoyant. This was true of both projects already under way (Grand Paris Express in France, Cairo metro in Egypt, metro system in Hong Kong) and new orders, including the Rijnland Route (with a 2.2 km tunnel) in the Netherlands and major pending 18 km Fehmarn Belt immersed tunnel that will link the Danish and German coasts.

In rail infrastructure, VINCI Construction Grands Projets built on the successful South Europe Atlantic high-speed rail line (HSL) in France to win two works packages on the high-speed line (HS2) that will connect London and Birmingham, as part of a joint venture that also includes VINCI Construction Terrassement and VINCI Construction UK. The contract covers the design phase and holds out the prospect of a subsequent works contract with an estimated value of €2.9 billion. The two contracts cover construction of an 85 km rail line, a large number of engineering structures, two tunnels with lengths of 2.9 and 1.9 km respectively and connections with the future HSL station to be built in Birmingham.

VINCI Construction Grands Projets also demonstrated its ability to design and build bridges around the world, with the Atlantic Bridge in Panama, which set a world record for a concrete central span – 530 metres – on a cable-stayed bridge, and on which the access viaducts were completed at the end of 2017; and with the New Coastal Highway viaduct on Reunion Island, which runs offshore over a distance of 5.4 km.

In its other areas of activity, VINCI Construction Grands Projets prepared to hand over two of the four Yamal liquefied natural gas tanks in Russia, built in synergy with Entrepose; the Chernobyl confinement in Ukraine, the largest mobile metal arch ever built; and the first phase of the Mandarin Oriental hotel in London, the first international project carried out under the Plendi brand dedicated to prestige buildings.

Lastly, in Qatar, the QDVC subsidiary continued work on major projects for a ring road (New Orbital Highway) and a metro line (Red Line South) in Doha, as well as the light rail line of the new city of Lusail.

Liquefied natural gas tanks 1 and 2 at the Yamal site in northern Siberia.

VINCI Construction Terrassement recorded stable revenue (up 0.5% to €0.4 billion). In France, the company's substantial growth was driven by regional activities and the acquisition of the Benedetti-Guelpa company, which more than made up for the reduction in major projects. Building on its network of local companies, it continued to expand its range of specialist works, including environmental facilities such as noise barriers, motorway wildlife crossings and wetland creation. The company's expertise in this field is the core of the new VINCI Construction ecological engineering range brought together in the Equo Vivo brand. In major infrastructure, business was bolstered by business line and Group projects, both in France (A63 motorway widening, extension of RER regional express Line E to the west of Paris, A36/RN1019 junction, port of Brest in Brittany and port of La Cotinière on the island of Oléron, sediment removal from the Sélune minor riverbed in Normandy, development of a wetland area in the greater Reims area) and in other countries (Regina Bypass in Canada, Bogotá–Girardot motorway in Colombia).

Dodin Campenon Bernard, which specialises in large civil engineering structures, increased its revenue by 9.6% to €0.2 billion, mainly as a result of underground works activity in the Greater Paris area (Grand Paris Express Lines 15 South and 14, metro Lines 4, 12 and 14, Eole) and the Rennes metro. In the engineering structure activity, the main projects were the A85 motorway viaducts and design of the A355 project in metropolitan France; the New Coastal Highway offshore viaduct on Reunion Island; and the new bridges over the Wouri River in Cameroon. The company also continued work on two major energy projects in France: the Iter in Cadarache and the Romanche Gavet hydroelectric plant. Lastly, as part of its international expansion, the company set up the Dodin Québec subsidiary in Quebec.

Innovation

SMART SOLUTION
FOR LIFTING A BRIDGE

ElevArch®, a novel method used to lift engineering structures that was designed and patented by Freyssinet, won the VINCI 2017 Innovation Awards prize in the "processes and techniques" category. Applied in the United Kingdom on a rail line electrification project, it eliminated the need to replace a bridge or lower the alignment by raising the arch of the existing bridge. First the bridge is cut using a diamond saw and then hydraulic jacks are positioned under the arch to raise the latter to its final position, while vertical slip bearings are inserted into the wing walls to ensure stability. The operation takes time to prepare but the lifting operation itself requires closure of the line for only 24 hours, substantially reducing disruption of operations.

SPECIALIST ACTIVITIES

— *Soletanche Freyssinet*

— Revenue increased to €3.2 billion, with organic growth up 5.2%. Soletanche Freyssinet further balanced its project portfolio and consolidated its performance, notably in Europe, Asia and Oceania. Order intake was brisk, confirming the momentum in specialist activities around the world and the good fit between the company's expertise and market requirements.

DEEP FOUNDATIONS AND GROUND TECHNOLOGIES

Soletanche Bachy's volume held steady at a high level. Activity was particularly strong in Asia and Oceania, where the company worked in Hong Kong (third runway at the international airport), Singapore (Thomson–East Coast Line), Australia (Pacific Highway) and Malaysia (urban development and metro stations). Volume declined slightly in North America but continued to grow in Latin America. In Europe, business remained stable in the United Kingdom, where Soletanche Bachy is working on the Thames Tideway Tunnel in London. It increased in France due to the Grand Paris transport infrastructure projects and in Central Europe, where it spread across building projects in Serbia and Romania, metro projects in Poland and motorway projects in Hungary. In the Middle East, Soletanche Bachy completed work on the deep foundations of the Dubai Creek Tower, set to become the world's tallest man-made structure, and on the Idris sewer system in Doha, Qatar. Other major projects in 2017 included construction of high-rise buildings in Mexico and Morocco, underground works in Vietnam and New Zealand, port works in Turkmenistan, Egypt, Trinidad and Tobago and Uruguay, and excavation works in Colombia and Monaco.

Menard reported strong growth. It was particularly active in the Middle East, where large-scale projects included Zayed City in Abu Dhabi and the East Port Said Industrial Zone in Egypt, and in the Asia Pacific area, driven by the expansion of the local networks and by major projects such as the Barangaroo port project in Sydney, Australia and the Cargo Village project at the airport in Jakarta, Indonesia. Growth was also substantial in Latin America, where Menard expanded its ground improvement activity and was involved in the construction of runway 2 at the new international airport in Mexico City. In Europe, growth was based on strong regional roots and team involvement in about 1,000 projects. Lastly, Menard acquired the Canadian company ConeTec, which specialises in site investigations, and created the Remea brand to reinforce its remediation activity.

STRUCTURES

Terre Armée reported strong revenue growth. Business was buoyant in North America due to a steady stream of orders and ongoing road infrastructure projects, including the Regina Bypass being built by VINCI in Saskatchewan, Canada. Business activity also increased in Africa (Cornubia industrial estate in KwaZulu Natal), Australia (NorthLink road construction programme) and India (slope stabilisation on National Highway 55), compensating for the contraction recorded in Europe. Key projects in 2017 included construction of prefabricated arches for a project at the Antamina mine using an ultra-high-performance concrete produced on an industrial scale in Peru for the first time.

Freyssinet recorded a slight dip in revenue following extraordinary growth in 2016. The slowdown observed in Latin America and the Middle East was offset by buoyant activity in France, driven by a large number of local projects, Asia (Lian Tang 3 bridge in Hong Kong, Light Rail Transit in Jakarta, Indonesia) and the United States (Morehead and Emerald Isle bridge repair projects in North Carolina). Major projects included installation of the cable stays on the Atlantic Bridge built by VINCI Construction Grands Projets in Panama and on the Kosciuszko Bridge in New York, as well as construction of a viaduct for the San Martín rail line in Argentina.

NUCLEAR

Nuvia revenue held steady at constant exchange rates. In the United Kingdom, the subsidiary won several contracts for the two EPR reactors that EDF Energy is building at Hinkley Point, which notably included a sample analysis system on the primary circuit. The nuclear measurement and industrial automation activity was strong in the Czech Republic. Activity remained stable in Sweden, bolstered by dismantling and waste characterisation projects, and in France, where Nuvia is working on the Iter Crown project in Cadarache and taking part in dismantling the Superphénix fast breeder reactor at the EDF nuclear plant in Creys Malville. Lastly, Nuvia continued to diversify its range of nuclear medicine solutions and services, and launched a new product line, NuviaTech Healthcare.

Diaphragm wall works at the worksite for Line 1 of the Bên Thành - Suôi Tiên metro in Ho Chi Minh City, Vietnam, the country's first metro system.

DIGITAL SOLUTIONS FOR INFRASTRUCTURE

Sixense, a VINCI Construction brand created in 2016, focused on major urban infrastructure projects including the Grand Paris Express in France and metro construction in numerous cities outside France (Riyadh, Doha, Hong Kong, Auckland, Melbourne and Bucharest). Sixense continued to roll out its Digital Site worksite management software tool and to expand the use of ScanPrint as part of its integrated range of digital services and solutions for the construction and life cycle management sector.

— *Entrepose*

— Revenue rose 2.5% to €0.8 billion, primarily as a result of growth in the onshore pipeline construction activity. Specialist subsidiary Spiecapag continued work on three gas pipelines in Greece and Albania with a combined length of 400 km as part of the Trans Adriatic Pipeline project, which will bring gas from the Shah Deniz field in Azerbaijan to Europe. It also reported buoyant activity in France (Val de Saône project) and Australia (Northern Gas Pipeline in Queensland).

Activity also increased in marine works (Geocean), with several projects in Cameroon, Egypt and especially Bangladesh (design-build of fixed infrastructure for two floating liquefied natural gas storage units). Volume also increased in drilling works, provided by Entrepose Drilling, primarily as a result of a major well project for the French Alternative Energies and Atomic Energy Commission (CEA) in French Polynesia, and in underground hydrocarbon storage, with several projects in Texas, United States.

In oil and gas infrastructure, Entrepose Contracting completed work on the gas storage facilities in Shalapa, Mexico; handed over the first two of four liquefied natural gas tanks built in conjunction with VINCI Construction Grands Projets on the Yamal Peninsula in Russia, just 400 km from the North Pole; and began work on two new micro-refinery projects in Bangladesh.

The VINCI Environnement subsidiary's energy-from-waste activity held steady. New facility construction projects in Saint Ouen, France and Charleroi, Belgium were initiated as those in North Yorkshire, United Kingdom and Rochefort, France were completed.

Lastly, the Entrepose International Network of local subsidiaries performed well, particularly in Algeria and Nigeria.

1
Cantilever construction of two arch bridges in Hong Kong.

2
Horizontal drilling to replace 500 metres of gas pipeline under the Garonne River for Transport et Infrastructures Gaz France.

VINCI CONSTRUCTION / OUTLOOK

The year-end order book at €16.9 billion, up 6% compared to the previous year, heralds further growth in 2018.

The positive trend is especially noteworthy in metropolitan France. The building market is expected to remain buoyant while the civil engineering segment will reach record levels in the Greater Paris area due to Grand Paris transport infrastructure works. Strengthened by its leaner and more agile business model, VINCI Construction France should consolidate its ability to generate profitable growth.

In the other local subsidiary networks, activity is expected to continue to consolidate at constant exchange rates in the United Kingdom, where building and civil engineering markets remain strong despite Brexit. Activity should remain steady in Overseas France, buoyed by the business line’s strong local roots, and remain steady in Central Europe, where building contracts were recently won in Poland. Volume is expected to continue to expand in Africa, where Sogea-Satom is extending its network of locations and its range of solutions and services in markets that are recovering from the recession; and to increase substantially in Oceania, following the acquisition of the Seymour Whyte company in Australia.

The Major Projects Division is expected to reap the short- and medium-term benefits of the sizeable orders recently booked for the Grand Paris Express project in France, the HS2 rail line in the United Kingdom and new contracts in Northern Europe and South-east Asia. Other projects currently on the drawing board, notably in coordination with VINCI Concessions, could also bolster activity in coming years to continue the current trend in Canada and Latin America.

In specialist activities, Soletanche Freyssinet companies are expected to continue to grow, driven by buoyant order taking in markets where their expertise dovetails with increasing requirements. Entrepose is expected to stabilise its revenue by diversifying its activities. The company will continue to develop solutions and services based on its areas of expertise to make up for declining sales in the oil and gas infrastructure market.

VINCI IMMOBILIER

DEVELOPING NEW LIVING SPACES IN CITIES

— As interest rates remained low, sustaining a favourable business environment and amplifying the positive trend of the previous year, VINCI Immobilier's consolidated revenue grew nearly 16%. Order intake increased markedly (up 39%), with order volume exceeding €1.5 billion (Group share) at year end. This strong performance reflects buoyant business activity in all market segments.

RESIDENTIAL PROPERTY

— Despite uncertainties regarding the regulatory and tax framework applying to property investment, reservations grew by 21% to 6,630[*] units. The number of units covered by notarised deeds rose 52% to 6,823[*]. Meanwhile, unit starts stood at 6,932[*] for the year.

(*) Including Monaco

En-bloc sales to social housing authorities and institutional investors accounted for over 43%[*] of total volume. Growth was particularly strong in serviced residences, with new projects in Strasbourg, Orléans, Châteaufort near Paris, Reignier Ésery in eastern France and Les Sables d'Olonne in western France, confirming investor confidence in the Ovelia (retirement home) and Student Factory (student residence) brands.

During the year, work began on several major residential programmes in Lyon (690 units), Gif sur Yvette (1,160 units), Strasbourg (378 units) and Noisy le Sec (363 units). VINCI Immobilier also started work on two high-end projects in Paris's 15th arrondissement (Maison Saint Charles) and Lyon's Confluence district (Ycone). Adapting to changing marketing practices aimed at individual buyers, VINCI Immobilier continued to roll out new customer relations tools (extranet, 3D configurator, integrated web call centre). It also acquired a stake in startup SmartHab to foster the development of smart and connected building solutions.

VINCI Immobilier expanded its network by opening two new agencies in Bayonne and Nancy.

BUSINESS PROPERTY

— In regions such as the Greater Paris area, order intake was again solid in all market segments. Total operations (off-plan sales and property development contracts) reached a record €516 million (Group share).

In office buildings, new sales were signed in Marseille (Euromed, 8,220 sq. metres), Lyon (Décines Charpieu, 10,560 sq. metres) and Lille (EuraTechnologies, 5,600 sq. metres). At the end of the year, VINCI Immobilier also signed the property development contract for the first phase of the VINCI Group's future head office (63,000 sq. metres) in the new Les Groues neighbourhood in Nanterre, on which work started in early 2018. In the other sectors, noteworthy operations included new hotel projects in Paris (Porte d'Italie, 185 rooms) and Saint Étienne (Châteaucreux neighbourhood, 161 rooms) and a shopping centre in Bagnolet on the outskirts of Paris (Benoît Hure development zone, 4,860 sq. metres). VINCI Immobilier also won several competitions for operations in Lille (rue de Béthune), Paris (rue de Tolbiac) and Bagnolet (conversion of the scrap iron market as part of the "Inventons la Metropole du Grand Paris" call for projects).

Lastly, the design of the To-Lyon tower was finalised in 2017. The high-rise is the emblem of the Part Dieu urban renewal programme in Lyon. Construction of the 43-storey building designed by architect Dominique Perrault is scheduled to start in 2018. It will accommodate 66,000 sq. metres of office space, a 168-room four-star hotel and 3,500 sq. metres of shops.

INTERNATIONAL

IN MONACO, VINCI Immobilier is developing the Testimonio II project as client representative and minority shareholder of the project company. The exceptionally large operation covers construction, for the Principality of Monaco, of 150 state-owned housing units, 3,100 sq. metres of office space, an international school and 1,100 parking spaces, with the addition of 45 luxury housing units. Foundation and structural works, awarded to VINCI Construction France, got under way during the year.

IN POLAND, VINCI Immobilier and Warbud (VINCI Construction) formed a joint property development company to take on new residential, hotel and office projects. The goal is to leverage the local roots of the Group's construction subsidiary in order to take part in the buoyant growth of the Polish property market.

SERVICED RESIDENCES AND PROPERTY SERVICES

— Ovelia, in which VINCI Immobilier holds an 80% interest and which in just two years has become a respected retirement home developer, continued to expand, opening new residences in Royan in western France and Chatou near Paris. At the end of the year, it had a total of seven residences in operation, eight under construction and six in the financial structuring phase. Meanwhile VINCI Immobilier pursued a similar strategy in the market for serviced student housing through Student Factory, a wholly-owned subsidiary set up in 2017, which is developing an innovative range of student residences with comprehensive connectivity. The first five residences of this type, which are already under construction, will open in 2018 and 2019. Four additional operations are being finalised.

Lastly, the office building management and user company consulting activity continues to expand at a satisfactory rate.

VINCI IMMOBILIER / OUTLOOK

In 2018, VINCI Immobilier expects further growth in both residential property – given the large volume of units and serviced residences reserved or under construction – and business property, with work on the future VINCI head office and the To-Lyon high-rise getting under way. VINCI Immobilier will invest in developing innovative projects, more particularly under Métropole du Grand Paris calls for projects, to keep pace with evolving urban planning and building use policies.

General & financial elements

Report of the Board of Directors

Contents

A. Report on the financial statements for the year

1. Consolidated financial statements

VINCI's performance in 2017 was excellent.

In Contracting, there was a return to growth for both revenue and order intake in France. That was accompanied by an improvement in operating margins in the sectors that had been most badly affected by the recession. The Group also carried out a number of acquisitions to develop its international presence, particularly at VINCI Energies.

In Concessions, business remained buoyant. VINCI Autoroutes' heavy-vehicle traffic rose back to levels last seen before the 2008 crisis. VINCI Airports continued to post rapid growth in passenger numbers at all airports. Three new airports will join its concessions portfolio in 2018: Salvador de Bahia (Brazil), Kobe (Japan) and Belgrade (Serbia). VINCI Highways won new contracts in Germany and Russia. Lastly, the new South Europe Atlantic high-speed rail line connecting Tours and Bordeaux came into service on 2 July 2017. This exceptional piece of infrastructure illustrates VINCI's ability to deliver major projects by using all of its expertise in synergy.

In addition, VINCI took advantage of highly favourable borrowing terms and carried out a number of refinancing transactions, which significantly reduced the cost of its debt and extended its overall maturity.

1.1 Highlights of the period

1.1.1 Main changes in scope

Concessions

In Brazil, after a tender procedure initiated by the country's National Civil Aviation Agency (Anac), VINCI Airports was awarded the 30-year concession for Deputado Luís Eduardo Magalhães Airport in Salvador de Bahia in March 2017. The contract came into force on 2 January 2018 and covers the operation, maintenance, extension and renovation of the existing terminal and runways. This airport, Brazil's ninth-largest, handled 7.7 million passengers in 2017, up 1.8% compared with 2016.

In July 2017, VINCI Airports strengthened its position in airport retail with the acquisition of a 51% stake in Lojas Francas Portugal (LFP), which is operated jointly with Dufry Group, a global leader in the airport retail sector. In 2017, LFP generated revenue of more than €230 million and operated 31 stores located in seven of the 10 Portuguese airports managed by VINCI Airports, including Lisbon airport.

In September 2017, Kansai Airports – in which VINCI Airports and its Japanese partner Orix each own a 40% stake – signed a 42-year concession contract for the management of Kobe Airport (UKB) in Japan, starting on 1 April 2018. Operating this airport, which handles around 3 million passengers a year, will enable Kansai Airports to develop synergies with Kansai International Airport (KIX) and Osaka International Airport (ITM), which it already operates.

Contracting

In 2017, VINCI Energies carried out 34 acquisitions in France, Europe and North America, representing combined full-year business volume of around €1.6 billion. The main transactions were as follows:
- Novabase IMS, integrated in January 2017, is Portugal's leading information systems integrator and IT outsourcing company. It employs 400 people and generated revenue of €70 million in 2017.
- Acuntia, consolidated since August 2017, is a leading service provider in Spain's information and communication technology sector. Acuntia employs 340 staff and generated revenue of €95 million in 2017.
- Horlemann, acquired in November 2017, specialises in engineering, construction and maintenance of electrical grids, as well as lighting operations and electrical grid automation processes. It is a family-owned German company based in the Ruhr region and in the Berlin area. It generated revenue of more than €100 million in 2017 and employs 570 people.
- Infratek is a major Scandinavian player in the fields of electrical grids, public lighting and railway systems. It is also a market leader in renewable energies and the connection of charging stations for electric cars. Infratek is based in Norway, employs 1,350 people and its revenue amounted to over €340 million in 2017.
- Eitech is one of Sweden's leading specialists in electrical and engineering works for the manufacturing, infrastructure and construction sectors. It has strong local coverage with 26 sites, employs 1,200 people and generated sales of around €220 million in 2017.

The last two acquisitions above will make Scandinavia VINCI Energies' third-largest market after France and Germany in 2018.

In December 2017, VINCI Energies signed an agreement to acquire PrimeLine Utility Services, a US group specialising in engineering, construction and maintenance of electricity transmission and distribution networks, as well as telecoms infrastructure. PrimeLine Utility Services has 50 sites in 25 states across the eastern and southern United States. The company employs 2,900 people and achieved pro forma revenue of over $530 million (around €470 million) in 2017. This acquisition represents a major step forward in VINCI Energies' expansion in North America, and is scheduled for completion in the first half of 2018.

Eurovia strengthened its presence in Germany by acquiring THG Baugesellschaft mbH, specialising in rail works, and TKP Krächan GmbH, specialising in concrete structure renovation. The two companies generated combined revenue of €26 million in 2017.

Eurovia also entered Latvia with the acquisition of Saldus Celinieks, a company specialising in roadworks, the extraction of aggregates and asphalt production. In 2017, the company generated revenue of around €30 million.

In October 2017, VINCI Construction acquired Australian company Seymour Whyte, which specialises in civil engineering, earthworks and utility networks. The company is based in Queensland, employs 475 people and generated revenue of over A$430 million (around €285 million) in its financial year ended 30 June 2017. This acquisition strengthens VINCI Construction's presence in Oceania.

In January 2017, VINCI Construction acquired French company Benedetti-Guelpa, enhancing the geographical coverage of VINCI Construction Terrassement's network in the French Alps region, and contributing market-leading expertise in building golf courses in France and abroad. Benedetti-Guelpa's revenue amounted to €36 million in 2017.

VINCI Construction also strengthened its positions in specialist civil engineering in October 2017, through Soletanche Freyssinet's acquisition of ConeTec, a site investigations company in Canada, which generated 2017 revenue of around C$50 million.

These transactions are described in the Note B.2 to the consolidated financial statements ("Changes in the consolidation scope").

1.1.2 Public-private partnership contracts

In April, following contract award in February 2017, VINCI Highways finalised financing for the A7 motorway project in Germany, which involves a €441 million, 30-year public-private partnership (A-Modell) contract. The winning consortium – led by VINCI Concessions – will operate a 60 km section of motorway between the Bockenem and Göttingen interchanges. Widening works on a 29 km section will be carried out by a consortium led by Eurovia.

In April 2017, VINCI Highways opened two new sections of motorway in Greece (Corinth–Patras, 120 km, and Maliakos–Kleidi, 240 km) built by consortiums including VINCI Construction. These motorways represent total investment of €2.8 billion. They will be operated until 2038 by two concession holders, namely Olympia Odos, in which VINCI Concessions has a 30% stake, and Aegean Motorway, in which it owns a 14% stake.

In November 2017 – via its UTS subsidiary, which is 50%-owned alongside a Russian partner – VINCI Highways won a 10-year contract to operate new sections of the motorway connecting Moscow and St Petersburg, covering a total of 359 km. This contract makes VINCI Highways the sole operator of this 669 km motorway. Several sections of the motorway are under construction and are scheduled to open to traffic in 2018.

On 2 July 2017, VINCI Railways opened the 302 km South Europe Atlantic high-speed rail line connecting Tours and Bordeaux, one month ahead of the original schedule. The new line has reduced the journey time between Paris and Bordeaux to 2 hours and 4 minutes.

In January 2018, VINCI Energies won a 29-year public-private partnership contract in Germany to refurbish, extend and manage four schools in the Cologne region.

1.1.3 Commercial successes in the Contracting business

The Group won several contracts in 2017, the largest of which were as follows.

• France:

– four construction contracts awarded as part of the Grand Paris Express project, representing total orders of around €1.2 billion for Group subsidiaries, comprising
 · the T3A section of metro Line 15 South, between Boulogne Billancourt and Issy les Moulineaux;
 · the T3C section between Issy les Moulineaux and Villejuif;
 · the T2A section between Villejuif and Créteil;
 · the new Noisy Champs station, which will be the intersection of metro Lines 16 and 11 and RER Line A;
– a contract to roll out "fibre to the home" (FTTH) in nine French administrative departments;
– a contract to modernise 180 km of overhead contact lines on RER Line C between Paris and Brétigny sur Orge on behalf of SNCF Réseau, awarded to the R² consortium, which also includes ETF (Eurovia) and Mobility (VINCI Energies);
– various contracts related to the construction of the Ariane 6 launch site at VINCI Energies.

• Outside France:

– a contract to build the first section of the RijnlandRoute in the Netherlands, as part of the Comol5 consortium;
– a 15-year contract to carry out maintenance and improvement works on 1,695 km of roads and motorways in south-west England;
– a design-build contract for a 10 km water transmission pipeline to supply the centre of Ho Chi Minh City, the economic capital of Vietnam;
– a contract to build Senegal's power grid interconnection with Guinea-Conakry, Guinea-Bissau and Gambia as part of the OMVG project;
– a contract to build a new 8 km section of the D1 motorway near Prešov, Eastern Slovakia;
– the initial studies and preparation phase of a design-build contract relating to civil engineering packages N1 and N2 on the London–Birmingham high-speed rail line.

1.1.4 Financing operations

New corporate financing

In 2017, VINCI took advantage of ongoing favourable market conditions and its strong credit ratings (A3 from Moody's and A- from Standard & Poor's) to refinance several of its debts, and to reduce the cost and extend the maturity of its debt.

• ASF carried out two bond issues:

– in January, a €1 billion, 10-year bond issue with an annual coupon of 1.25%;
– in April, a €500 million, nine-year bond issue with an annual 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 issued $450 million of five-year, non-dilutive, cash-settled synthetic convertible bonds with an annual coupon of 0.375%. In May and November, VINCI placed a further $125 million and $150 million of identical bonds respectively.
• In October, Cofiroute issued €750 million of 10-year bonds with an annual coupon of 1.125%.
• In November, Arcour, which holds the concession for the A19 Artenay–Courtenay motorway, issued €417 million of project bonds at a fixed rate of 2.817%, amortising over 30 years. At the same time, the €191 million loan from the European Investment Bank (EIB) was maintained, and its amortisation profile and maturity were extended to match those of Arcour's bond debt.

In 2017, the Group secured around €4 billion of new financing with an average maturity of 9.8 years.

Debt repayments

In 2017, the Group repaid more than €3 billion of borrowings:
• ASF repaid €697 million of loans from the Caisse Nationale des Autoroutes (CNA) and the European Investment Bank (EIB).
• VINCI repaid €1 billion of bonds and two private placements amounting to €100 million and CHF200 million respectively.
• In November, Arcour carried out the early repayment of a bank loan in the amount of €382 million.
• In January, Aerodom repaid $518 million of external debt as part of its refinancing.

At 31 December 2017, the Group's long-term financial debt totalled €19 billion. Its average maturity was 5.7 years and the average interest rate was 2.65% (5.0 years and 3.0% respectively at 31 December 2016).

1.2 Revenue

VINCI's consolidated revenue totalled €40.2 billion in 2017, up 5.7% relative to 2016. This represents organic growth of 4.4%. The 0.6% negative impact of currency movements was more than offset by a 1.9% boost from recent acquisitions.

Concessions revenue totalled €6.9 billion, up 10.3% on an actual basis. It included the full-year contributions of Aerodom (Dominican Republic) and Aéroports de Lyon at VINCI Airports, and of Lamsac (Peru) at VINCI Highways. On a comparable structure basis, revenue rose 5.9%.

Contracting revenue (VINCI Energies, Eurovia, VINCI Construction) was €32.8 billion, up 4.3% on an actual basis and up 3.6% like-for-like. After several years of falling revenue, particularly in France, the three Contracting business lines resumed organic growth in 2017 with increases of 2.8% at VINCI Energies, 7.0% at Eurovia and 2.2% at VINCI Construction. The 1.5% contribution from recently acquired companies fully offset the 0.7% negative currency effect, which was caused by the euro's rise against most other currencies, including sterling.

In France, revenue was €23.7 billion, up 5.6% on an actual basis and up 4.6% like-for-like, confirming the economic upturn in the Group's main market. Concessions revenue rose 7.0%, while Contracting revenue increased 4.2%. On a constant structure basis, revenue was up 4.0% in Concessions and 3.8% in Contracting.

Outside France, revenue was €16.6 billion, up 5.8% on an actual basis and 4.1% like-for-like. In 2017, 41% of total Group revenue came from outside France (47% in Contracting and 18% in Concessions).

Revenue by business line

				2017/2016 change	
(in € millions)	2017	2016	Amount	Actual	Comparable
Concessions	6,945	6,298	647	+10.3%	+5.9%
VINCI Autoroutes	5,277	5,111	166	+3.2%	+3.2%
VINCI Airports	1,409	1,055	354	+33.5%	+13.7%
Other concessions	258	131	127	+96.7%	+24.5%
Contracting	32,830	31,466	1,364	+4.3%	+3.6%
VINCI Energies	10,759	10,200	558	+5.5%	+2.8%
Eurovia	8,112	7,585	526	+6.9%	+7.0%
VINCI Construction	13,960	13,681	279	+2.0%	+2.2%
VINCI Immobilier	896	774	122	+15.7%	+15.7%
Intragroup eliminations	*(423)*	*(466)*	*43*		
Revenue (*)	**40,248**	**38,073**	**2,175**	**+5.7%**	**+4.4%**
Concession subsidiaries' works revenue	*861*	*722*	*138*	*+19.2%*	*-5.1%*
Intragroup eliminations	*(232)*	*(248)*	*16*		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	**629**	**475**	**154**	**+32.5%**	**-4.4%**
Total revenue	**40,876**	**38,547**	**2,329**	**+6.0%**	**+4.3%**

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

CONCESSIONS €6,945 million (+10.3% actual; +5.9% on a comparable structure basis)

VINCI Autoroutes: revenue grew 3.2% to €5,277 million, supported by a 1.7% increase in traffic. Light-vehicle traffic remained firm, with an increase of 1.3%. The positive impact of two additional extended weekends in spring 2017 offset the negative effects caused by 2016 being a leap year and by higher fuel prices in 2017. Heavy-vehicle traffic rose 4.3% as a result of strong economic activity both in France and Europe, and is now slightly higher than the previous peak seen at the end of 2007, before the financial crisis.

VINCI Airports: revenue rose sharply (+33.5%) to over €1.4 billion, partly because of the full-year contributions of airports in the Dominican Republic and Lyon. Like-for-like, VINCI Airports' revenue rose 13.7%, driven by continuing strong growth in passenger numbers. Passenger numbers across all airports managed by the Group rose 12.4% to 149 million, after a 10.0% increase in 2016. Passenger numbers at fully consolidated subsidiaries grew 14.8%, after rising 11.7% in 2016. Passenger growth was particularly strong at the airports in Portugal (16.5%) and Cambodia (25%). Passenger numbers broke new ground, rising to over 50 million in Portugal, 25 million in Lisbon, 20 million in Chile and 10 million in Lyon-Saint Exupéry and Porto.

Other concessions: revenue totalled €258 million, an increase of €127 million compared with 2016. Peruvian company Lamsac, integrated by VINCI Highways in December 2016, holds concessions for two sections of the Lima ring road (of which one is currently under construction). It contributed €85 million to VINCI Highways' revenue in 2017. MESEA, the company in charge of maintaining and operating the Tours–Bordeaux high-speed rail line, which came into service on 2 July 2017, started its operations.

CONTRACTING: €32,830 million (+4.3% actual; +3.6% on a comparable structure basis)

In France, revenue rose 4.2% to €17,460 million (up 3.8% on a constant structure basis).

Outside France, revenue totalled €15,370 million, up 4.4% on an actual basis. Organic growth (3.3%) and changes in scope (positive impact of 2.6%) more than offset a 1.5% negative impact from currency effects.

VINCI Energies: €10,759 million (+5.5% actual; +2.8% on a comparable structure basis)

In France, revenue rose 4.0% on an actual basis to €5,505 million (up 3.6% on a comparable structure basis). Growth in all business areas, driven by the information and communication technology (ICT) sector and to a lesser extent by the infrastructure, service and industry sectors, more than offset the non-recurrence of revenue following completion of the GSM-Rail project.

Outside France, revenue totalled €5,254 million (up 7.0% on an actual basis or 1.9% on a comparable structure basis). Growth on an actual basis was the result of many acquisitions in Europe, including Novabase IMS in Portugal and Acuntia and Asas in Spain. Acquisitions at the end of the year, including those of Horlemann, Eitech and Infratek, had only a limited impact on revenue in 2017. On a comparable structure basis, performance varied between countries. In Europe, business levels fell in Germany and particularly in the infrastructure business, whereas they increased in Belgium, the Netherlands, Spain, Portugal and Switzerland, and to a lesser extent in the United Kingdom. Outside Europe, business levels were supported by strong organic growth in New Zealand, Indonesia and Morocco.

Eurovia: €8,112 million (+6.9% actual; +7.0% on a comparable structure basis)

In France, revenue was €4,591 million, up 7.0% on an actual basis and up 6.8% on a comparable structure basis, reflecting both higher commodity prices and an upturn in traditional road markets after three years of decline totalling 20% between 2013 and 2016.

Outside France, revenue amounted to €3,520 million, up 6.8% on an actual basis and up 7.3% on a comparable structure basis, with performance varying between countries. In Europe, markets were buoyant in Germany, Poland and Slovakia, whereas business in the Czech Republic remained stable. Business levels rose in Canada and the United States as major contracts progressed. Business activity fell in the United Kingdom because of the more uncertain economic environment, and in Chile following historically high levels in 2016.

VINCI Construction: €13,960 million (+2.0% actual; +2.2% on a comparable structure basis)

In France, revenue was €7,364 million, up 2.7% on an actual basis and up 2.1% on a comparable structure basis. The increase was supported by an upturn in building markets, particularly in the Paris region, and in civil engineering. Business levels were buoyed by a few major projects such as La Samaritaine, the link between the south and west terminals at Paris-Orly Airport, the New Coastal Highway on Reunion Island, and the public-private partnerships (PPPs) for the dams on the Aisne and Meuse rivers and for La Santé prison. Projects directly or indirectly linked with the Grand Paris Express programme are still at the study and preparation phase.

Outside France, revenue amounted to €6,596 million, up 1.3% on an actual basis. The 1.5% positive impact of changes in scope, particularly the acquisition of Seymour Whyte in Australia, failed to compensate for a 2.5% negative currency effect, mainly caused by the euro's rise against sterling. Organic growth totalled 2.3%, based on strong business levels at HEB Construction in New Zealand, at Entrepose because of progress with Spiecapag's Trans Adriatic Pipeline (TAP) project in Greece and Albania, and at Soletanche Freyssinet, particularly in the Oceania and Asia. Business was stable in Africa and Central Europe at VINCI Construction International Networks. However, business levels fell in the United Kingdom in the Major Projects Division, because of the completion of several major projects (Chernobyl sarcophagus, Yamal gas storage tanks in Russia).

VINCI Immobilier: €896 million (up 15.7% on both an actual and comparable structure basis)

The French residential property market remained buoyant and VINCI Immobilier's business levels were very strong in 2017, with the number of homes reserved rising 21% to 6,630, the number of completed sales rising 48% to 6,670, and the number of homes on which construction work began rising 17% to 6,734. Commercial property saw a decline, particularly in the offices segment, after a very strong 2016. Revenue including the Group's share of joint developments totalled €1,116 million, an increase of 21%.

Revenue by geographical area

(in € millions)	2017	% of total	2016	2017/2016 change Amount	Actual	At constant exchange rates
France	**23,680**	**58.8%**	**22,418**	**1,261**	**+5.6%**	**+5.6%**
United Kingdom	2,269	5.6%	2,495	(225)	-9.0%	-3.1%
Germany	2,726	6.8%	2,689	38	+1.4%	+1.4%
Central and Eastern Europe	1,849	4.6%	1,611	238	+14.8%	+12.9%
Rest of Europe	3,333	8.3%	2,877	457	+15.9%	+16.5%
Europe excluding France	**10,178**	**25.3%**	**9,671**	**507**	**+5.2%**	**+6.8%**
Americas	2,671	6.6%	2,491	180	+7.2%	+8.1%
Africa	1,345	3.3%	1,319	27	+2.0%	+3.6%
Russia, Asia Pacific and Middle East	2,373	5.9%	2,173	200	+9.2%	+10.1%
International excluding Europe	**6,390**	**15.9%**	**5,983**	**407**	**+6.8%**	**+7.8%**
Total International	**16,568**	**41.2%**	**15,654**	**914**	**+5.8%**	**+7.2%**
Revenue	**40,248**	**100.0%**	**38,073**	**2,175**	**+5.7%**	**+6.3%**

1.3 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) rose 10.4% to €4,607 million (€4,174 million in 2016). Ebit margin was 11.4%, up from 11.0% in 2016.

Operating income from ordinary activities/operating incom

(in € millions)	2017	% of revenue (*)	2016	% of revenue (*)	2017/2016 change Amount	Actual
Concessions	3,251	46.8%	2,953	46.9%	298	+10.1%
VINCI Autoroutes	2,685	50.9%	2,588	50.6%	97	+3.8%
VINCI Airports	563	39.9%	368	34.8%	195	+53.0%
Other concessions	3	-	(3)	-	6	-
Contracting	1,260	3.8%	1,153	3.7%	107	+9.3%
VINCI Energies	615	5.7%	581	5.7%	34	+5.9%
Eurovia	301	3.7%	243	3.2%	58	+23.7%
VINCI Construction	344	2.5%	330	2.4%	15	+4.4%
VINCI Immobilier	72	8.0%	53	6.8%	19	+36.0%
Holding companies	24	-	15	-	9	-
Operating income from ordinary activities (Ebit)	**4,607**	**11.4%**	**4,174**	**11.0%**	**433**	**+10.4%**
Share-based payments (IFRS 2)	(163)	-	(118)	-	(45)	-
Income/(loss) of companies accounted for under the equity method	146	-	69	-	77	-
Other recurring operating items	-	-	42	-	(42)	-
Recurring operating income	**4,592**	**11.4%**	**4,167**	**10.9%**	**424**	**+10.2%**
Non-recurring operating items	(41)	-	(49)	-	8	-
Operating income	**4,550**	**11.3%**	**4,118**	**10.8%**	**432**	**+10.5%**

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' revenue derived from works carried out by non-Group companies.

The contribution from **Concessions** rose 10.1% to €3,251 million (46.8% of revenue) due to solid business volumes and a firm grip on operating expenses.

At VINCI Autoroutes, Ebit amounted to €2,685 million, up 3.8% relative to the 2016 figure of €2,588 million. Ebit margin rose from 50.6% in 2016 to 50.9% in 2017, driven by higher business volumes and good control over operating expenses, partly offset by the increase in depreciation and amortisation charges, particularly following the opening of the relief motorway for the A9 near Montpellier in May 2017.

VINCI Airports' Ebit was €563 million (39.9% of revenue), up 53% compared with the 2016 figure of €368 million (34.8% of revenue). The increase reflects the full-year integration of airports in the Dominican Republic and Lyon, and earnings growth at the Group's existing airports, particularly those in Portugal and Cambodia.

In the **Contracting** business, Ebit was €1,260 million, up 9.3% relative to 2016 (€1,153 million). It equalled 3.8% of revenue compared with 3.7% in 2017.

At VINCI Energies, Ebit was €615 million, up 5.9% relative to 2016 (€581 million). Ebit margin remained high at 5.7%, reflecting a solid performance both in France and internationally.

At Eurovia, Ebit rose almost 24% from €243 million in 2016 to €301 million in 2017. Eurovia's Ebit margin improved from 3.2% in 2016 to 3.7% in 2017. Margins improved in France, supported by more favourable economic conditions, as well as in Central Europe, the United Kingdom and United States, offsetting a slight decline in earnings in Canada and Chile.

At VINCI Construction, Ebit was €344 million, up 4.4% relative to 2016 (€330 million). Ebit margin improved slightly from 2.4% in 2016 to 2.5% in 2017, despite ongoing pressure in certain sectors, particularly those exposed to oil price fluctuations. Margins improved steadily at VINCI Construction France following reorganisation work carried out in the last two years, and there was good performance at HEB Construction in New Zealand.

VINCI Immobilier: Ebit was €72 million and Ebit margin was 8.0%, up from €53 million and 6.8% respectively in 2016. The improvement was driven by firm growth in business levels and fees, and higher operating margins in both residential and commercial property.

Recurring operating income was €4,592 million, equal to 11.4% of revenue (€4,167 million and 10.9% in 2016). Recurring operating income takes into account the following factors:
• share-based payment expense, which reflects the benefits granted to employees under the Group savings plans and performance share plans, amounting to €163 million (€118 million in 2016);
• other recurring operating items (including the Group's share in the income or loss of companies accounted for under the equity method), which were positive at €147 million (€111 million in 2016).

Recurring operating income by business line

					2017/2016 change	
(in € millions)	2017	% of revenue (*)	2016	% of revenue (*)	Amount	Actual
Concessions	3,270	47.1%	3,031	48.1%	240	+7.9%
VINCI Autoroutes	2,676	50.7%	2,629	51.4%	47	+1.8%
VINCI Airports	589	41.8%	443	42.0%	146	+32.8%
Other concessions	6	-	(42)	-	48	-
Contracting	1,208	3.7%	1,055	3.4%	153	+14.5%
VINCI Energies	566	5.3%	542	5.3%	23	+4.3%
Eurovia	287	3.5%	240	3.2%	47	+19.7%
VINCI Construction	356	2.5%	273	2.0%	83	+30.4%
VINCI Immobilier	89	10.0%	68	8.8%	21	+30.7%
Holding companies	23	-	13	-	10	-
Recurring operating income	4,592	11.4%	**4,167**	**10.9%**	**424**	**+10.2%**

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

Non-recurring operating items produced an expense of €41 million in 2017, comprising:
• a €12 million negative impact from changes in scope, including earn-out payments and acquisition fees at VINCI Energies, compared with a €34 million positive impact in 2016, including the disposal gain on the Group's remaining stake in Indigo (formerly VINCI Park);
• goodwill impairment losses of €4 million, as opposed to €52 million in 2016 relating mainly to VINCI Energies' activities in Brazil;
• other non-recurring operating items with a net negative impact of €25 million, including restructuring charges at VINCI Construction (negative impact of €31 million in 2016).

Operating income was €4,550 million in 2017, up 10.5% relative to the 2016 figure of €4,118 million.

1.4 Net income

Consolidated net income attributable to owners of the parent was €2,747 million (6.8% of revenue) in 2017, up 9.7% or €242 million compared with 2016 (€2,505 million). Excluding non-recurring tax effects in 2016 and 2017, the figure was €2,737 million, up 15.2% compared with the adjusted 2016 net income figure of €2,376 million.

In 2017, non-recurring tax effects on net income attributable to owners of the parent were limited (positive impact of €10 million). Those effects resulted from the following tax measures adopted in France's 2017 Amended Finance Act and 2018 Finance Act: the surtax equal to 30% of corporate income tax for companies with revenue of over €3 billion (negative impact of €292 million), the refund of the 3% dividend tax (positive impact of €164 million) and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax (positive impact of €138 million, as opposed to €129 million in 2016).

Earnings per share, after taking account of dilutive instruments, amounted to €4.91, up 9.7% compared with 2016 (€4.48). Excluding non-recurring tax effects, earnings per share rose 15.2% to €4.89 (€4.24 in 2016).

Net income attributable to owners of the parent, by business line

(in € millions)	2017	2016	2017/2016 change Amount	Actual
Concessions	1,689	1,664	25	+1.5%
VINCI Autoroutes	1,325	1,412	(87)	-6.2%
VINCI Airports	345	249	96	+38.6%
Other concessions and holding companies	19	3	17	-
Contracting	793	680	114	+16.7%
VINCI Energies	361	326	36	+10.9%
Eurovia	216	160	56	+34.8%
VINCI Construction	216	194	23	+11.6%
VINCI Immobilier	61	43	17	+40.7%
Holding companies	205	119	86	-
Net income attributable to owners of the parent	**2,747**	**2,505**	**242**	**+9.7%**
Of which non-recurring tax effects	10	129	(119)	-
Net income attributable to owners of the parent excluding non-recurring tax effects	**2,737**	**2,376**	**361**	**+15.2%**

The cost of net financial debt was €481 million in 2017 (€526 million in 2016). The reduction was due to a sharp fall in the cost of the Group's gross long-term debt following refinancing operations at lower rates than those of debts repaid in 2016. The improvement was partly offset by an increase in the average amount of outstanding debt, including the full-year impact of integrating Lamsac, and a slight fall in interest income from surplus cash. In 2017, the average interest rate on long-term gross financial debt was 2.68% (3.16% in 2016).

Other financial income and expense resulted in net income of €40 million, compared with a net expense of €35 million in 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 €35 million (€66 million in 2016);
- an €86 million gain relating to capitalised borrowing costs on current concession investments, higher than the 2016 gain of €36 million following the integration of Lamsac;
- a foreign exchange loss totalling €11 million in 2017, compared with a loss of €6 million in 2016.

Tax expense, excluding non-recurring tax effects, totalled €1,315 million, compared with an adjusted expense of €1,142 million in 2016. The increase was because of higher profits both inside and outside France. Tax measures adopted in France in late 2017 had a positive impact of €44 million, breaking down as follows:
- a €292 million charge with respect to the surtax equal to 30% of corporate income tax for companies with revenue of more than €3 billion, pursuant to France's 2017 Amended Finance Act;
- The recognition of €164 million of government receivables, consisting of expected refunds of payments made in respect of the 3% dividend tax after it was declared unconstitutional and invalid by France's Constitutional Council;
- €172 million of income following the revaluation of deferred tax pursuant to France's 2017 and 2018 Finance Acts, under which the corporate income tax rate is set to fall from 33.33% to 25% in 2022.

Earnings attributable to non-controlling interests amounted to €90 million (€39 million in 2016) and related mainly to shares in Aéroports de Lyon and Cambodia Airports that the Group does not own.

Adjusted for non-recurring tax effects, the effective tax rate was 33.2% in 2017 (32.7% in 2016).

1.5 Cash flows from operations

Cash flows from operations before tax and financing costs (Ebitda) totalled €6,500 million in 2017, up 9.0% relative to the 2016 figure of €5,966 million. Ebitda margin was 16.2%, up 50 basis points. That improvement was driven by progress at VINCI Autoroutes and VINCI Airports.

Ebitda in **Concessions** rose 9.5% to €4,710 million (€4,302 million in 2016). It equalled 67.8% of revenue (68.3% in 2016) and 72% of total Group Ebitda (the same as in 2016).
VINCI Autoroutes' Ebitda increased 3.8% to €3,850 million (€3,710 million in 2016), in line with revenue, and Ebitda margin improved to 73.0% (72.6% in 2016).
Ebitda at VINCI Airports rose 44% to €808 million (€563 million in 2016), due to a good performance in Portugal and Cambodia and the full-year impact of Aerodom and Aéroports de Lyon. Ebitda margin rose to 57.3% from 53.3% in 2016.

Contracting's Ebitda rose to €1,629 million (€1,581 million in 2016). Ebitda margin was stable at 5.0%.

Cash flows from operations (Ebitda) by business line

(in € millions)	2017	% of revenue (*)	2016	% of revenue (*)	2017/2016 change Amount	Actual
Concessions	4,710	67.8%	4,302	68.3%	408	+9.5%
VINCI Autoroutes	3,850	73.0%	3,710	72.6%	141	+3.8%
VINCI Airports	808	57.3%	563	53.3%	245	+43.5%
Other concessions	51	19.8%	29	22.0%	22	-
Contracting	1,629	5.0%	1,581	5.0%	48	+3.0%
VINCI Energies	627	5.8%	626	6.1%	1	+0.1%
Eurovia	455	5.6%	416	5.5%	39	+9.3%
VINCI Construction	547	3.9%	539	3.9%	8	+1.5%
VINCI Immobilier	71	8.0%	53	6.9%	18	+34.4%
Holding companies	91	-	30	-	61	-
Total	**6,500**	**16.2%**	**5,966**	**15.7%**	**535**	**+9.0%**

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

1.6 Other cash flows

The net change in the operating working capital requirement and current provisions resulted in an outflow of €286 million in 2017 as opposed to an inflow of €23 million in 2016. The year-on-year change results from an increase in trade receivables due mainly to higher business levels, particularly in France at VINCI Construction and Eurovia, and land purchases at VINCI Immobilier.

Tax payments increased by €435 million to €1,647 million (€1,213 million in 2016) and included a net outflow of €200 million with respect to non-recurring tax effects in 2017 (payment on account in December with respect to the surtax based on corporate income tax, and partial rebate of the 3% dividend tax).

Net interest paid amounted to €470 million (€525 million in 2016), in line with movements in the cost of net financial debt.

Cash flow from operating activities (*) was €4,280 million, down 1.5% or €66 million from the 2016 figure of €4,346 million.

After accounting for operating investments net of disposals of €745 million, up 33% relative to 2016 (€558 million), operating cash flow(**) was €3,535 million, down 6.7% or €252 million compared with the 2016 figure of €3,787 million.

Growth investments in concessions and public-private partnerships (PPPs) totalled €1,010 million in 2017 (€839 million in 2016). This figure includes €702 million invested by VINCI Autoroutes in France (€686 million in 2016), €169 million invested by VINCI Airports, mainly in Lyon and Cambodia (€127 million in 2016) and €177 million invested by Lamsac for the construction of the second section of the Lima ring road in Peru.

Free cash flow, before financial investments and excluding non-recurring tax effects, amounted to €2,725 million (€2,948 million in 2016), including €2,093 million generated by Concessions (compared with €2,019 million in 2016) and €374 million by Contracting (€617 million in 2016). It amounted to €2,525 million including non-recurring tax effects.

Financial investments, net of disposals and other investment flows (***), resulted in a net cash outflow of around €1.3 billion. They include acquisitions made by the Contracting business (€0.6 billion, mainly at VINCI Energies), VINCI Airports' acquisition of Salvador de Bahia airport in Brazil (€0.2 billion) and the financing of LISEA, which holds the concession for the SEA high-speed rail line (€0.3 billion).
In 2016, financial investments amounted to almost €3.4 billion. They included the acquisitions of Lamsac in Peru by VINCI Highways (€1.8 billion), along with VINCI Airports' acquisitions of Aerodom in the Dominican Republic, Aéroports de Lyon in France and airports in the Kansai region of Japan for a total of €1.7 billion.

Dividends paid in 2017 totalled €1,248 million (€1,084 million in 2016). This includes €1,197 million paid by VINCI SA, comprising the final dividend in respect of 2016 (€813 million) and the interim dividend in respect of 2017 paid in November 2017 (€383 million). The remainder includes dividends paid to non-controlling shareholders by subsidiaries not wholly owned by the Group.

Capital increases resulted in the creation of 7.6 million new shares and totalled €443 million in 2017, including €373 million relating to Group savings plans and €70 million relating to the exercise of stock options.
To eliminate the dilutive effect of these operations, VINCI purchased 8.6 million shares in the market through its share buy-back programme for a total investment of €645 million at an average price of €75.23 per share. After 5.7 million shares were cancelled in December 2017, treasury shares amounted to 6.1% of the total capital at 31 December 2017 (5.9% at 31 December 2016).

As a result of these cash flows, net financial debt increased by almost €0.1 billion in 2017, taking the total to €14.0 billion at 31 December 2017.

(*) Cash flow from operating activities: cash flows 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.
(**) Operating cash flow: cash flow from operating activities adjusted for net investments in operating assets (excluding growth investments in concessions and PPPs).
(***) Including the net debt of acquired companies.

1.7 Balance sheet and net financial debt

Consolidated non-current assets amounted to €41.2 billion at 31 December 2017 (€40.3 billion at 31 December 2016), including €31.1 billion in the Concessions business (€31.0 billion at 31 December 2016) and €9.6 billion in the Contracting business (€9.0 billion at 31 December 2016).
After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €6.1 billion, down €0.6 billion compared with 31 December 2016, capital employed was €35.1 billion at 31 December 2017 (€33.6 billion at end-2016).
Capital employed in the Concessions business was €29.6 billion, making up 84% of the Group total (87% at 31 December 2016).

The Group's consolidated equity was €18.4 billion at 31 December 2017, up €1.4 billion from the €17.0 billion figure at 31 December 2016. It includes €0.6 billion relating to non-controlling interests.

Consolidated net financial debt was €14.0 billion at 31 December 2017 (€13.9 billion at 31 December 2016). That figure reflects long-term gross financial debt of €18.8 billion (€18.1 billion at 31 December 2016) and managed net cash of €4.8 billion (€4.1 billion at 31 December 2016).
For the Concessions business, including its holding companies, net financial debt stood at €27.1 billion, down €1.4 billion relative to 31 December 2016 (€28.5 billion). The Contracting business showed a net cash surplus of €0.5 billion, down €0.4 billion over the year. The holding companies posted a net financial surplus of €13.0 billion, down €1.0 billion relative to 31 December 2016. Of that surplus, €12.5 billion consisted of the net balance of loans granted to Group subsidiaries and subsidiaries' investments in holding companies.
The ratio of net financial debt to equity was 0.8 at 31 December 2017 (0.8 at 31 December 2016). The financial debt-to-Ebitda ratio stood at 2.2 at the end of 2017 (2.3 at 31 December 2016).

Group liquidity amounted to €10.8 billion at 31 December 2017 (€10.1 billion at 31 December 2016). The liquidity figure comprises €4.8 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities expiring in 2021.

Net financial surplus (debt)

(in € millions)	31/12/2017	of which external debt	Net financial debt/Ebitda	31/12/2016	of which external debt	Net financial debt/Ebitda	2017/2016 change
Concessions	(27,145)	(15,890)	x5.8	(28,515)	(14,827)	x6.6	1,370
VINCI Autoroutes	(20,954)	(15,088)	x5.4	(22,309)	(13,706)	x6	1,356
VINCI Concessions	(6,191)	(803)	x7.2	(6,206)	(1,121)	x10.5	15
Contracting	477	1,281	-	872	1,273	-	(395)
VINCI Immobilier and holding companies	12,667	608	-	13,704	(385)	-	(1,037)
Total	**(14,001)**	**(14,001)**	**x2.2**	**(13,938)**	**(13,938)**	**x2.3**	**(63)**

1.8 Return on capital

Definitions:
• Return on equity (ROE) is net income for the current period attributable to owners of the parent, divided by equity excluding non-controlling interests at the previous year end;
• Net operating profit after tax (NOPAT) is recurring operating income less theoretical tax based on the effective rate for the period, excluding the 3% dividend tax and excluding non-recurring tax effects;
• Return on capital employed (ROCE) is net operating income after tax, excluding non-recurring items, divided by the average capital employed at the opening and closing balance sheet dates for the financial year in question.

Return on equity (ROE)
The Group's ROE was 16.6% in 2017, compared with 15.7% in 2016.

(in € millions)	2017	2016
Equity excluding non-controlling interests at previous year end	16,465	15,119
Group net income attributable to owners of the parent excluding non-recurring tax effects	2,737	2,376
ROE	**16.6%**	**15.7%**

Return on capital employed (ROCE)
ROCE was 9.3% in 2017 (9.0% in 2016).

(in € millions)	2017	2016
Capital employed at previous year end	33,583	30,132
Capital employed at this year end	35,075	33,583
Average capital employed	**34,329**	**31,857**
Recurring operating income	4,592	4,167
Theoretical tax (*)	(1,398)	(1,303)
NOPAT	**3,193**	**2,865**
ROCE	**9.3%**	**9.0%**

(*) Based on the effective rate for the period, excluding the 3% dividend tax and excluding non-recurring tax effects in 2016 and 2017.

2. Parent company financial statements

VINCI's parent company financial statements show revenue of €12 million for 2017, compared with €13 million in 2016, consisting mainly of services invoiced by the holding company to subsidiaries.

The parent company's net income was €469 million in 2017, compared with €4,745 million in 2016. The 2017 figure includes €141 million of dividends received from Group subsidiaries (€4,504 million in 2016).

Expenses referred to in Article 39.4 of the French General Tax Code amounted to €66,854 in 2017.

Note B.9 to the parent company financial statements contains the disclosures relating to suppliers' payment terms required by France's LME Act on modernising the country's economy and Article L. 441-6-1 of the French Commercial Code.

3. Dividends

VINCI's Board of Directors has decided to propose to the Shareholders' General Meeting of 17 April 2018 that the amount of the dividend for 2017 be set at €2.45 per share (€2.10 per share in 2016).
Since an interim dividend of €0.69 per share was paid in November 2017, the final dividend payment on 26 April 2018 (ex-date: 24 April 2018) would be €1.76 per share if approved.

Year	**2014**			**2015**			**2016**		
Type	Interim	Final	Total	Interim	Final	Total	Interim	Final	Total
Amount per share *(in €)*	1.00 (*)	1.22	2.22	0.57	1.27	1.84	0.63	1.47	2.10
Number of qualifying shares	555,003,211	552,009,233		555,134,112	552,837,088		555,300,376	553,209,901	
Aggregate amount paid *(in € millions)*	555	673		316	702		350	813	
Tax allowance applicable to individual shareholders	40%	40%		40%	40%		40%	40%	

(*) Including a special dividend of €0.45.

B. Post-balance sheet events, trends and outlook

1. Material post-balance sheet events

New financing

On 10 January 2018, as part of its EMTN programme, ASF issued €1 billion of bonds due to mature in January 2030 paying an annual coupon of 1.375%.

Belgrade airport concession (Serbia)

On 6 January 2018, VINCI Airports was named as the preferred bidder to run Nikola Tesla Airport in Belgrade. The 25-year contract covers the financing, operation, maintenance, expansion and renovation of the airport's terminal and existing runways. Belgrade is the capital of Serbia and its airport is the country's largest, handling almost 5.3 million passengers in 2017.

Grand Ouest airport concession

On 17 January 2018, France's prime minister announced the government's decision not to proceed with plans to build the proposed Notre Dame des Landes Airport. Discussions have now begun with the government, as concession grantor, in order to determine and value the contractual and financial consequences of the announcement. VINCI is not currently able to make a reliable estimate of its impact on the Group's financial statements.

2. Information on trends

2.1 Outcome in 2017

When publishing its quarterly results in October 2017, VINCI clarified trends seen in 2017:

"This strong performance in the first nine months of 2017 supports VINCI's previous guidance regarding full-year 2017, i.e. growth in revenue, operating income and net income:
• VINCI Autoroutes, despite a high base for comparison, is likely to achieve a further increase in revenue;
• VINCI Airports should post revenue growth of at least 30% because of its recent acquisitions and ongoing strong passenger numbers;
• the Contracting business is confirming that all of its business lines are seeing renewed growth in France. Outside France, business levels should show an increase, despite the economic situation remaining weak in oil- and commodity-producing countries."

These targets were either achieved or exceeded, due in particular to brisker business than expected in the last quarter.

2.2 Order book of the Contracting business

At 31 December 2017, the total order book of the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction) stood at €29.3 billion, up 7.0% year-on-year (€27.4 billion at 31 December 2016). The order book represents 11 months of average business activity, and around two-thirds of the orders are to be executed in 2018. Orders outside France make up 47% of the total order book (50% in 2016).

VINCI Energies' order book totalled €6.7 billion at 31 December 2017, up 15% over the year (up 12.5% in France and up 18% outside France). It represents 7.5 months of VINCI Energies' average business activity.

Eurovia's order book amounted to €5.7 billion, up 1.4% year-on-year (up 7.4% in France and down 3.0% outside France). It represents 8.4 months of Eurovia's average business activity.

VINCI Construction's order book totalled €16.9 billion at 31 December 2017, up 6.0% over the year (up 14% in France and down 2.4% outside France). It represents 14.5 months of VINCI Construction's average business activity.

Order book

(in € billions)	31/12/2017	of which France	of which outside France	31/12/2016	of which France	of which outside France
VINCI Energies	6.7	3.7	3.0	5.9	3.3	2.5
Eurovia	5.7	2.5	3.1	5.6	2.4	3.2
VINCI Construction	16.9	9.2	7.6	15.9	8.1	7.8
Total Contracting	**29.3**	**15.5**	**13.8**	**27.4**	**13.8**	**13.6**

2.3 Trends in 2018

In 2018, VINCI expects further growth in consolidated revenue in all its business lines, as well as in overall operating income and net income.
• Revenue will continue to rise in the **Concessions** business, at both VINCI Autoroutes and VINCI Airports. On the VINCI Autoroutes network, traffic growth should be similar to that seen in 2017, while at VINCI Airports, growth is likely to slow relative to 2017 because of a very high base for comparison.
• In **Contracting,** the upturn in revenue should continue in 2018, both in France and internationally. Ebit margin should improve further in Contracting as a result.

C. Report on corporate governance

VINCI's Report on corporate governance is prepared in accordance with the provisions of the last paragraph of Article L.225-37 of the French Commercial Code.

It was written by the Group's Legal Department following discussions with all persons mentioned herein, namely the executive company officer and the Directors, as well as with staff of the VINCI functional departments in possession of information relevant to its preparation.

This report was approved by the Board of Directors at its meeting of 7 February 2018.

1. Rules of corporate governance

1.1 The Afep-Medef code of corporate governance

The Board of Directors of VINCI (hereinafter the "Board") has opted to refer to the recommendations of the code of corporate governance for listed companies drawn up by Afep and Medef (hereinafter the "Code"), which may be consulted in full on the Medef website (www.medef.com).

In accordance with the rule of "comply or explain", below are the criteria or recommendations of this code that have been set aside by the Company:

Criterion/recommendation set aside	Explanation
Article 6.3 of the Code recommends that the Lead Director be independent.	On 6 May 2010, the Board appointed Yves-Thibault de Silguy as Vice-Chairman and Lead Director. The Board has taken note of the new recommendation, included in the November 2016 version of the Code, that the Lead Director be independent. It also acknowledges that, as Mr de Silguy does not formally meet the independence conditions set out in Article 8.5.6 of the Code (not having been a Director of the Company for more than 12 years) and in Article 8.5.3 of the Code (not being a supplier of the Company for which the Company represents a significant part of its business), due to the services agreement between the Company and YTSeuropaconsultants, he cannot formally be considered as an independent Director within the meaning of the Code. Nevertheless, the Board considers that Mr de Silguy has the necessary experience together with an excellent knowledge of the Group, as well as all the personal and professional qualities needed to effectively serve as Lead Director (see paragraphs 2.3 and 3.3.2), and that he has served in this position to the complete satisfaction of all Board members, as made clear in particular by the findings of the external assessment of the Board conducted at the end of 2016 and by Board discussions in 2017 and 2018. Consequently, the Board has decided, in full awareness of the points mentioned above, to reaffirm its confidence in Mr de Silguy in his role as Lead Director.
Article 8.5.6 of the Code stipulates that in evaluating whether a Director is independent, that person "must not have been a Director for more than 12 years".	The Board has decided not to apply this criterion in evaluating the status of Henri Saint Olive, for the reasons given in paragraph 3.3.2, page 142.
Article 8.5.1 of the Code stipulates that in evaluating whether a Director is independent, that person must not have been "an employee, executive company officer or Director of any entity consolidated by the company".	The Board has decided not to apply this criterion in evaluating the status of Nasser Hassan Faraj Al Ansari, permanent representative of Qatar Holding LLC, for the reasons given in paragraph 3.3.2, page 142.
Article 16.1 of the Code recommends that the majority of the members of the Appointments and Corporate Governance Committee be independent Directors.	The Appointments and Corporate Governance Committee has four members. Until 31 December 2017, two of these members (Marie-Christine Lombard and Pascale Sourisse) were deemed independent by the Board, and the remaining two members (Mr de Silguy and Jean-Pierre Lamoure) were not deemed independent. It is therefore true that independent Directors did not make up the majority of the Committee's members. At the time, the Board reviewed this situation and determined that the Committee's composition was not likely to prevent it from producing quality work insofar as the two members not deemed independent were able to demonstrate full independence of judgment. Since 31 December 2017, three of the Committee's members have been deemed independent by the Board (Mrs Lombard, Mrs Sourisse and Mr Lamoure). Accordingly, independent Directors now make up the majority of the Committee's members (see paragraph 3.3.2, page 142).

1.2 The Board of Directors' internal rules

On 14 May 2003, the Board adopted a set of internal rules that are updated on a regular basis. The latest version was issued on 15 December 2017 and may be accessed in its entirety on the Company's website (www.vinci.com).

The Board's internal rules cover:
- the organisational and operating procedures of the Board and its committees, and the respective responsibilities and powers of the Board, the Chairman and Chief Executive Officer, and the Vice-Chairman and Lead Director;
- the rights and obligations of Board members, in particular their right to information, their access to executives and the rules relating to the management of possible conflicts of interest.

2. Organisation of VINCI's corporate governance

Since 6 May 2010 and most recently on 7 February 2018, the Company's Board of Directors has opted for a system of governance in which the roles of Chairman of the Board and Chief Executive Officer are combined, with Xavier Huillard serving in both these positions.

The Board considers that this system is still the one best suited to ensure the proper governance of the VINCI Group. This decision is based on two key observations: (i) Mr Huillard brings together all the skills, expertise and other qualities needed to capably and efficiently lead the Group's management team, as has been demonstrated for a number of years by the Group's performance, and (ii) the Group's organisation lends itself particularly well to this system of governance.

The VINCI Group's organisational structure has the distinction of being highly decentralised. This decentralised approach is a style of management that has proven its merits for business lines where decisions must be taken at local level. It is given shape through the existence of many subsidiaries (more than 2,000), all of which operate autonomously.

Decisions relating to operations (such as the signing and performance of agreements and contracts) or investments are taken by the competent bodies in each entity, in full compliance with the internal control system implemented across the Group. This system provides for the supervision and control of commitments made by these entities at different levels. The most significant commitments are subject to supervision and control by VINCI's Executive Management or by the Board itself, where required by the latter's internal rules. Apart from its role with respect to accounting and financial matters, the Board is called upon to examine and approve transactions involving strategic issues or exceeding a certain threshold, which are submitted to the Board by Executive Management following its own review.

The result is that the respective roles of VINCI's Executive Management and its Board of Directors have the same focus – operational and strategic management – as both are called upon to decide on the transactions submitted to them by the operational entities. Given this reality, the combination of the roles of Chairman of the Board and Chief Executive Officer makes sense. Furthermore, the Board believes that this system of governance, which also has the advantage of unifying the Group's top-level representation toward third parties, can still be considered as particularly efficient.

As part of the formal assessment of its work carried out at the end of 2016, the Board reviewed its choice for the system of governance and concluded that the current system is still the one best suited to the Group's circumstances, always with the aim of achieving optimal performance. At its meeting of 7 February 2018, the Board once again discussed its governance structure and confirmed that the system in which the roles of Chairman of the Board and Chief Executive Officer are combined remains the one best suited to the Company's circumstances.

It should be noted that the Board has opted for different systems of governance over the years (combination of the roles of Chairman of the Board and Chief Executive Officer from 2000 to 2006, separation of these roles between 2006 and 2010, and combination of these roles accompanied by the creation of the new position of Vice-Chairman and Lead Director beginning in 2010). Each time, the Board selected the system best suited to the circumstances and profiles of the Company's executives, in order to optimise the Group's governance structure and thereby its performance. The Group therefore remains attentive with respect to the consequences of its choices regarding the system of governance so as to ensure that it continues to work in the best interests of its shareholders.

The division of responsibilities between the Company's governance bodies, as set forth in the Board's internal rules, is as follows:

Board of Directors	Chairman and Chief Executive Officer	Vice-Chairman and Lead Director
Responsibilities defined by law Additional responsibilities resulting from the internal rules: – Appointment and terms of reference of the Vice-Chairman and Lead Director – Prior approval of strategic choices – Prior approval of strategic investments and transactions (acquisitions, equity-accounted investments or disposals, concession contracts) that are material for the Group's scope of consolidation, business activities, risk profile, earnings, the balance sheet and/or the VINCI share price, and specifically those relating to an exposure in an amount greater than €200 million for the Group – Prior approval of all transactions referred to the Strategy and CSR Committee – Prior approval of all transactions that fall outside the Company's announced strategy	Organisation and supervision of the work of the Board Implementation of decisions taken Operational management of the Group, in possession of the broadest powers to act in all circumstances in the Company's name	Assistance provided to the Chairman with regard to the organisation and proper functioning of the Board and its committees Assistance provided to the Board with a view to the proper functioning of governance bodies and the furnishing of information to its members Assistance provided to individual Directors in discharging their duties and responsibilities Power to call a Board meeting at any time without a specific agenda and to add any item to the agenda Board meeting held in the absence of the executive company officers once a year in order to evaluate their performance and assess the effectiveness of governance Management of conflicts of interest

2.1 Chairman and Chief Executive Officer

Xavier Huillard has served as both Chairman of the Board and Chief Executive Officer since 6 May 2010. The Board renewed his appointment to these positions at its meeting of 15 April 2014, following the Shareholders' General Meeting. At its meeting of 7 February 2018, the Board decided to propose the renewal of Mr Huillard's term of office as Director at the Shareholders' General Meeting called to approve the 2017 financial statements. Should the shareholders vote in favour of the corresponding resolution, the Board plans to renew his term of office as Chairman and Chief Executive Officer.

He has the responsibilities mentioned in the table above. He regularly presents the Group's performance, prospects and strategy to the financial community, in particular through road shows.

Mr Huillard chairs both the Executive Committee and the Management and Coordination Committee (see paragraph 2.2 below).

Mr Huillard also chairs the Risk Committee mentioned in chapter D, "Risk factors and management procedures", paragraph 2.4.3, page 176, with powers to delegate this function.

2.2 Organisation of VINCI's Executive Management and corporate management structures

Mr Huillard has appointed Pierre Coppey, Richard Francioli and Christian Labeyrie as Executive Vice-Presidents.

He has formed an Executive Committee comprising the Group's main operational and functional executives, which had 13 members at 7 February 2018.

Apart from implementing the Group's strategy, the Executive Committee defines and monitors the implementation of its cross-cutting policies, particularly in the areas of risk management, finance, human resources, safety, IT and insurance. It met 21 times in 2017, thus an average of about two meetings per month.

The Management and Coordination Committee is composed of the members of the Executive Committee, together with the key operational and functional executives of the Group's main companies, and had 29 members at 7 February 2018. Its purpose is to ensure broad consultation on VINCI's strategy and position as well as on cross-cutting policies within the VINCI Group. The Management and Coordination Committee met three times in 2017.

2.3 Vice-Chairman and Lead Director

The position of Vice-Chairman and Lead Director was created by the Board on 6 May 2010, when it decided to combine the roles of Chairman and Chief Executive Officer.

The purpose of this position, which has since been enshrined in Article 6.3 of the Afep-Medef code, is to ensure that the Board includes a member able to serve as a point of contact for all Directors distinct from the Chairman and Chief Executive Officer and who also has the personal powers necessary to guarantee the Board's responsiveness in all circumstances.

In order to ensure optimal effectiveness, the individual holding this position must have excellent knowledge of the Group's organisation and executives, which only strong and consistent involvement can provide. The individual appointed to this position must also demonstrate independence of judgment, which is subject to assessment by the Board.

From the outset, the Board selected Mr de Silguy to serve in this position. Since 2010, Mr de Silguy has discharged his duties and responsibilities to the complete satisfaction of all Board members, as has been made clear by the various assessments the Board has carried out since his appointment.

At their meeting of 7 February 2018, all the Directors again expressed their satisfaction with the way Mr de Silguy fulfils his role as well as the relevance of the organisation put in place and the excellent manner in which it serves the Company's performance objectives.

The Board has of course taken note of the Afep-Medef recommendation that a Lead Director be independent. It considers that sound governance also entails a thorough analysis of practical circumstances in order to make a choice that is pertinent and appropriate to the company in question, with a focus on performance.

The Board has noted that, in practical terms, Mr de Silguy:
• devotes a large portion of his time to keeping himself informed about the business and operations of the Group through regular meetings with the Group's principal operational and functional executives, to ensure that the insights he shares with the members of the Board are always relevant to the Group's business activities, which is effectively the case;
• regularly meets with Directors individually and brings them together in a meeting once a year, without the executive company officer being present, in particular to evaluate the latter's performance, thus allowing the Directors to express themselves freely;
• chairs the Strategy and Investments Committee, which became the Strategy and CSR Committee at the end of 2017, ensuring that all Directors have access to quality information relating to the Group's operations;
• chairs the Appointments and Corporate Governance Committee and, to this end, prepares in advance the process by which this committee seeks out and selects candidates to be appointed as Directors, while also preparing the process for the assessment of the work of the Board and the succession plan for the executive company officer.

Based on this experience, the Board expresses its complete satisfaction with the manner in which the Lead Director's role is carried out at VINCI. It finds no obstacles that would prevent Mr de Silguy from continuing to serve effectively in the role of Lead Director, even though the Board acknowledges that he cannot be considered as an independent Director for the reasons explained in paragraph 1.1, page 130.

Services agreement between the Company and YTSeuropaconsultants

The Company has a services agreement with YTSeuropaconsultants, of which Mr de Silguy is sole shareholder, aimed at providing the Company and its subsidiaries with the benefit of his experience and skills in high-level relations, particularly on the international front. Under this agreement, Mr de Silguy takes on assignments at the request of the Group's Executive Management involving the representation of its interests in France and abroad, while also offering advice to the Group's operational staff in order to assist them with their sales activities as often as necessary.

The agreement with YTSeuropaconsultants has been in place since 2010 and was renewed for an additional term of four years on 7 February 2014. The Group's governance bodies have always expressed their complete satisfaction with its performance.

In order to avoid any conflicts of interest that might weaken the role of Lead Director separately assigned to Mr de Silguy, it was established that the negotiation, termination, renewal and performance of this agreement would be placed under the supervision of the Board, which set out its terms and provided for the following measures:
• The remuneration paid to YTSeuropaconsultants (€27,500 excluding VAT per month) is stipulated as a fixed, non-adjustable sum and is therefore independent of the scope of assignments that may be entrusted to Mr de Silguy, to ensure that the latter does not find himself in a dependent position vis-à-vis VINCI's Executive Management.
• The services provided by Mr de Silguy under the agreement are reviewed each year by the Audit Committee on the basis of a detailed written activity report, in order to allow the Board to verify the substance of these services and the consistency of remuneration with the activity pursued by Mr de Silguy.

- It is stipulated that the agreement may be terminated by either party at each anniversary date, so as to permit the Board or Mr de Silguy to act, if applicable, in response to a situation whereby the services provided are no longer consistent with the remuneration paid.
- Once each year, the Board verifies that the continuing performance of this agreement is useful for the Group and that the remuneration paid is consistent with the services provided. Most recently at its meeting of 7 February 2018, the Board expressed the opinion that the assistance provided by Mr de Silguy continues to serve the Group's interests and that the terms and conditions of the agreement, as reiterated above, are such that they guarantee his independence from Executive Management.

It should also be noted that Mr de Silguy reports on all his activities each year to the Remuneration Committee, the Audit Committee and the Board of Directors and that he presents his activity report to the Shareholders' General Meeting (see the Report of the Vice-Chairman and Lead Director on pages 228 and 229 of this report).

At its meeting of 7 February 2018, the Board decided to renew the agreement entered into with YTSeuropaconsultants for an additional term of four years. A resolution relating to this agreement will be submitted for the approval of the next Shareholders' General Meeting, to be held on 17 April 2018.

3. Executive Management and the Board of Directors

3.1 Composition of the Board of Directors

At 31 December 2017, the main features of the Board's composition were as follows:

15 Directors, including:
2 Directors representing employees
1 Director elected by employee shareholders

46% women

6 Directors were foreign nationals (40% of Board members)

Average age: 62.5

The table below lists the current members of the Board of Directors and summarises each Director's main areas of expertise.

Name	Age	Nationality	Year first appointed	End of current term of office or resignation	Other appointments and positions in listed companies (1)	Main areas of expertise (*)
Chairman and Chief Executive Officer Xavier Huillard	63	French	2006	2018 Shareholders' General Meeting	2	Construction activities, Concessions, International operations, Energy, Property, Aerospace and air transport
Vice-Chairman and Lead Director Yves-Thibault de Silguy	69	French	2000	2018 Shareholders' General Meeting	3	Concessions, Banking and finance, International operations, CSR
Independent Directors Yannick Assouad	58	French	2013	2021 Shareholders' General Meeting	2	Banking and finance, International operations, Aerospace and air transport, CSR
Robert Castaigne	71	French	2007	2019 Shareholders' General Meeting	3	Banking and finance, International operations, Energy, CSR
Graziella Gavezotti	66	Italian	2013	2021 Shareholders' General Meeting	0	Banking and finance, International operations, CSR, Services, B2C
Jean-Pierre Lamoure (2)	68	French	2008	2020 Shareholders' General Meeting	0	Construction activities, International operations, Energy, CSR
Marie-Christine Lombard	59	French	2014	2018 Shareholders' General Meeting	0	International operations, Automotive and land transport, Services, B2C
Ana Paula Pessoa	50	Brazilian	2015	2019 Shareholders' General Meeting	1	Banking and finance, International operations, CSR, New technologies, B2C
Michael Pragnell	71	British	2009	2021 Shareholders' General Meeting	0	Banking and finance, International operations, CSR
Henri Saint Olive	74	French	2000	2018 Shareholders' General Meeting	0	Concessions, Banking and finance, B2C
Pascale Sourisse	55	French	2007	2019 Shareholders' General Meeting	1	International operations, Automotive and land transport, Energy, CSR, New technologies, Aerospace and air transport
Nasser Hassan Faraj Al Ansari (3)	54	Qatari	2015	2018 Shareholders' General Meeting	0	Construction activities, Banking and finance, International operations
Director representing employee shareholders Josiane Marquez	62	French	2015	2019 Shareholders' General Meeting	0	Energy, New technologies
Directors representing employees Uwe Chlebos	59	German	2014	2018	0	CSR, Energy
Miloud Hakimi	59	Algerian	2014	2018	0	CSR, Energy

(1) Held outside the VINCI Group.
(2) Independent since 31 December 2017.
(3) Permanent representative of Qatar Holding LLC.

(*) The main areas of expertise are as follows:

Construction activities	Concessions	Banking and finance	International operations	Automotive and land transport	Energy	CSR	Aerospace and air transport	Services	New technologies	Property	B2C

In 2017, the Board held 11 meetings (seven ordinary meetings and four extraordinary meetings). Ordinary meetings of the Board are scheduled nearly a year in advance, whereas extraordinary meetings are often convened at very short notice. The table below provides details on individual attendance rates for all Directors at Board meetings as well as committee memberships. It should be noted that all Directors, except for the Chairman and Chief Executive Officer, are members of Board committees.

Director	Board of Directors: Ordinary meetings	Board of Directors: Ordinary and extraordinary meetings	Audit Committee	Strategy and CSR Committee	Remuneration Committee	Appointments and Corporate Governance Committee
Chairman and Chief Executive Officer						
Xavier Huillard	100%	100%				
Vice-Chairman and Lead Director						
Yves-Thibault de Silguy	100%	100%		C		C
Independent Directors						
Yannick Assouad	100%	100%	M			
Robert Castaigne	86%	82%	M		C	
Graziella Gavezotti	71%	64%	M			
Jean-Pierre Lamoure (*)	100%	91%				M
Marie-Christine Lombard	86%	73%				M
Ana Paula Pessoa	86%	91%		M		
Michael Pragnell	86%	73%			M	
Henri Saint Olive	100%	100%	C			
Pascale Sourisse	100%	82%			M	M
Nasser Hassan Faraj Al Ansari (**)	29%	18%		M		
Director representing employee shareholders						
Josiane Marquez	100%	100%		M		
Directors representing employees						
Uwe Chlebos	100%	73%		M		
Miloud Hakimi	100%	100%			M	
Overall attendance rate	**90%**	**83%**	**100%**	**74%**	**83%**	**67%**
Number of meetings in 2017	**7**	**11**	**4**	**7**	**3**	**3**

(*) Independent since 31 December 2017.
(**) Permanent representative of Qatar Holding LLC. Mr Al Ansari did not attend any Board meetings or meetings of the Strategy and CSR Committee between 11 June and 1 September 2017 in order to prevent any risk of market abuse given that Qatar Holding LLC was planning the disposal of a block of shares.
M: Member
C: Chairman

In 2017, the Shareholders' General Meeting approved the renewal of the terms of office of Yannick Assouad, Graziella Gavezotti and Michael Pragnell as Directors.

At the Shareholders' General Meeting of 17 April 2018, shareholders will be asked to vote on the renewal of the terms of office of Xavier Huillard, Yves-Thibault de Silguy, Marie-Christine Lombard and Qatar Holding LLC as Directors. In addition, Henri Saint Olive's term of office as Director ends at the close of this same Meeting. Lastly, as the terms of office of the Directors representing employees, namely Uwe Chlebos and Miloud Hakimi, also end at the close of this Meeting, the trade union having the highest number of members within the VINCI Group and the European Works Council together re-elected these two individuals to serve until 2022, pursuant to the provisions of Article 11.3 of the Articles of Association.

The table below highlights the changes having occurred in the Board's current composition in 2017 and those that will occur in coming years.

				Renewal of term of office proposed in 2018 to		Terms of office ending in		
Director	**Composition at 1 January 2017**	**Term of office renewed by the 2017 Shareholders' General Meeting**	**Composition at 31 December 2017**	**Other bodies**	**Share-holders' General Meeting**	**2019**	**2020**	**2021**
Chairman and Chief Executive Officer Xavier Huillard	x		x		x			
Vice-Chairman and Lead Director Yves-Thibault de Silguy	x		x		x			
Independent Directors Yannick Assouad	x	x	x					x
Robert Castaigne	x		x			x		
Graziella Gavezotti	x	x	x					x
Jean-Pierre Lamoure (*)	x		x				x	
Marie-Christine Lombard	x		x		x			
Ana Paula Pessoa	x		x			x		
Michael Pragnell	x	x	x					x
Henri Saint Olive	x		x					
Pascale Sourisse	x		x			x		
Qatar Holding LLC, represented by its permanent representative Nasser Hassan Faraj Al Ansari	x		x		x			
Director representing employee shareholders Josiane Marquez	x		x			x		
Directors representing employees Uwe Chlebos	x		x	x				
Miloud Hakimi	x		x	x				

(*) Independent since 31 December 2017.

As recommended by the Afep-Medef code, the Board regularly reviews its composition so as to ensure balance, particularly in terms of diversity (proportion of women and men, nationalities, international profiles, expertise). The results of this policy are summarised in the table below:

Diversity objectives	**Observations**	**At 31 December 2017**		**At the close of the 2018 Shareholders' General Meeting (*)**	
Number of Directors		15		14	
At least 50% of Directors deemed independent in accordance with Article 8.3 of the Afep-Medef code	The Directors representing employees and employee shareholders are not taken into account (see paragraph 3.3.2, pages 142 and 143)	10/12	83%	9/11	82%
More equitable representation of women on the Board	The two Directors representing employees are not taken into account	6/13	46%	6/12	50%
Increase in the number of Directors who are not French citizens		6/15	40%	6/14	43%
Number of Directors representing:					
• employees		2		2	
• employee shareholders		1		1	

(*) In the event that shareholders approve the resolutions relating to the renewals of terms of office.

The term of office of Directors is four years. The Company's Articles of Association provide that no one may be appointed or re-appointed as a Director after reaching the age of 75. In addition, no more than one-third of the Directors in office at the close of the financial year for which shareholders are asked to approve the financial statements may be over 70. The average age of Directors in office was 62.5 at 31 December 2017, at which time none of them was over the age of 75.

When new Directors take office, they receive legal and financial information on the Company and its group of companies, which is regularly updated. They also take part in meetings with the Group's principal executives. In addition, to improve their knowledge of the Group, Directors regularly receive presentations on Group companies or on cross-cutting policies during Board meetings, in particular with regard to corporate social responsibility. They also take part in visits to the Group's worksites and other business premises. A website created for their benefit provides access to all information they may require to perform their duties.

At its meeting of 4 February 2016, and in accordance with the Decree of 3 June 2015, the Board (i) decided that the Directors representing employees and the Director representing employee shareholders would be permitted to dedicate a maximum of 15 hours to preparing for each meeting of the Board or of any Board committee of which they are members and (ii) voted on an approach intended to ensure that they receive appropriate training.

3.2 Company officers' appointments and other positions held

The following tables detail the appointments and other positions held by:

- the Chairman and Chief Executive Officer; and
- the 14 Board members not serving as executive company officers.

3.2.1 Executive Management

<table>
<tr><td rowspan="9">Xavier Huillard

Chairman and Chief Executive Officer, VINCI

Age (*): 63

Nationality: French

Number of VINCI shares held: 407,018

First appointment: 2006

Term of office ends: 2018 Shareholders' General Meeting
Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2018

Business address:
VINCI
1 cours Ferdinand de Lesseps
92500 Rueil Malmaison
France</td><td>Appointments and other positions held at 31/12/2017</td><td>Appointments and other positions that have expired during the last five financial years</td></tr>
<tr><td colspan="2">Within the VINCI Group</td></tr>
<tr><td>Chairman and Chief Executive Officer of VINCI; Chairman of VINCI Concessions SAS; Chairman of the Supervisory Board of VINCI Deutschland GmbH; permanent representative of VINCI on the Boards of Directors of VINCI Energies and of Fabrique de la Cité; permanent representative of Snel on the Board of Directors of ASF and of VINCI Autoroutes on the Board of Directors of Cofiroute; Chairman of the Fondation VINCI pour la Cité; Director of Kansai Airports.</td><td>Chairman of VINCI Concessions Management SAS and VINCI Concessions SAS; Director of VINCI plc and VINCI Investments Ltd; permanent representative of VINCI Concessions on the Board of Directors of ASF Holding; permanent representative of VINCI on the Board of Directors of Eurovia.</td></tr>
<tr><td colspan="2">Outside the VINCI Group in listed companies</td></tr>
<tr><td>Permanent representative of VINCI on the Board of Directors of Aéroports de Paris and member of its Remuneration, Appointments and Governance Committee; Director of Air Liquide and member of its Remuneration Committee.</td><td>Non-voting Director of Aéroports de Paris.</td></tr>
<tr><td colspan="2">In unlisted companies or other structures outside the VINCI Group</td></tr>
<tr><td>Member of the Institut de l'Entreprise; Vice-Chairman of the non-profit organisation Aurore.</td><td>Chairman of the Institut de l'Entreprise.</td></tr>
<tr><td colspan="2">Background</td></tr>
<tr><td colspan="2">Xavier Huillard is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He has spent most of his working life in the construction industry in France and abroad. Mr Huillard joined Sogea in December 1996 as Deputy Chief Executive Officer in charge of international activities and specific projects, and then became its Chairman and Chief Executive Officer in 1998. He was appointed Deputy General Manager of VINCI in March 1998 and was Chairman of VINCI Construction from 2000 to 2002. He was appointed Co-Chief Operating Officer of VINCI and was Chairman and Chief Executive Officer of VINCI Energies from 2002 to 2004, then Chairman of VINCI Energies from 2004 to 2005. Mr Huillard became Director and Chief Executive Officer of VINCI in 2006 and was appointed Chairman of the Board of Directors and Chief Executive Officer of VINCI on 6 May 2010. He served as Chairman of the Institut de l'Entreprise from January 2011 until January 2017. He was appointed Chairman of VINCI Concessions SAS on 20 June 2016.</td></tr>
</table>

(*) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.2.2 Directors not currently serving as executive company officers

<table>
<tr><td rowspan="9">Yves-Thibault de Silguy

Vice-Chairman and Lead Director of the Board of Directors, VINCI

Chairman of the Strategy and CSR Committee and of the Appointments and Corporate Governance Committee

Age (*): 69

Nationality: French

Number of VINCI shares held: 45,696

First appointment: 2000

Term of office ends: 2018 Shareholders' General Meeting
Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2018

Business address:
VINCI
1 cours Ferdinand de Lesseps
92500 Rueil Malmaison
France</td><td>Appointments and other positions held at 31/12/2017</td><td>Appointments and other positions that have expired during the last five financial years</td></tr>
<tr><td colspan="2">Within the VINCI Group</td></tr>
<tr><td>Permanent representative of VINCI on the Board of Directors of ASF.</td><td>None.</td></tr>
<tr><td colspan="2">Outside the VINCI Group in listed companies</td></tr>
<tr><td>Director of LVMH, Chairman of its Performance Audit Committee and its Ethics and Sustainable Development Committee, and member of its Nominations and Compensation Committee; Director and Chairman of the Nominations and Compensation Committee of Solvay (Belgium); member of the Supervisory Board and Chairman of the Audit Committee of VTB Bank (Russia – listed on the London Stock Exchange).</td><td>None.</td></tr>
<tr><td colspan="2">In unlisted companies or other structures outside the VINCI Group</td></tr>
<tr><td>Chairman of the Supervisory Board of Sofisport; Managing Director of YTSeuropaconsultants; Managing Partner of Ysilop Consulting SARL; member of the Supervisory Board of VTB Bank France; Vice-Chairman of Medef International (the international branch of the French employers' organisation) and Chairman of the France-Iran committee of Medef International.</td><td>Chairman of the Board of Directors of AgroParisTech; trustee of the IASC Foundation; member of the Conseil des Affaires Etrangères (Foreign Affairs Council); member of the Board of Directors of the Fondation Monoprix and the Fondation du Collège de France.</td></tr>
<tr><td colspan="2">Background</td></tr>
<tr><td colspan="2">Yves-Thibault de Silguy has a degree in law from the Université de Rennes, a Masters degree in public law, and is a graduate of the Institut d'Études Politiques de Paris, public service section, and the École Nationale d'Administration. From 1976 to 1981, he worked at the French Ministry of Foreign Affairs and for the European Commission from 1981 to 1985. He then worked at the French Embassy in Washington as a Counsellor (economic affairs) from 1985 to 1986. From 1986 to 1988, Mr de Silguy was an adviser in the Prime Minister's office with responsibility for European affairs and international economic and financial affairs. From 1988 to 1993, he headed the international affairs department of the Usinor Sacilor Group, before being named its Director for International Affairs. From 1993 to 1995, he was Secretary-General of the Interdepartmental Committee for Questions of Economic Cooperation in Europe and at the same time, adviser for European affairs and vice-sherpa in the Prime Minister's office, assisting in the preparation of summits of the industrialised nations. From 1995 to 1999, Mr de Silguy was European Commissioner responsible for economic, monetary and financial affairs. From 2000 to 2005, he was Chairman of Medef's European Policy Committee. In January 2000, he became a member of the Executive Board of Suez Lyonnaise des Eaux, then served as Chief Executive Officer of Suez from 2001 to 2003. He was then Executive Vice-President of Suez from 2003 until June 2006. Mr de Silguy was appointed Chairman of the Board of Directors of VINCI on 1 June 2006 and resigned from all his appointments at Suez. Since 6 May 2010, he has been Vice-Chairman of VINCI and Lead Director of the Board.</td></tr>
</table>

(*) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Yannick Assouad (*)	Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Chief Executive Officer, Latécoère Member of the Audit Committee **Age (**):** 58 **Nationality:** French **Number of VINCI shares held:** 1,000 **First appointment:** 2013 Shareholders' General Meeting **Term of office ends:** 2021 Shareholders' General Meeting **Business address:** Latécoère 135 rue de Périole BP 25211 31079 Toulouse Cedex 5 France	**Outside the VINCI Group in listed companies**	
	Chief Executive Officer and member of the Board of Latécoère; Director of Arkema.	Member of the Executive Board of Zodiac Aerospace.
	In unlisted companies or other structures outside the VINCI Group	
	None.	Chairman and Director of various companies within Zodiac Aerospace's Aircraft Systems segment, also serving as Chief Executive Officer of this segment; Chief Executive Officer of Intertechnique Services, a post she held until 2008. Chief Executive Officer of Zodiac Cabin; Director of the Institut de Recherche Technologique Saint Exupéry.
	Background	
	Yannick Assouad is a graduate of the Institut National des Sciences Appliquées and the Illinois Institute of Technology. While working as an instructor at CIEFOP Paris, she joined Thomson CSF in 1986, where she was head of the thermal and mechanical analysis group until 1998. From 1998 to 2003, Mrs Assouad served first as Technical Director and then as Chief Executive Officer of Honeywell Aerospace, before being appointed Chairman of Honeywell SECAN. In 2003, she joined Zodiac Aerospace, initially as Chief Executive Officer of Intertechnique Services, a post she held until 2008. Appointed to Zodiac Aerospace's Executive Committee that same year, Mrs Assouad was selected to create the group's Services business segment, which she headed until 2010, when she was appointed Chief Executive Officer of its Aircraft Systems segment. In May 2015, she became the first Chief Executive Officer of Zodiac Cabin, a newly created segment of Zodiac Aerospace. Since 10 November 2016, she has been Chief Executive Officer of Latécoère.	

Robert Castaigne (*)	Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Former Chief Financial Officer and former member of the Executive Committee, Total Member of the Audit Committee and Chairman of the Remuneration Committee **Age (**):** 71 **Nationality:** French **Number of VINCI shares held:** 1,038 **First appointment:** 2007 **Term of office ends:** 2019 Shareholders' General Meeting **Business address:** 6 rue Lincoln 75008 Paris France	**Outside the VINCI Group in listed companies**	
	Director and Chairman of the Audit Committee of Sanofi; Director and member of the Audit and Internal Control Committee and of the Nomination and Corporate Governance Committee of Société Générale; Director and member of the Audit Committee and the Appointments and Remuneration Committee of Novatek (Russia).	None.
	Background	
	Robert Castaigne is a graduate of the École Centrale de Lille and the École Nationale Supérieure du Pétrole et des Moteurs. He also holds a doctorate in economics from Université de Paris 1 - Panthéon-Sorbonne. He was an engineer at Total from 1 January 1972 and Chief Financial Officer and member of the Executive Committee of Total from June 1994 to May 2008.	

Uwe Chlebos	Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Director representing employees Insulation installer, G+H Isolierung GmbH Member of the Strategy and CSR Committee **Age (**):** 59 **Nationality:** German **Number of VINCI shares held:** 86 **First designation:** 2014 **Term of office ends:** 2018 **Business address:** G+H Isolierung GmbH Auf den Holln 47 44894 Bochum Germany	**Within the VINCI Group**	
	Member of the Supervisory Board of VINCI Deutschland GmbH.	Vice-Chairman of the Supervisory Board of VINCI Energies Deutschland GmbH.
	In unlisted companies or other structures outside the VINCI Group	
	Member of the Industrial Union of Construction, Agriculture and Environment (Germany).	None.
	Background	
	Uwe Chlebos joined G+H Isolierung GmbH (VINCI Energies, Germany) in 1972 as an insulation installer. In 1994, he was elected Chairman of the G+H Isolierung GmbH Works Council. Mr Chlebos was named to G+H Isolierung's Economic and Labour Relations Committee in 1996 and became a member of the Executive Committee of the company's General Works Council in 1998 before being appointed the latter's Chairman in 2006. Since 2003, he has been a member of the Supervisory Board of VINCI Deutschland. From 2001 to 2006, he was initially Chairman of the Works Council of VINCI Construction Deutschland before being named Chairman of the equivalent body for VINCI Energies Deutschland. From 2010 to 2013, he was Vice-Chairman of the Supervisory Board of VINCI Energies Deutschland GmbH. Since 2010, he has been a member of the Supervisory Board of VINCI Deutschland GmbH.	

(*) Director considered independent by the Board.
(**) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Graziella Gavezotti (*)

Chief Operating Officer, Southern Europe, Edenred

Member of the Audit Committee

Age (**)**:** 66

Nationality: Italian

Number of VINCI shares held: 1,000

First appointment: 2013

Term of office ends: 2021 Shareholders' General Meeting

Business address:
Edenred
via G. B. Pirelli 18
20124 Milan
Italy

Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
In unlisted companies or other structures outside the VINCI Group	
Chairman of the Board of Directors of Edenred Italia SRL, of Edenred Italia Fin SRL, of Voucher Services SA (Greece) and of Edenred España SA; Vice-Chairman of the Board of Edenred Portugal SA; Director of Edenred Maroc SAS.	Chairman of the Board of Directors of RistoChef SRL and of E-Lunch Italy; Director of Edenred Kurumsal Cozumler SA (Turkey).

Background

Graziella Gavezotti is a graduate of the Università di Comunicazione e Lingue (IULM) and the University of Rijeka. Prior to joining Edenred Italia, she worked for Jacques Borel International, Gemeaz, Accor Services Italia and Edenred Italia. Until May 2012, she was Chairman and Chief Executive Officer of Edenred Italia. Since July 2012 she has been Chief Operating Officer of Edenred for Southern Europe (Italy, Spain, Portugal, Turkey, Greece, Morocco and Lebanon) while continuing to serve as Chairman of the Board of Directors of Edenred Italia. She is also a member of Edenred SA's Executive Committee.

Miloud Hakimi

Director representing employees

Project manager, ViE SAS

Member of the Remuneration Committee

Age (**)**:** 59

Nationality: Algerian

Number of VINCI shares held: 15

First designation: 2014

Term of office ends: 2018

Business address:
VINCI
1 cours Ferdinand de Lesseps
92500 Rueil Malmaison
France

Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Within the VINCI Group	
None.	Secretary of the VINCI Works Council; member and secretary of the VINCI France Group Works Council; member of the VINCI European Works Council; secretary of VINCI's Committee on Health, Safety and Working Conditions; member of VINCI Energies' labour-management forum.
In unlisted companies or other structures outside the VINCI Group	
Director of Cadase (Toulon).	Member of the Executive Committee of the Fédération Nationale des Salariés de la Construction, du Bois et de l'Ameublement (CGT).

Background

Trained as an electrical technician, Miloud Hakimi joined Degreane (VINCI Energies) in 1976 as a fitter. In 1989, after completing a BTS, he became a sales technician before achieving certification to serve as an electrical safety trainer (NF C18-510 standard) beginning in 2002. He has been a project manager at ViE SAS since 2014.

Jean-Pierre Lamoure (*)

Chairman of the Supervisory Board, Atlantic SFDT

Member of the Appointments and Corporate Governance Committee

Age (**)**:** 68

Nationality: French

Number of VINCI shares held: 2,026

First appointment: 2008

Term of office ends: 2020 Shareholders' General Meeting

Business address:
Atlantic
58 avenue du Général Leclerc
92340 Bourg la Reine
France

Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Within the VINCI Group	
Honorary Chairman of Soletanche Freyssinet.	Chairman of Soletanche Freyssinet.
In unlisted companies or other structures outside the VINCI Group	
Chairman of the Supervisory Board of Atlantic SFDT; Manager of Comemi and of HIGB; Chairman of the Executive Board of Sedeco.	Chairman of Psila; member of the Supervisory Board of Fortis Banque France; Secretary and Director of the French National Federation of Public Works (FNTP); Manager of Clamar.

Background

Jean-Pierre Lamoure is a graduate of the École Polytechnique and holds the rank of Master Engineer in the Corps des Mines. He held several different posts at the French Ministry of Industry between 1975 and 1981. From 1981 to 1983, he was Head of Management Control and Planning in the insulation division of Saint-Gobain. In 1983 he joined the Soletanche group as Chief Executive Officer, a position he held from 1983 to 1987, before being appointed Chairman of the Executive Board of Soletanche Entreprise for 1987–1989. He was appointed Chairman and Chief Executive Officer of Soletanche SA in 1989 and served in this same position from 1997 to 2008 at Soletanche Bachy, which became a subsidiary of VINCI Construction in 2007. He served as Chairman of the Board of Soletanche Freyssinet from 2008 to 2012. At Forasol-Foramer, a Soletanche subsidiary, he served as Vice-Chairman from 1983 to 1988, then as Chairman and Chief Executive Officer from 1988 to 1994 and as Chairman of the Supervisory Board from 1994 to 1997. Mr Lamoure has also been Chairman of the Supervisory Board of Atlantic SFDT since 1998. In addition, he was Vice-Chairman of the French National Federation of Public Works (FNTP) from 1998 until 2007, and served as its Secretary from 2007 to 2012. Between 1995 and 1999 and between 2004 and 2009, he was also Chairman of that federation's Technology and Innovation Commission.

(*) Director considered independent by the Board.
(**) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Marie-Christine Lombard (*)	Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Chairman of the Executive Board, Geodis	**Outside the VINCI Group in listed companies**	
Member of the Appointments and Corporate Governance Committee	None.	Chairman and Chief Executive Officer of TNT Express NV (unlisted since 2016).
Age (**): 59	**In unlisted companies or other structures outside the VINCI Group**	
Nationality: French **Number of VINCI shares held:** 1,000	Chairman of the Executive Board of Geodis; Director of BPCE and member of its Supervisory Board and Audit Committee; Director of TLF; member of the Management Board of BMV; member of the Board of Directors of École Polytechnique.	Chief Executive Officer of Geodis; member of the Supervisory Board of Keolis Group SAS; member of the Executive Committee of the Fondation Emlyon Entrepreneurs pour le Monde; member of the Managing Committee of TLF.
First appointment: 2014	**Background**	
Term of office ends: 2018 Shareholders' General Meeting Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2018 **Business address:** Geodis 26 quai Charles Pasqua 92300 Levallois Perret France	A graduate of the Essec business school, Marie-Christine Lombard held various positions in the banking sector early in her career, notably with Chemical Bank and Paribas, based successively in New York, Paris and Lyon. She subsequently moved to the express services sector, joining the French company Jet Services as Chief Financial Officer in 1993, before being appointed Chief Executive Officer in 1997, a position she held until TNT Express acquired the company in 1999. Mrs Lombard then became Chairman of TNT Express France, which she soon made one of TNT's most successful business units. In 2004, she was named Group Managing Director of TNT Express. When TNT Express became an independent listed company in May 2011, Mrs Lombard was named Chief Executive Officer. In October 2012, she joined Geodis, first as Chief Executive Officer, before being named Chairman of the Executive Board on 17 December 2013. Mrs Lombard is also a Director of BPCE and a member of the Board of Directors of École Polytechnique.	

Josiane Marquez	Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Director representing employee shareholders	**In unlisted companies or other structures of the VINCI Group**	
Information systems consultant, VINCI Energies Systèmes d'Information	Chairman of the Supervisory Board of the Castor and Castor Relais company mutual funds; central trade union representative and member of the VINCI Energies Systèmes d'Information Works Council.	Member of the VINCI France Group Works Council and of the VINCI European Works Council.
Chairman of the Supervisory Board of the Castor and Castor Relais company mutual funds	**Background**	
Member of the Strategy and CSR Committee **Age (**):** 62 **Nationality:** French **Number of VINCI shares held:** 0 **First appointment:** 2015 **Term of office ends:** 2019 Shareholders' General Meeting **Business address:** VINCI Energies Systèmes d'Information 10 avenue du Stade de France 93200 Saint Denis France	Following undergraduate studies in statistics and probability, Josiane Marquez completed a degree in information systems at a school of computer science, also pursuing additional training in database management and analytical methods. She joined CGEE Alsthom in 1983 and worked as a systems analyst from 1984 until 1994 at this company and later at Cegelec. Between 1996 and 2000, Mrs Marquez was a project manager for business applications, first at Cegelec and then at Alstom. In 2000, she was chosen to manage the SAP sales and invoicing module at Alstom, Cegelec and then VINCI Energies, a position she held until 2015. Since 2015, she has been an SAP information systems consultant at VINCI Energies Systèmes d'Information.	

(*) Director considered independent by the Board.
(**) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Ana Paula Pessoa (*)

Chairman and Chief Strategy Officer of Kunumi AI (Brazil)

Member of the Strategy and CSR Committee

Age (**): 50

Nationality: Brazilian

Number of VINCI shares held: 1,000

First appointment: 2015

Term of office ends: 2019 Shareholders' General Meeting

Business address:
Rua General Tasso Fragoso 33
BL 05, Apt. 401
Lagoa
Rio de Janeiro
22470-170 Brazil

Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Outside the VINCI Group in listed companies	
Independent Director of News Corporation and member of its Audit Committee.	None.
In unlisted companies or other structures outside the VINCI Group	
Member of the Advisory Board of The Nature Conservancy (Brazil); member of the Audit Committee of the Roberto Marinho Foundation; member of the Board of the Stanford University Brazil Association (SUBA).	Chairman of the Board of Directors of Neemu Internet SA; member of the Consulting Board of the Rio de Janeiro City Council.

Background

Ana Paula Pessoa graduated from Stanford University with a BA in economics and international relations and an MA in economic development. She worked for the United Nations Development Programme (UNDP) in New York and in Benin from 1988 to 1990. Mrs Pessoa returned to Brazil in 1993 and joined Globo Organizations where she stayed for 18 years, occupying several positions in telecommunications, cable and satellite TV, print media, radio and newspapers. From 2001 to 2011, she was Chief Financial Officer and innovation director of Infoglobo, the largest newspaper group in South America. In 2011, Mrs Pessoa founded BlackKey Investments and invested in Neemu Internet, a leader in search and recommendation technology for e-commerce, which was sold in August 2015 to Linx SA, Brazil's largest retail software house. In 2012, she opened the Brazil office of Brunswick Group, a strategic communications company, where she was managing partner for over three years. Mrs Pessoa was Chief Financial Officer of the Organising Committee for the Rio 2016 Olympic and Paralympic Games from September 2015 to March 2017. Currently, she is Chairman of Kunumi AI, a leading artificial intelligence company, where she also serves as Chief Strategy Officer.

Michael Pragnell CBE (*)

Former founding Chief Executive Officer and Chairman of the Executive Committee, Syngenta AG

Member of the Remuneration Committee

Age (**): 71

Nationality: British

Number of VINCI shares held: 1,027

First appointment: 2009

Term of office ends: 2021 Shareholders' General Meeting

Business address:
VINCI
1 cours Ferdinand de Lesseps
92500 Rueil Malmaison
France

Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
In unlisted companies or other structures outside the VINCI Group	
None.	Member of the Board of Directors of Insead; Chairman of the Council of Trustees of Cancer Research UK.

Background

Michael Pragnell is a graduate of Oxford and Insead. Following a period in the international department of the First National Bank of Chicago in New York, Mr Pragnell held a series of positions in the Courtaulds group from 1975 until 1995: Chief Executive Officer of National Plastics (1985-1986), Chief Executive Officer of International Paint plc (1986-1992) and Chief Financial Officer (1992-1994) of Courtaulds plc, where he was appointed to the Board of Directors in 1990. From 1995 to 2000, he was Chief Executive Officer of Zeneca Agrochemicals and a member of the Executive Committee of Zeneca plc (now known as AstraZeneca plc), and was appointed to its Board of Directors in 1997. From 2000 to 2007, Mr Pragnell was the founding Chief Executive Officer and Chairman of the Executive Committee of Syngenta AG, where he was also a member of the Board of Directors from its creation. Other positions held include being a member of the Board of Directors of David S. Smith (now DS Smith) plc from 1996 to 1999 and of Advanta BV (Netherlands). He was Chairman of CropLife International from 2002 to 2005 and served as Chairman of the Council of Trustees of Cancer Research UK from 2010 to 2016. Mr Pragnell was awarded a CBE in the UK's 2017 New Year's Honours List.

Henri Saint Olive (*)

Chairman of the Board of Directors, Banque Saint Olive

Chairman of the Audit Committee

Age (**): 74

Nationality: French

Number of VINCI shares held (directly or indirectly): 50,673

First appointment: 2000

Term of office ends: 2018 Shareholders' General Meeting
Mr Saint Olive's term of office will end at the close of the Shareholders' General Meeting of 17 April 2018

Business address:
Banque Saint Olive
84 rue Duguesclin
69458 Lyon Cedex 06
France

Appointments and other positions held at 31/12/2017	Appointments and other positions that have expired during the last five financial years
Outside the VINCI Group in listed companies	
None.	Member of the Supervisory Board of Eurazeo.
In unlisted companies or other structures outside the VINCI Group	
Chairman of the Board of Directors of Banque Saint Olive; Chairman of the Supervisory Board of Saint Olive et Cie and Saint Olive Gestion; Chairman of the Board of Directors of Enyo; Manager of CF Participations and of Segipa; member of the Supervisory Board of Prodith; member of the Board of Directors of Centre Hospitalier Saint-Joseph & Saint-Luc and of the Association de l'Hôpital Saint-Joseph in Lyon; Chairman of the Saint Gabriel endowment fund.	Chairman of the Board of Directors of Ciarl; Director of Monceau Assurances Mutuelles Associées and Groupe Monceau-Mutuelles Associées; Managing Partner of LP Participation; member of the Supervisory Board of ANF and of Monceau Général Assurances; Director of Mutuelle Centrale de Réassurance and Compagnie Industrielle d'Assurance Mutuelle; member of the Board of Trustees of Centre Hospitalier Saint-Joseph & Saint-Luc.

Background

A graduate of HEC, in 1969 Henri Saint Olive joined Banque Saint Olive where he has spent his working life. He was appointed Chairman of the Executive Board of this bank in 1987, then Chairman of its Board of Directors in 1997.

(*) Director considered independent by the Board.
(**) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Pascale Sourisse (*)	**Appointments and other positions held at 31/12/2017**	**Appointments and other positions that have expired during the last five financial years**
Senior Executive Vice-President, International Development, Thales Member of the Appointments and Corporate Governance Committee and of the Remuneration Committee **Age** (**)**:** 55 **Nationality:** French **Number of VINCI shares held:** 1,000 **First appointment:** 2007 **Term of office ends:** 2019 Shareholders' General Meeting **Business address:** Thales Tour Carpe Diem 31 place des Corolles Esplanade Nord 92400 Courbevoie France	**Outside the VINCI Group in listed companies**	
	Director of Renault SA and member of its Audit, Risks and Ethics Committee.	Director of Areva SA, member of its Audit and Ethics Committee and Chairman of its End-of-Cycle Obligations Monitoring Committee.
	In unlisted companies or other structures outside the VINCI Group	
	Chairman of Thales International SAS; Chairman of Thales Europe SAS; permanent representative of Thales on the Board of Directors of ODAS and member of its Remuneration Committee; fellow of the Académie des Technologies (the French National Academy of Technologies).	Member of the Supervisory Board of Thales Nederland BV; member of the Boards of Directors of Thales USA, Inc., Thales UK Limited and Thales Electronics Ltd; Chairman of Thales Canada Inc.; member of the Boards of Directors of the following Australian companies: ADI Engineering & Vehicles Pty Ltd, ADI Group Holdings Pty, ADI Group Pty Ltd, ADI Lithgow Pty Ltd, ADI Munitions Pty Ltd, Australian Defence Industries Pty Ltd, Thales Australia Holdings Pty Ltd, Thales Underwater Systems Pty Ltd, Thales Training & Simulation Pty Ltd, Thales ATM Pty Ltd, Thales Australia Corporate Finance Pty Ltd and Thales Australia Finance Pty Ltd.; permanent representative of Thales as Director of Sofresa; member of the Governing Board of Agence Nationale de la Recherche (ANR, the French National Research Agency); Chairman of the Advisory Board of Télécom ParisTech; member of the Governing Board of Agence Nationale des Fréquences (ANFR, the French National Frequencies Agency).
	Background	
	Pascale Sourisse is a graduate of the École Polytechnique and of Télécom ParisTech. She worked as an engineer at Compagnie Générale des Eaux from 1984 to 1985, as an engineer in the telecommunications division of Jeumont-Schneider from 1985 to 1986, and as head of the enterprise network division at France Telecom from 1987 to 1990. From 1990 to 1994, Mrs Sourisse worked in the French Ministry for Industry as assistant deputy manager, then deputy manager, of the Consumer Electronics and Audiovisual Communication department. She then joined the Alcatel Group, where she held the positions of Director, Planning and Strategy from 1995 to 1997, Chairman and Chief Executive Officer of Skybridge from 1997 to 2001, and Chief Executive Officer and then President and Chief Executive Officer of Alcatel Space from 2001 to 2005. She was President of Alcatel Alenia Space (now Thales Alenia Space) from 2005 to 2008. Since April 2007, she has been a member of the Executive Committee of Thales. From May 2008 until early 2010, Mrs Sourisse was Chief Executive Officer of Thales' Land & Joint Systems Division. In early 2010, she was named Chief Executive Officer, then Senior Vice-President for Defence & Security C4I Systems at Thales. Since early 2013, she has served as Senior Vice-President for International Development at Thales.	

Qatar Holding LLC (*)	**Appointments and other positions held at 31/12/2017**	**Appointments and other positions that have expired during the last five financial years**
Permanent representative: Nasser Hassan Faraj Al Ansari Member of the Strategy and CSR Committee **Age** (**)**:** 54 **Nationality:** Qatari **Number of VINCI shares held (directly or indirectly) by Qatar Holding LLC:** 22,375,000 **First appointment:** 2015 (co-optation) **Term of office ends:** 2018 Shareholders' General Meeting Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2018 **Business address:** Qatar Holding LLC Ooredoo Tower, 8th Floor Diplomatic Area Street, West Bay P.O. Box 23224 Doha Qatar	None.	None.
	Background	
	Qatar Holding LLC is a company based in Doha, Qatar, founded in April 2006 and wholly owned by the Qatar Investment Authority ("QIA"), for which it represents the main direct investment subsidiary. QIA was founded in 2005 by Emiri Decision, as a governmental entity of the State of Qatar to develop, invest and manage the reserve funds of the State of Qatar and other assets assigned to it. QIA's objective is to preserve and grow the value of its invested assets for the benefit of future generations. The Chairman of the Board of Directors of QIA is H.H. Sheikh Abdullah Bin Hamad Bin Khalifa Al Thani, Deputy Emir of the State of Qatar. The CEO of QIA is H.E. Sheikh Abdulla Bin Mohammed Bin Saud Al Thani. On 11 February 2015, Qatar Holding LLC acquired the 31,499,000 VINCI shares initially held (directly or indirectly) by the Qatari Diar Real Estate Investment Company ("Qatari Diar"), which is wholly owned by QIA, and acquired the balance of 1,000 shares from Qatari Diar on 15 April 2015. Following the sale of 7,875,000 shares in 2015 and 1,250,000 shares in 2017, Qatar Holding LLC held 22,375,000 VINCI shares as at 31 December 2017. Following the approval of Qatar Holding LLC by the Board of Directors of VINCI on 14 April 2015 in replacement of Qatari Diar, Qatar Holding LLC nominated Mr Nasser Hassan Faraj Al Ansari as its representative to the Board of Directors of VINCI.	

(*) Director considered independent by the Board.
(**) Age on the date when this registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.3 Independence of Board members

3.3.1 Personal situation of company officers and conflicts of interest

Summary of related internal rules
The internal rules of the Board of Directors stipulate that all Directors must inform the Board of any conflict of interest, including a future or potential situation, in which they find or may find themselves and in this case promptly contact the Vice-Chairman and Lead Director to define and implement measures to prevent such conflict. These measures may include not attending meetings or refraining from taking part in any portion of a Board meeting or Board committee meeting during which an item of business considered sensitive from this standpoint is being discussed. Directors must abstain from voting on any matter involving a conflict of interest for them and from taking part in the related discussions. The Vice-Chairman and Lead Director may intervene at any time in response to any real or potential conflicts of interest that may come to his attention and proceed with investigations in order to further identify, avoid or manage them.

In addition, the Board's internal rules specify that no Director of VINCI may hold a position at any of VINCI's competitors and that all Directors must keep the Board informed of any positions held in other companies, including positions on the board committees of these French and foreign companies.

Implementation
At the time of writing of this document and on the basis of the statements made by each Director:
• no Director of VINCI has declared a conflict of interest in respect of any decisions taken by the Board in 2017 and all of the Directors considered independent by the Board have stated that they did not have any conflict of interest in 2017 between their personal or professional activities and their role as Director of the Company;
• there are no family links between any of VINCI's company officers;
• none of VINCI's company officers has been found guilty of fraud in the last five years;
• none of these individuals has been involved as a company officer in a bankruptcy, sequestration of assets or liquidation during the last five years and none has been incriminated or officially punished by a statutory or regulatory authority. None has been disqualified by a court from serving as a member of a board of directors or company management or supervisory body of a securities issuer, nor from being involved in the management or conduct of the affairs of a securities issuer in the last five years.

3.3.2 Independence evaluation

At its meeting of 7 February 2018, after having heard the report of the Appointments and Corporate Governance Committee, the Board conducted an evaluation of the independence of current Directors, as recommended by the Afep-Medef code and in accordance with the criteria of that code.

In line with the recommendations of the Afep-Medef code, the criteria to be taken into account by the Board are as follows:

Article of the Afep-Medef code	Criteria
8.5.1	Not having been an employee or executive company officer of the company, nor an employee, executive company officer or director of any entity consolidated by the company, nor an employee, executive company officer or director of the company's parent company or of any other entity consolidated by this parent company at any time over the last five years
8.5.2	Not having been an executive company officer of an entity in which the company serves, either directly or indirectly, as director or in which an employee designated as such or an executive company officer of the company currently serves or has served at any time over the last five years as director
8.5.3	Not being a customer, supplier, investment banker or merchant banker that is material for the company or its group, or for which the company or its group represents a significant part of its business
8.5.4	Having no close family ties with a company officer
8.5.5	Not having acted as statutory auditor for the company at any time over the last five years
8.5.6	Not having served as a director of the company for more than 12 years
8.6	Not being eligible to receive variable remuneration from the company or its group if serving as a non-executive company officer
8.7	Not being a representative of a shareholder holding more than 10% of the company's share capital or voting rights

In evaluating the independence of its members with respect to the criteria of Article 8.5.3, the Board took into account the material or non-material nature of the business relationships being examined, the particular circumstances of each Director at the company in question in view of these relationships and the amount of sales or purchases involved, in absolute as well as relative terms.

The table below provides information on the determinations reached by the Board regarding the independence of each of its members:

Xavier Huillard	Mr Huillard is the Chairman and Chief Executive Officer of VINCI.	Not independent
Yves-Thibault de Silguy	Mr de Silguy is the Vice-Chairman and Lead Director of VINCI. He has served as Director for more than 12 years and carries out assignments for the Company under the terms of a services agreement with YTSeuropaconsultants. Additional information on the individual circumstances of Mr de Silguy, particularly with regard to the compatibility of this evaluation with his role as Vice-Chairman and Lead Director, is provided in paragraph 2.3 on page 132.	Not independent
Yannick Assouad	Mrs Assouad has had executive management responsibilities at the Latécoère group since November 2016. Certain VINCI subsidiaries have business relationships with the Latécoère group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Robert Castaigne	Until May 2008, Mr Castaigne was Chief Financial Officer and member of the Executive Committee of the Total group. Certain VINCI subsidiaries have business relationships with the Total group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Uwe Chlebos	Mr Chlebos is a Director representing employees.	Not independent
Graziella Gavezotti	Mrs Gavezotti has executive management responsibilities for Southern Europe at Edenred. Certain VINCI subsidiaries have business relationships with the Edenred group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Miloud Hakimi	Mr Hakimi is a Director representing employees.	Not independent
Jean-Pierre Lamoure	Mr Lamoure served as Chairman of Soletanche Freyssinet, a wholly owned subsidiary of VINCI, until 31 December 2012. Since that date, thus for more than five years, he has not performed any operational functions within the VINCI Group.	Independent
Marie-Christine Lombard	Mrs Lombard has served as Chairman of the Executive Board of Geodis since December 2013. Certain VINCI subsidiaries have business relationships with the Geodis group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Josiane Marquez	Mrs Marquez is a Director representing employee shareholders, who hold units of the Castor company mutual fund that is mainly invested in VINCI shares.	Not independent
Ana Paula Pessoa	Mrs Pessoa is Chairman and Chief Strategy Officer of Kunumi AI. This entity does not have business relationships with the VINCI Group.	Independent
Michael Pragnell	Mr Pragnell was Chairman of Cancer Research UK from 2007 to 2016, after having served in senior management positions at Syngenta AG until 2007. Neither of these entities has business relationships with the VINCI Group.	Independent
Qatar Holding LLC and Nasser Hassan Faraj Al Ansari	Qatar Holding LLC, a company controlled by Qatar Investment Authority (QIA), directly and indirectly holds a 4% stake in VINCI. It should be noted that this shareholding had been acquired originally by Qatari Diar Real Estate Investment Company (QD), also controlled by QIA, when the Cegelec group was sold to VINCI. At the time of the sale, it was agreed that QD, which then had a 5.3% stake, would be represented on the Board as long as it held at least 5% of the shares. QD sold its stake to Qatar Holding LLC in February 2015. As a result of the disposal of a block of shares in October 2015, Qatar Holding LLC's stake was reduced to 3.9%. At its meeting of 19 October 2015, the Board decided to waive the requirement for Qatar Holding LLC to resign as Director. In addition, QD and VINCI Construction Grands Projets (a wholly owned subsidiary of VINCI) are partners in the jointly owned QDVC. QD owns 51% of the capital of QDVC and VINCI Construction Grands Projets has a minority stake of 49% in this company, which it accounts for under the equity method. Given the nature of QD and Qatar Holding LLC, particularly the fact that both companies are owned by a sovereign wealth fund, the Board has decided that Qatar Holding LLC should be considered independent. On 14 November 2013, QD appointed Nasser Hassan Faraj Al Ansari as its permanent representative to VINCI's Board of Directors. Upon being co-opted to replace QD as Director for the remainder of its term on 14 April 2015, Qatar Holding LLC also named Mr Al Ansari as its permanent representative to the Board. The Board has reviewed the situation of Mr Al Ansari, who also served as Chairman of QDVC until August 2017. It concluded that although Mr Al Ansari was a company officer in a company that the VINCI Group accounts for under the equity method, as he was appointed to this position by QD and has ties to Qatar Holding LLC, which also appointed him as its permanent representative, Mr Al Ansari, like Qatar Holding LLC, should be considered independent.	Independent
Henri Saint Olive	Mr Saint Olive is Chairman of Banque Saint Olive. This bank might enter into transactions with the Company or its subsidiaries or into private transactions with executives thereof. No transaction between the Company and Banque Saint Olive was observed in 2017. In any case, any potential financial transaction would be conducted under normal market conditions. In addition, Mr Saint Olive has been a Director of the Company since 2000, i.e. for more than 12 years. Until now, Mr Saint Olive has always been considered independent by the Board. He has in-depth knowledge of the Group's businesses and risks, and his experience is a valuable asset to the Board. His professional activities and personal qualities ensure full independence of judgment with respect to VINCI, and in this context the Board has not deemed it necessary to alter its opinion simply because Mr Saint Olive has been serving as a company officer for more than 12 years. His current term of office ends in 2018.	Independent
Pascale Sourisse	Mrs Sourisse has executive management responsibilities at the Thales group. Certain VINCI subsidiaries have business relationships with the Thales group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent

The results of the Board's evaluation of each of its members with regard to the independence criteria of the Afep-Medef code are as follows:

	8.5.1	8.5.2	8.5.3	8.5.4	8.5.5	8.5.6	8.6	8.7	Board's evaluation
Xavier Huillard	×	×	✓	✓	✓	✓	✓	✓	Not independent
Yves-Thibault de Silguy	✓	✓	✓	✓	✓	×	✓	✓	Not independent
Yannick Assouad	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Robert Castaigne	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Uwe Chlebos	×	✓	✓	✓	✓	✓	✓	✓	Not independent – Director representing employees
Graziella Gavezotti	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Miloud Hakimi	×	✓	✓	✓	✓	✓	✓	✓	Not independent – Director representing employees
Jean-Pierre Lamoure	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Marie-Christine Lombard	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Josiane Marquez	×	✓	✓	✓	✓	✓	✓	✓	Not independent – Director representing employee shareholders
Ana Paula Pessoa	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Michael Pragnell	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Henri Saint Olive	✓	✓	✓	✓	✓	× 🔔	✓	✓	Independent
Pascale Sourisse	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Qatar Holding LLC, represented by its permanent representative Nasser Hassan Faraj Al Ansari	× 🔔	✓	✓	✓	✓	✓	✓	✓	Independent

✓: Condition satisfied.
×: Condition not satisfied.
🔔: Issue examined attentively by the Board.

Based on these results, the Board concluded that 10 of its 12 members, or 83% of its Directors, should be considered independent, bearing in mind that, in accordance with the Afep-Medef code, the Director representing employee shareholders and the two Directors representing employees were not taken into account in this evaluation.

At the close of the Shareholders' General Meeting of 17 April 2018, given that Mr Saint Olive's term of office will have ended, if the renewals of the terms of office of Xavier Huillard, Yves-Thibault de Silguy, Marie-Christine Lombard and Qatar Holding LLC are approved, nine Directors out of 11 will qualify as independent, thus 82% of Board members, bearing in mind that, in accordance with the Afep-Medef code, the Director representing employee shareholders and the two Directors representing employees were not taken into account in this evaluation.

3.4 Conditions of preparation and organisation of the work of the Board

3.4.1 Functioning and work of the Board in 2017

The Board met 11 times in 2017 (for seven ordinary meetings and four extraordinary meetings) and the average attendance rate at its meetings was 83%. Individual attendance rates for each Director at Board meetings held in 2017 are shown in paragraph 3.1, page 134.
All documents needed by Directors to perform their duties are made available both in hard copy and in electronic form, the latter via a specific application allowing Directors to view the documents on a tablet or computer.
The Board discusses all matters of importance relating to the Group's activities. The Executive Vice-President and Chief Financial Officer attends Board meetings. The General Counsel acts as Board Secretary.

Main areas of oversight	Board activities during financial year 2017
Review of the financial statements and day-to-day management	• Reviewed and approved the consolidated and parent company financial statements for the year ended 31 December 2016 and the consolidated and parent company financial statements for the six months ended 30 June 2017, reviewed the reports of the Statutory Auditors relating to these financial statements and reviewed the 2017 budget updates • Approved the terms of the various reports to shareholders, prepared and convened the Shareholders' General Meeting of 20 April 2017, approved its agenda and the resolutions submitted for shareholder approval, and approved the Chairman's report on corporate governance and internal control procedures • Took note of the work done by the Audit Committee • Regularly reviewed the Group's business activities, ongoing developments, financial situation and indebtedness • Decided to pay an interim dividend on 2017 earnings • Decided to reduce the share capital by cancelling 5,736,988 treasury shares • Reviewed changes in the share capital and the share buy-back programme • Approved the renewal of the Chairman and Chief Executive Officer's powers regarding guarantees and collateral as well as the implementation of the share buy-back programme • Renewed the delegation of authority to the Chairman and Chief Executive Officer to issue bonds and was informed of the use of this delegation • Received information in conjunction with the preparation of the half-year and annual financial statements identifying financial difficulties experienced by companies in order to prevent insolvency • Reviewed two proposed issues of non-dilutive convertible bonds • Was notified about the arrangement of an internal credit facility granted to VINCI Finance International • Reviewed the report on payments to government authorities made by VINCI subsidiaries with respect to their mining and quarrying activities
Corporate governance	• Took note of the work done by the Appointments and Corporate Governance Committee • Evaluated the independence of the Board's members with regard to the criteria of the Afep-Medef code and submitted the renewal of the term of office of one Director and the ratification of the co-optation of one Director for the approval of the Shareholders' General Meeting • Amended the Board's internal rules on two occasions
Remuneration	• Took note of the work done by the Remuneration Committee • Set Mr Huillard's variable remuneration for financial year 2016 • Decided that Mr Coppey would not receive any variable remuneration in respect of his service as Chief Operating Officer in 2016 • Decided to set up a performance share plan for the Group's employees and a long-term incentive plan for the executive company officer
Employee savings plans	• Set the subscription price of shares to be issued under the French employee savings plan for the periods from 2 May to 31 August 2017, from 1 September to 29 December 2017 and from 2 January to 30 April 2018 • Reviewed a proposed international employee share purchase plan for 2018 and granted delegations of authority to set the subscription price as well as the definitive start and end dates for the subscription period in each country concerned • Reaffirmed, subsequent to the Shareholders' General Meeting, the decisions previously taken by the Board relating to the Castor France and Castor International 2017 company mutual funds • Reviewed the results of the international employee share purchase programme offered in 2017 to employees of VINCI's foreign subsidiaries in connection with the Group savings plan outside France • Received information about the new employer matching contribution rules applicable from 2018
Strategy	• Took note of the work done by the Strategy and Investments Committee • Reviewed airport concession projects in India and Brazil • Reviewed the proposed acquisition of PrimeLine Utility Services • Reviewed the project for the privatisation of Nikola Tesla Airport in Belgrade, Serbia
Other	• Reviewed the regulated agreements entered into and/or authorised in 2016 or that remained in force in 2016 • Decided to set up a horizontal tax consolidation group in Portugal • Responded to questions submitted in writing by a shareholder prior to the Shareholders' General Meeting of 20 April 2017 • Received information about several sponsorship initiatives • Approved a simplification of the Group's business activities in Germany • Approved the issue of guarantees • Received a presentation on the measures already taken and to be taken in connection with due diligence obligations and the Sapin 2 Act • Received information on the schedule of meetings for the Board and its committees in 2018 and 2019

One of the Board meetings was held in Hamburg (Germany) in October 2017. It was followed by a presentation of the Group's business activities in Germany and visits to several sites representative of the Group's latest developments.

Discussions between the Directors and the members of the Executive Committee took place at all of the Board's ordinary meetings during the year.

In June 2017, a Board meeting was held in Asnières sur Oise, which was followed by a seminar on Group strategy attended by the Directors as well as all Executive Committee members.

A Board meeting in the absence of the executive company officer was held on 7 February 2017, in particular to evaluate his performance and discuss governance.

3.4.2 The Board committees

The Board has established four specialised committees:
• the Audit Committee;
• the Strategy and Investments Committee (which became the Strategy and CSR Committee in December 2017);
• the Appointments and Corporate Governance Committee; and
• the Remuneration Committee.

The role of the committees is to carry out analyses and provide support for decision-making processes in several areas. The responsibilities and modus operandi of the committees are governed by the Board's internal rules. Each committee has consultative powers and acts under the authority of the Board, of which it is an extension and to which it is accountable. Minutes of each committee meeting are drawn up and circulated to the members of the Board.
During the Shareholders' General Meeting held to approve the financial statements, all Board committee chairmen present reports to the shareholders on the work performed by their committees over the course of the year.

The Audit Committee

Number of Directors	Membership at 31 December 2017	Proportion of independent Directors	Number of meetings held in 2017	Average attendance rate
4	Henri Saint Olive (Chairman) Yannick Assouad Robert Castaigne Graziella Gavezotti	100%	4	100%

Composition
In accordance with the Board's internal rules, the Audit Committee comprises at least three Directors designated by the Board. The Executive Vice-President and Chief Financial Officer and the Statutory Auditors attend Audit Committee meetings. Since 19 April 2016, the Audit Committee has consisted of four Directors: Henri Saint Olive (Chairman), Yannick Assouad, Graziella Gavezotti and Robert Castaigne.
The Board considers all four Audit Committee members to be independent Directors. By virtue of their professional experience and/or qualifications, the members of the Audit Committee have the financial, accounting and auditing expertise necessary to serve thereon. Their main areas of expertise in relation to VINCI's operations are indicated in the table in paragraph 3.1, page 133. Further details of their experience and qualifications are provided in the curriculum vitae set out in paragraph 3.2, pages 136 to 141.
The Executive Vice-President and Chief Financial Officer acts as secretary to the Audit Committee.

Responsibilities
The Audit Committee helps the Board monitor the accuracy and fair presentation of VINCI's parent company and consolidated financial statements, and the quality of the information provided. In particular, its duties are to monitor:
• the process of compiling financial information (i) by examining the Group's annual and half-year parent company and consolidated financial statements before they are presented to the Board, verifying the quality of the information given to the shareholders, and (ii) by ensuring that the accounting policies and methods are appropriate and consistently applied, warning of any deviation from these rules;
• the effectiveness of internal control and risk management systems (i) by verifying the existence of these systems, their proper deployment and the successful implementation of corrective measures in the event of any material weakness or significant deficiency in internal control and (ii) by reviewing the Group's financial position and major risk factors on a regular basis, examining material risks and off-balance sheet commitments and evaluating the importance of any failures or weaknesses of which it is made aware, bringing them to the attention of the Board where applicable;
• the auditing of the parent company and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors (i) by tracking the assignments carried out by the Statutory Auditors, including the review of their work programmes, audit conclusions and recommendations, as well as the follow-up actions taken; (ii) by verifying compliance by the Statutory Auditors with their legal obligation to be independent; (iii) by approving the supply of services mentioned in Article L.822-11-2 of the French Commercial Code; and (iv) by evaluating proposals for the appointment of the Company's Statutory Auditors or the renewal of their terms of office as well as their remuneration and issuing a recommendation on this matter;
• the Group's policy in respect of insurance;
• the setting up of procedures regarding business ethics and competition, while ensuring that a system is in place able to verify that they are being enforced;
• the entry into or continuation in force of any agreement concluded between the Company and any of its executive or non-executive company officers.
To carry out its remit, the Board's internal rules specify that the Audit Committee may seek external advice, the cost of which is borne by the Company.

Activities in 2017
In its meetings, the main subjects addressed by the Audit Committee were:
• the process of compiling accounting and financial information: review of the Group's parent company and consolidated financial statements prepared during the year, budget updates, cash positions and financial debt, the Group's financial strategy and ongoing financial transactions, and the country-by-country (CbC) report for 2016;
• the effectiveness of the Group's internal control and risk management systems: analysis of the results of the annual 2017 self-assessment, presentation of the systems in use at VINCI Concessions, post-mortem review of difficult contracts in Concessions and Contracting, presentation of the Chairman's report on internal control and risk management procedures and of the "Risk factors and management procedures" chapter of the Report of the Board of Directors, review of ongoing disputes and litigation, presentation of incidents of attempted fraud and their prevention, presentation of the 2017 audit programme, review of off-balance sheet commitments at 31 December 2016, and presentation of the Group's policy with respect to insurance;
• the statutory auditing of the parent company and consolidated financial statements and the independence of the Statutory Auditors: discussions with the Statutory Auditors and review of their conclusions, adherence to legal and regulatory obligations concerning accounting and financial information, validation of a procedure for the approval of services other than statutory audit assignments and approval of these services, presentation of the new format for audit reports;
• the Group's compliance strategy: update on the implementation of the system provided for under the Sapin 2 Act;
• review of the assistance provided in 2016 by YTSeuropaconsultants, of which Mr de Silguy is sole shareholder, under its services agreement with the Company.
For the purposes of this work, the following executives were interviewed: the Executive Vice-President and Chief Financial Officer; the Deputy Financial Director, whose responsibilities include treasury, financing and tax matters; the Senior Vice-President for Corporate Controlling and Accounting; the Chief Audit Officer; the General Counsel; and the Statutory Auditors. During their presentation, the Statutory Auditors emphasised the important points relating to their assignment and the accounting options chosen.

The Strategy and CSR Committee

Number of Directors	Membership at 31 December 2017	Proportion of independent Directors	Number of meetings held in 2017	Average attendance rate
5	Yves-Thibault de Silguy (Chairman) Nasser Hassan Faraj Al Ansari (permanent representative of Qatar Holding LLC) Uwe Chlebos (representing employees) Josiane Marquez (representing employee shareholders) Ana Paula Pessoa	2/3 (excluding the Directors representing employees and employee shareholders)	7	- For Directors who were Committee members: 74% - For Directors who were not Committee members: 69%

Composition

In accordance with the Board's internal rules, the Strategy and CSR Committee comprises at least three Directors designated by the Board. Since 14 April 2015, the Strategy and CSR Committee has consisted of five Directors serving as permanent members: Yves-Thibault de Silguy (Chairman), Uwe Chlebos, Ana Paula Pessoa, Josiane Marquez and the permanent representative of Qatar Holding LLC, Nasser Hassan Faraj Al Ansari. All Board members who wish to do so may attend the Strategy and CSR Committee's meetings, with voting rights. Before each meeting, a dossier on the items to be discussed is sent to all Directors.
VINCI's Chairman and Chief Executive Officer, Executive Vice-President and Chief Financial Officer, and Vice-President for Business Development attend the meetings of the Strategy and CSR Committee. The Board Secretary acts as secretary to the Committee.

Responsibilities

At its meeting of 15 December 2017, the Board changed the terms of reference for the Strategy and Investments Committee, which has become the Strategy and CSR Committee, in order to give it the authority to discuss matters relating to corporate social responsibility.
Until 15 December 2017, the Strategy and Investments Committee helped the Board review the Group's overall strategy. In advance of their presentation to the Board, it examined multi-year contracts implying an investment on the part of the Group, strategic investments and all transactions, including acquisitions and disposals, with the potential to have a material impact on the Group's scope of consolidation, business activities, risk profile, earnings or balance sheet or on the Company's share price.
In particular its duties were to:
• prepare the Board's discussions on the Group's strategy;
• formulate an opinion, for the benefit of the Executive Management, on proposed acquisitions or disposals of shareholdings of a value exceeding €50 million that do not come under the Board's direct terms of reference;
• give its opinion to the Executive Management on plans for significant changes to the Group's legal or operational structure;
• prepare a document each year to be submitted to the VINCI Works Council on the strategic choices made by the Group and their consequences.
In addition, VINCI's Executive Management kept the Committee informed about progress on multi-year projects entailing a total investment by the VINCI Group in equity and debt of more than €100 million.
Since 15 December 2017, apart from the responsibilities mentioned above, the Strategy and CSR Committee has taken on additional responsibilities in relation to environmental and social issues. In particular, its duties in this regard are to:
• ensure that matters relating to corporate social responsibility are taken into account in the Group's strategy and its implementation;
• ensure that whistle-blowing systems have been put in place within the Group and are functioning well;
• review the CSR report required by Article L.225-102-1 of the French Commercial Code;
• examine the VINCI Group's sustainability commitments with respect to the issues faced in its business activities and in achieving its objectives.

Activities in 2017

In its meetings, the Strategy and Investments Committee, which became the Strategy and CSR Committee in December 2017, addressed the following subjects in particular:
• 12 acquisition projects in the Contracting sector;
• two proposed multi-year contracts;
• four acquisition projects in the airport concessions sector.

The Remuneration Committee

Number of members	Membership at 31 December 2017	Proportion of independent Directors	Number of meetings held in 2017	Average attendance rate
4	Robert Castaigne (Chairman) Miloud Hakimi (representing employees) Michael Pragnell Pascale Sourisse	3/3 (excluding the Director representing employees)	3	83%

Composition

In accordance with the Board's internal rules, the Remuneration Committee comprises at least three Directors designated by the Board. Since 19 April 2016, it has consisted of four Directors: Robert Castaigne (Chairman), Miloud Hakimi, Michael Pragnell and Pascale Sourisse. With the exception of Mr Hakimi, one of the two Directors representing employees, all of the Committee's members are considered independent by the Board.
The Vice-President responsible for Human Resources and Sustainable Development attends the meetings of the Committee. The Chairman and Chief Executive Officer also attends the Committee's meetings except when the Committee examines questions relating personally to him. The Board Secretary acts as secretary to the Committee.

Responsibilities

The Remuneration Committee's duties are to:

• make recommendations to the Board concerning remuneration, pension and insurance plans, benefits in kind and miscellaneous pecuniary rights, including any performance share awards or share subscription or share purchase options granted to the executive company officers as well as employee members of the Board, where applicable;
• submit a draft of resolutions to the Board intended to be put to a non-binding vote at the annual Shareholders' General Meeting relating to the remuneration of executive company officers;
• propose to the Board the setting up of long-term incentive plans for executives and employees, involving grants of performance share awards or of subscription or purchase options on the Company's shares, as well as the general and specific terms and conditions applying to these grants;
• express an opinion on the Executive Management's proposals regarding the number of beneficiaries;
• propose to the Board an aggregate amount of Directors' fees and the manner of their allocation.

In addition, the Remuneration Committee is informed of the remuneration policy applicable to the principal executives who are not company officers.

Activities in 2017

In its meetings, the Remuneration Committee addressed the following subjects in particular:

• evaluation of the performance of executive company officers;
• determination of Mr Huillard's variable remuneration for financial year 2016;
• review of Mr Coppey's situation;
• update on the implementation of the agreement between the Company and YTSeuropaconsultants;
• satisfaction of performance conditions under the long-term incentive plan set up on 15 April 2014;
• review of the system for the granting of performance share awards;
• draft of an ordinary resolution to be submitted to the 2017 annual Shareholders' General Meeting relating to the Group savings plan;
• proposal to submit a resolution to the Shareholders' General Meeting of 20 April 2017 raising the aggregate amount for Directors' fees to €1,400,000;
• validation of the "Company officers' remuneration and interests" section of the Annual Report;
• examination of the draft resolutions relating to the remuneration policy and the remuneration of the executive company officer;
• review of a proposed long-term incentive plan to be put in place in 2017 for employees and executives other than the Chairman and Chief Executive Officer;
• discussions on the long-term incentive plan to be put in place in 2018 for employees and executives other than the Chairman and Chief Executive Officer;
• follow-up on the employee share ownership policy;
• proposal to amend the schedule for employer matching contributions relating to the Group savings plan in France with effect from January 2018 to improve benefits for employees with smaller holdings;
• discussions on the system for the remuneration of the Chairman and Chief Executive Officer applying to the 2018–2022 period;
• change in the mechanism for the allocation of Directors' fees in order to improve its variability.

The Appointments and Corporate Governance Committee

Number of members	Membership at 31 December 2017	Proportion of independent Directors	Number of meetings held in 2017	Average attendance rate
4	Yves-Thibault de Silguy (Chairman) Jean-Pierre Lamoure Marie-Christine Lombard Pascale Sourisse	3/4 (*)	3	67%

(*) Since 31 December 2017.

Composition

In accordance with the Board's internal rules, the Appointments and Corporate Governance Committee comprises at least three Directors designated by the Board. Since 15 April 2014, the Appointments and Corporate Governance Committee has consisted of four Directors: Yves-Thibault de Silguy (Chairman), Jean-Pierre Lamoure, Marie-Christine Lombard and Pascale Sourisse. The Board recognises three of the four members of the Committee as independent.

The Chairman and Chief Executive Officer attends the Committee's meetings except when it performs its assessment of the Executive Management. The Board Secretary acts as secretary to the Committee.

Responsibilities

The Appointments and Corporate Governance Committee:

• ensures adherence to corporate governance rules;
• prepares the Board's discussions on the assessment of the Company's Executive Management;
• examines, on a consultative basis, the Executive Management's proposals relating to the appointment and dismissal of the Group's principal executives;
• is informed of the Executive Management's policy for managing the Group's senior executives and, in this regard, examines the procedures for succession plans;
• makes proposals on the selection of Directors;
• examines all candidacies for appointments to the Board and expresses an opinion and/or recommendation to the Board on those candidacies;
• makes proposals on the membership of committees and on the appointment and renewal of the Chairman of the Audit Committee;
• discusses, every year, what constitutes an independent Board member;
• prepares, in a timely manner, recommendations and opinions on the appointment of executive company officers and succession plans.

Activities in 2017

Among the items of business handled in its meetings, the Appointments and Corporate Governance Committee:

- considered Directors' terms of office ending in 2018;
- performed the assessment of VINCI's Executive Management together with the Remuneration Committee;
- evaluated each Board member with regard to the independence criteria of the Afep-Medef code and made proposals to the Board;
- reviewed the Report on corporate governance to be included within the Annual Report;
- reviewed the decision on the separation of the roles of Chairman and Chief Executive Officer as well as the functioning of the Board;
- was informed of the views of the Chairman and Chief Executive Officer concerning the organisation of Executive Management;
- proposed two revisions to the Board's internal rules;
- proposed new rules relating to the holding of VINCI shares by the executive company officers;
- reviewed the succession plan;
- received a presentation relating to the Executive Review procedures carried out in 2017;
- received information concerning the 2017 report of the AMF on corporate governance, executive remuneration, internal control and risk management;
- reviewed the governance procedures to be put in place in 2018.

3.5 Assessment of the composition and functioning of the Board

The Board's internal rules require that the agenda of one of its meetings each year include a discussion on the functioning of the Board with the aim of improving its effectiveness. In addition, a formal assessment of the Board must be carried out once every three years, with the assistance of an outside consultant or firm of consultants.

In practical terms, these requirements entail the following:

- An informal meeting of Directors, without the executive company officer being present, is organised each year by the Vice-Chairman and Lead Director. The purpose of these meetings – which were held most recently on 7 February 2017 and 7 February 2018 – is to prepare the formal meeting of the Board during which it will vote on various aspects of its internal functioning and discuss the performance of VINCI's Executive Management.
- A formal assessment process is carried out at regular intervals with the assistance of an outside consultant or firm of consultants, selected through a bidding process and then validated by the Appointments and Corporate Governance Committee. The most recent formal assessments were carried out in 2013 and 2016. As part of this process, the consultants plan meetings with each Director for individual interviews. These interviews deal with general governance questions as well as the conditions for the preparation of the work of the Board, the adequacy of the information provided to Directors as well as their individual contributions. The consultants present the results of their assessment first to the Appointments and Corporate Governance Committee and then to a formal meeting of the Board.

The formal assessment carried out in 2016 resulted in a report. At its meeting of 7 February 2018, the Board reviewed the conclusions of this report as well as the measures taken to address the areas identified as in need of improvement. The results of the Board's review are summarised in the table below.

Formal assessment in 2016	Opinion in 2018
Observations	
The Directors pointed to the high quality of VINCI's Board, stating that it functioned efficiently and in a manner consistent with the Group's size and structure.	The Board considers that this conclusion is still pertinent.
The effective contributions of each Director were viewed as satisfactory. This determination was based not only on the complementary nature of Directors' profiles and the benefits that the diversity of their skills, expertise, experience and geographic origins brings to the functioning of the Board, but also on the strong commitment demonstrated by each of them. Moreover, the Directors reported having successfully developed fluid and harmonious relationships, thus enhancing the Board's cohesiveness. They expressed confidence in the Board's capacity to ensure high standards of corporate governance in furtherance of the Group's performance objectives.	The Directors feel that this description continues to hold true for the way in which the Board functions today.
Although the Group operates in a range of complex business segments using a decentralised management approach, the Board was of the opinion that the following measures taken ensure that it acquires knowledge of these business segments and the strategic challenges faced by the Group's various divisions: - viewing acquisition projects as opportunities to conduct analyses of the industry sectors in question; - offering each Director the possibility to take part fully in the work of the Strategy and Investments Committee and to have access to all related documentation, an option widely used by Directors; - visits to worksites and other business premises; and - frequent strategy seminars.	The Directors still share this vision.
This knowledge has allowed the Board to forge a strong, useful and efficient partnership with VINCI's Executive Management. In addition, the Board regularly receives presentations on specific business lines and/or functions, during which issues relating to the Group's social and environmental responsibility are also discussed.	The Directors, acting on a proposal from the Chairman and Chief Executive Officer, consider that CSR issues must be reviewed on a regular basis on account of their importance. To this end, they have decided to amend the Board's internal rules in order to entrust this mission to the Strategy and Investments Committee, now renamed as the Strategy and CSR Committee, whose meetings may be attended by all Directors, as in the past.
Areas in need of improvement	Measures taken
The process for the development of the Board's composition in the medium term is perceived as a major challenge requiring careful preparation.	This issue is already being addressed prospectively by the Appointments and Corporate Governance Committee, with a view to ensuring the continuing independence and diversity of the Board's membership, as well as the range of skills represented, in the coming years.
Succession plans for the Chairman and Chief Executive Officer, whether in the event of his incapacity or in the context of natural succession in the medium term, should be structured in a more formal way in order to guarantee a straightforward and seamless transition for the managerial and corporate governance system. The Board is confident in its ability to identify potential successors within the Group, given the quality of its human resources and its capacity to identify and train future leaders. It should also be noted that the Appointments and Corporate Governance Committee is kept regularly informed of the progress and findings of the Executive Review procedures carried out each year, whose aim is to assess the individual situation of each of the Group's principal senior executives.	The Appointments and Corporate Governance Committee makes sure that it always has a succession plan in place for the Chairman and Chief Executive Officer in the event of the latter's incapacity. The natural succession process for the Chairman and Chief Executive Officer in the medium term is also a frequent topic of discussion at meetings of the Appointments and Corporate Governance Committee, so as to guarantee a successful and effective management transition when the time comes. The process relating to the succession plans for the Group's other senior executives is supervised by the Chief Executive Officer in coordination with the Appointments and Corporate Governance Committee for Executive Committee members, and by the Executive Committee for all other senior executives. In the latter case, the Executive Committee reports on its process to the Appointments and Corporate Governance Committee.
The Board wishes to ensure greater openness to issues affecting the future, in order to guarantee the sustainability and long-term viability of the Group's business activities in a constantly changing environment.	A two-day strategic seminar held in 2017, attended by Board and Executive Committee members, as well as the change in the responsibilities assigned to the Strategy and Investments Committee, which has become the Strategy and CSR Committee, are in keeping with this goal.

4. Company officers' remuneration and interests

4.1 Chairman and Chief Executive Officer

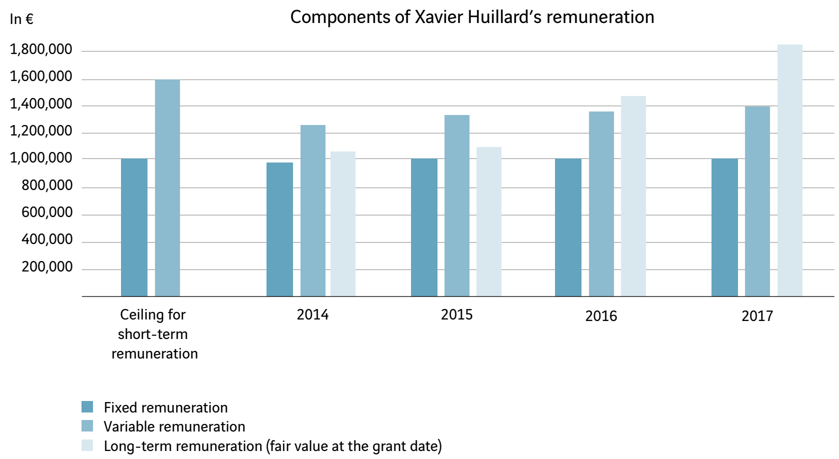
4.1.1 Remuneration policy applicable for the period 2014–2018

At its meetings of 5 February and 15 April 2014, the Board established the remuneration policy applicable to Xavier Huillard in his capacity as Chairman and Chief Executive Officer for the period 2014–2018, acting on a proposal from the Remuneration Committee.

The Chairman and Chief Executive Officer's remuneration consists of three components:

- a short-term fixed component paid in cash, set at €1,000,000 per year for the duration of his term of office;
- a short-term variable component also paid in cash, the amount of which is tied to annual performance achievements, with an overall ceiling of 1.6 times the short-term fixed component; and
- a long-term component involving an annual award of VINCI shares that will vest after a period of three calendar years, provided that certain performance conditions are met. This award includes a specific number of VINCI shares, whose fair value is known at the time of the award, but whose definitive value may vary, depending on the number of shares that vest subject to the performance conditions and the VINCI share price at that date.

This policy has resulted in a remuneration package structured as shown below for the period 2014–2018:



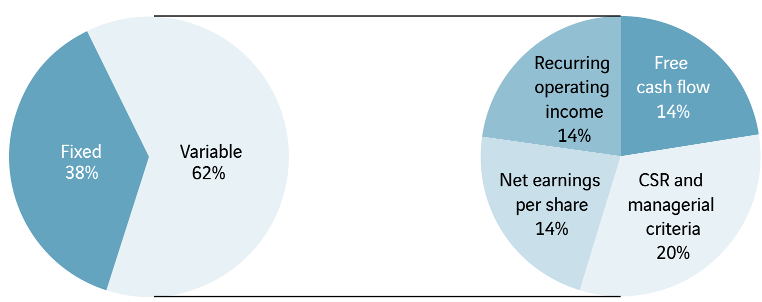
4.1.1.1 Short-term fixed component

The short-term fixed component of the Chairman and Chief Executive Officer's remuneration was set at €1,000,000 per year for the duration of his term of office, thus over the period 2014–2018. This component is paid in cash.

4.1.1.2 Short-term variable component

The short-term variable component of Mr Huillard's remuneration is a total amount determined each year by the Board when approving the financial statements for the previous year, following a precise methodology introduced in February 2014. This methodology is based on economic and managerial criteria tied to the Group's performance. It stipulates a limit for each item as an absolute value. Should the performance level achieved for each item make him eligible to receive the maximum amount, the Chairman and Chief Executive Officer's short-term remuneration would be structured as follows:

Structure of Mr Huillard's maximum short-term remuneration



This apportionment is theoretical given that the respective weightings of the four indicators determining the variable component may vary, just as the variable component itself may account for less than 62% of the total short-term remuneration.

The methodology involves an evaluation of the Chairman and Chief Executive Officer's performance, based in part on quantitative criteria of an economic nature and in part on qualitative criteria relating to managerial and corporate social responsibility performance. The amount of the bonuses is determined on the basis of these criteria, and the total amount may range from €0 to a maximum of €1,600,000. This ceiling is equivalent to 1.6 times the short-term fixed component of his remuneration.

The criteria taken into account and the corresponding bonuses are presented in the table below:

Variable remuneration

(in €)		Indicator	Reference bonus (stability n/n-1)	Performance level required to receive the maximum bonus	Maximum bonus
Economic part	1	Annual change in net earnings per share, including the impact of dilutive securities	222,000	115%	355,000
	2	Annual change in recurring operating income	222,000	115%	355,000
	3	Annual change in free cash flow	222,000	130%	355,000
Qualitative part	4	CSR and managerial criteria established each year by the Board	NA	Evaluated by the Board	535,000
Total					**1,600,000**

The amount corresponding to the economic part results from the sum of three different bonuses (1, 2 and 3), the amounts of which are based on the movement in each of the three financial indicators shown in the table above. Each definitive bonus depends on the percentage of movement for the indicator in question against the level of this same indicator at 31 December of the previous year, using guidelines established by the Board. These guidelines make the payment of the maximum bonus for each indicator contingent upon attaining a performance of 115% or 130%, as shown above. The reference bonus corresponds to the situation whereby the indicator's level is the same as in the previous year. In the event of negative movement in an indicator, the bonus is reduced and may be nil.

The amount corresponding to the managerial part (4) is determined by the Board after taking into consideration the Chairman and Chief Executive Officer's performance in achieving the qualitative goals set by the Board at the start of the previous year. This is done by applying a weighting coefficient reflecting the goals considered as priorities. This determination is based on a detailed proposal prepared jointly by the Remuneration Committee and the Appointments and Corporate Governance Committee. The Board reserves the option to change the indicators used depending on the environment and the context.

4.1.1.3 Long-term component

Mr Huillard's remuneration includes a long-term component, which takes the form of a deferred and conditional award of shares in the Company. To date, the fair value of this component has represented, on average, about 40% of his total annual remuneration (fixed, variable and long-term components).

It should be noted that VINCI's executive company officers are not currently eligible to receive performance share awards as provided for in Article L.225-197-1 of the French Commercial Code, due to the criteria laid down by Article L.225-197-6 of that Code.

4.1.1.4 Pension and insurance plans

Mr Huillard participates in the Group's pension and insurance plans set up by VINCI for its employees. In order to ensure clarity in this regard, the Board decided to formally confirm his senior executive status.

He also participates in:
- the REVERSO defined contribution pension plan (known in France as an "Article 83" plan, in reference to the article in the French Tax Code under which it is established) set up by VINCI in 2013 for its executives and other management-level personnel and described in chapter E, "Workforce-related, environmental and social information", paragraph 1.4.3.2, page 185;
- the supplementary defined benefit pension plan (known in France as an "Article 39" plan, also in reference to the French Tax Code) set up in 2010 by VINCI for senior executives of VINCI SA and VINCI Management, described in paragraph 4.1.8, page 159.

It should be noted that the benefits under these plans have been taken into account in determining Mr Huillard's overall remuneration, following the approval of his eligibility by the Shareholders' General Meeting of 15 April 2014 (Tenth resolution).

4.1.1.5 Severance pay

The Shareholders' General Meeting of 15 April 2014 approved, in its Eleventh resolution, a commitment to provide Mr Huillard with severance pay in the event that the Board simultaneously terminates both of his appointments as Chairman of the Board and Chief Executive Officer prior to the normal expiry of his term of office as Director, except in the case of gross negligence or retirement. This commitment is limited to 24 months of his remuneration, in line with the recommendations of the Afep-Medef code.

The amount of severance pay would be determined by the Board with regard to the Group's economic performance, measured by applying the same indicators as those used for the calculation of the economic part of his variable remuneration (net earnings per share, recurring operating income, free cash flow).

Severance pay could reach the equivalent of 24 months of his remuneration if the average rate of achievement of the quantitative targets used to calculate the variable part of his remuneration over the two years preceding the termination of his appointments were above 100% of the objective and nil if the average rate were less than or equal to 60% of the objective. Between these two limits, the amount of severance pay would be determined by linear interpolation.

The amount of severance pay would be halved if the termination occurs during the fourth year of Mr Huillard's term of office.

4.1.1.6 Benefits in kind

Mr Huillard has the use of a company car.

4.1.2 Remuneration policy applicable for the period 2018–2022

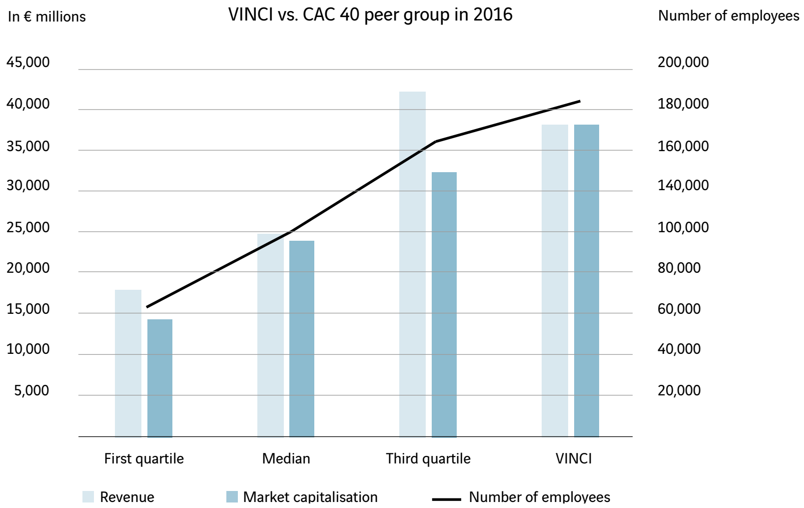
At its meeting of 7 February 2018, the Board, acting on a proposal from the Remuneration Committee, established the remuneration policy applicable to Mr Huillard in his capacity as Chairman and Chief Executive Officer for the period 2018–2022, should the Shareholders' General Meeting approve the resolution to renew his term of office as Director for a further four years.

The Chairman and Chief Executive Officer's remuneration over this period would be divided into three components:

• a short-term fixed component paid in cash;
• a short-term variable component also paid in cash, whose amount will be tied to annual performance achievements, with an overall ceiling equivalent to 1.6 times his fixed remuneration;
• a long-term component whose fair value, determined at the grant date, may not exceed a ceiling equivalent to twice the maximum amount of his fixed and variable remuneration.

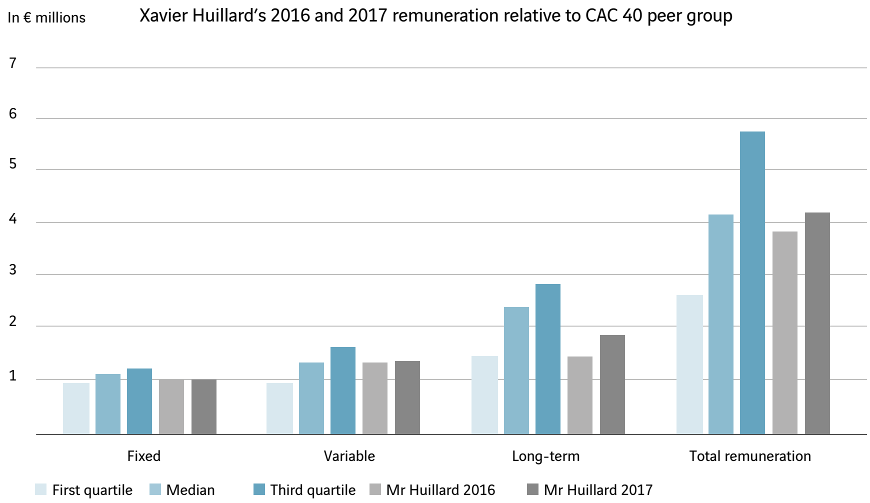
4.1.2.1 Benchmarking exercise

At the request of the Remuneration Committee, a benchmarking exercise relating to the components of Mr Huillard's remuneration package is conducted by an independent firm and updated on a regular basis, using a representative peer group of some 15 French companies that operate within comparable markets and are all members of the CAC 40. It should be noted that the VINCI Group has consistently ranked among the top companies included in the benchmarking exercise, in terms of revenue, market capitalisation and number of employees.



Source: Mercer

With respect to the 2016 financial year, the benchmarking results for the peer group of French companies reveal that Mr Huillard's 2016 remuneration was lower than that paid in the median of this peer group.



4.1.2.2 Fixed component

The Board has decided to increase the fixed component of the Chairman and Chief Executive Officer's remuneration to €1,200,000 per year for the duration of his term of office, thus for the period from 2018 to 2022. This amount, which is 20% higher than its previous level set in 2014, represents an average annual rise of 2.6% between April 2014 and April 2022.

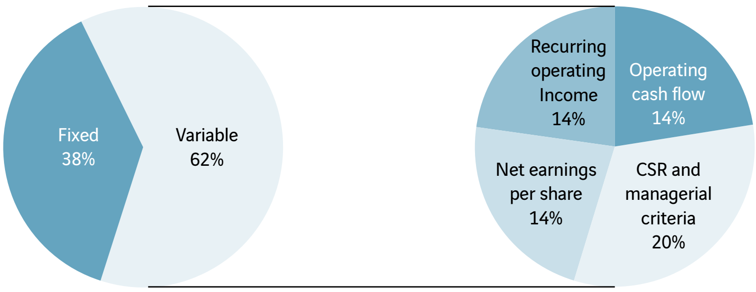
The Chairman and Chief Executive Officer would thus be awarded fixed remuneration corresponding to that paid in the third quartile of the peer group, according to the results of the benchmarking exercise for the 2016 financial year. In the opinion of the Board, this remuneration amount is warranted, due to the Group's international expansion and the growing complexity of its activities.

4.1.2.3 Short-term variable component

The short-term variable component of Mr Huillard's remuneration for the period 2018–2022 would be a total amount determined each year by the Board when approving the financial statements for the previous year, following a precise methodology that will be updated in February 2018. This methodology is based on economic and managerial criteria tied to the Group's performance. It stipulates a limit for each item as an absolute value.

Should the performance level achieved for each item make him eligible to receive the maximum amount, the Chairman and Chief Executive Officer's short-term remuneration would be structured as follows:

Structure of Mr Huillard's short-term remuneration for the period 2018–2022



This apportionment is theoretical given that the respective weightings of the four indicators determining the variable component may vary, just as the variable component itself may account for less than 62% of the total short-term remuneration.

The methodology involves an evaluation of the Chairman and Chief Executive Officer's performance, based in part on quantitative criteria of an economic nature and in part on qualitative criteria relating to managerial and corporate social responsibility performance. The amount of the bonuses is determined on the basis of these criteria, and the total amount may range from €0 to a maximum of €1,920,000. This ceiling is equivalent to 1.6 times the short-term fixed component of his remuneration.

The criteria to be taken into account by the Board and the corresponding bonuses are presented in the table below:

Variable remuneration

(in €)		Indicator	Reference bonus (stability n/n-1)	Performance level required to receive the maximum bonus	Maximum bonus
Economic part	1	Annual change in net earnings per share, including the impact of dilutive securities	265,000	110%	425,000
	2	Annual change in recurring operating income	265,000	110%	425,000
	3	Annual change in operating cash flow	265,000	110%	425,000
Qualitative part	4	CSR and managerial criteria established each year by the Board	NA	Evaluated by the Board	645,000
Total					**1,920,000**

The amount corresponding to the economic part will result from the sum of three different bonuses (1, 2 and 3), the amounts of which will be based on the movement in each of the three financial indicators shown in the table above. Each definitive bonus will depend on the percentage of movement for the indicator in question against the level of this same indicator at 31 December of the previous year, using guidelines established by the Board. These guidelines make the payment of the maximum bonus for each indicator contingent upon attaining a performance of [110%]. The reference bonus corresponds to the situation whereby the indicator's level is the same as in the previous year. In the event of negative movement in an indicator, the bonus is reduced and may be nil. However, the Board reserves the right to amend these rules in order to cover exceptional situations.

The amount corresponding to the managerial part (4) will be determined by the Board after taking into consideration the Chairman and Chief Executive Officer's performance in achieving the qualitative goals set by the Board at the start of the year. This is done by applying a weighting coefficient reflecting the goals considered as priorities. This determination is based on a detailed proposal prepared jointly by the Remuneration Committee and the Appointments and Corporate Governance Committee. The Board reserves the option to change the indicators used depending on the environment and the context.

For financial year 2018, the Board has decided to take into account the Group's expansion over the medium and long term, duty of vigilance and compliance, health and safety in the workplace, and the quality of corporate governance.

4.1.2.4 Long-term component

Mr Huillard's remuneration will include a long-term component in the form of an annual award, the content of which may be determined by the Board. This award may be comprised of physical or synthetic VINCI shares and may be granted either under a plan set up in accordance with ordinary law or under any other plan permitted by law. The vesting of shares in this award will be subject to internal and external performance conditions evaluated with respect to a period of three calendar years.
The fair value of the long-term component, determined at the grant date, may not exceed a ceiling equivalent to twice the maximum amount of Mr Huillard's fixed and variable remuneration.

It should be noted that VINCI's executive company officers are not currently eligible to receive performance share awards as provided for in Article L.225-197-1 of the French Commercial Code, due to the criteria laid down by Article L.225-197-6 of that Code.

4.1.2.5 Pension and insurance plans

Mr Huillard would continue to be deemed a senior executive so as to entitle him to participate in the Group's defined benefit pension plans and insurance plans.

In addition, the Board has noted that Mr Huillard met all eligibility requirements at 1 January 2018 to claim his pension under the defined benefit plan set up in March 2010 by the Company for its senior executives, namely having reached the legal retirement age, having completed at least 10 years' service as specified by the plan and having ended his professional career within the Group as stipulated by the Board in March 2010 for company officers not holding employment contracts.

The Board also noted that the pension benefits Mr Huillard would be entitled to receive are, in any event, subject to a payment limit equal to 7.45 times the annual French social security ceiling.

Consequently, the renewal of Mr Huillard's term of office would not affect the amount of his pension benefits, due to the existence of this payment limit, except for the fact that by deferring his claim to this pension, Mr Huillard would benefit in future from the payment limit equal to 8 times the annual French social security ceiling (instead of 7.45 times this ceiling), which enters into effect on 1 January 2019. This limit would apply to him in any case should he not claim his pension before this date, and this would be true whether or not his term of office is renewed.

Given that the increase in this limit (equivalent to 0.55 times the annual French social security ceiling, or €21,853 in 2018) will occur during Mr Huillard's term of office, the Board has decided to make the benefit of this increase subject to a performance condition. This performance condition is based on the ratio of the return on capital employed (ROCE) to the weighted average cost of capital (WACC), as noted by the Board at 31 December 2018. Both the numerator and the denominator of this ratio are calculated as an average over the same three years (2016, 2017 and 2018). The increase in the payment limit will vest at 100% if this ratio is at least equal to 1.10 and at 0% if it is lower than 1, with linear interpolation between these two limits. However, when applying this rule, the Board reserves the option to take into account the potential impact of any major acquisitions.

A resolution to ratify the approach applied for these benefits will be put to a vote at the Shareholders' General Meeting of 17 April 2018.

4.1.2.6 Severance pay

At its meeting of 7 February 2018, the Board approved a commitment to provide Mr Huillard with severance pay in the event that the Board simultaneously terminates both of his appointments as Chairman of the Board and Chief Executive Officer prior to the normal expiry of his term of office as Director, except in the case of gross negligence or retirement. This commitment is limited to 24 months of his remuneration, in line with the recommendations of the Afep-Medef code.

The amount of severance pay would be determined by the Board with regard to the Group's economic performance, measured by applying the same indicators as those used for the calculation of the economic part of his variable remuneration (net earnings per share, recurring operating income, operating cash flow).

Severance pay could reach the equivalent of 24 months of his remuneration if the average rate of achievement of the quantitative targets used to calculate the variable part of his remuneration over the two years preceding the termination of his appointments were above 100% of the objective and nil if the average rate were less than or equal to 60% of the objective. Between these two limits, the amount of severance pay would be determined by linear interpolation.
The amount of severance pay would be halved if the termination occurs during the fourth year of Mr Huillard's term of office.

As this commitment is covered by the authorisation procedure for regulated agreements, a resolution to ratify its authorisation will be put to a vote at the Shareholders' General Meeting of 17 April 2018, in accordance with Article L.225-42-1 of the French Commercial Code.

4.1.2.7 Benefits in kind

Mr Huillard will have the use of a company car.

4.1.3 Items of remuneration subject to shareholder approval in accordance with Article L.225-37-2 of the French Commercial Code

4.1.3.1 Summary table

At the Shareholders' General Meeting of 17 April 2018, in accordance with Article L.225-37-2 of the French Commercial Code, shareholders will be asked to vote on a draft resolution to establish the following principles and guidelines used to determine the Chairman and Chief Executive Officer's remuneration:

Item of remuneration	Principles	Guidelines for determination
Fixed remuneration	The Chairman and Chief Executive Officer receives fixed remuneration paid in 12 monthly instalments.	The amount is set at €1,200,000 on an annual basis.
Short-term variable remuneration	The Chairman and Chief Executive Officer receives variable remuneration linked to performance achievements. This remuneration is paid during the financial year following that in respect of which the performance was achieved. In accordance with Article L.225-37-2 of the French Commercial Code, the payment of variable remuneration is contingent upon the approval by the Shareholders' General Meeting, called in ordinary session, of the items of remuneration payable to the Chairman and Chief Executive Officer, as laid down in Article L.225-100 of the French Commercial Code.	This variable remuneration comprises four distinct bonuses. Three of these amounts are tied to the movements from one year to the next in three economic indicators (net earnings per share, recurring operating income and operating cash flow). The fourth takes into account the evaluation reached by the Board of the Chairman and Chief Executive Officer's performance against a set of qualitative criteria determined each year by the Board. An overall ceiling of €1,920,000 (1.6 times the amount of the fixed remuneration) applies to this remuneration.
Long-term remuneration	Each year, the Chairman and Chief Executive Officer is the beneficiary of a conditional award that may be comprised of physical or synthetic shares in the Company. The Board determines the number of shares or units in this award that vest at the close of a period of three calendar years, after evaluating his performance against the criteria it has identified. In accordance with Article L.225-37-2 of the French Commercial Code, the receipt of this conditional award is contingent upon its approval by the Shareholders' General Meeting, called in ordinary session during the year following that in which the conditional award was decided, as laid down in Article L.225-100 of the French Commercial Code.	The number of shares or units included in the award is set by the Board. The value of these shares or units depends on the VINCI share price at the grant date, subject to the vesting conditions associated with the award. The fair value of this share award, determined at the grant date, is capped at twice the maximum amount of fixed and variable remuneration.
Supplementary pension plan	The Chairman and Chief Executive Officer is eligible to participate in the insurance plans, defined contribution pension plans and other plans set up by the Group for its employees. He is also eligible to participate in the supplementary pension plan set up by the Company for its senior executives in relation to which he has accrued vested rights.	At 31 December 2017, the limit applying to benefits under this supplementary pension plan was 6.9 times the annual French social security ceiling. At 1 January 2018, it reached 7.45 times this ceiling. Further details concerning this plan are provided in paragraph 4.1.8, page 159. The portion of benefits under this plan not yet vested at 1 January 2019, amounting to 0.55 times the annual French social security ceiling, will be submitted for approval to the Shareholders' General Meeting of 17 April 2018 (Tenth resolution).
Severance pay	The Chairman and Chief Executive Officer is eligible for severance pay in the event that the Board decides to terminate his appointment prior to the normal expiry of his term of office as Director.	Severance pay is subject to performance conditions and its total is limited to 24 months of fixed and variable remuneration. This amount is halved if the termination occurs during the last year of the term of office. This commitment will be submitted for approval to the Shareholders' General Meeting of 17 April 2018 (Eleventh resolution).
Benefits in kind	The Chairman and Chief Executive Officer has the use of a company car.	

4.1.3.2 Draft resolution put to a vote at the Shareholders' General Meeting of 17 April 2018

Thirteenth resolution

Approval of the principles and guidelines used to determine and structure the fixed, variable and exceptional components of the total remuneration and benefits of any kind payable to the Chairman and Chief Executive Officer

The Shareholders' General Meeting, acting in accordance with Article L. 225-37-2 of the French Commercial Code, having reviewed the Report of the Board of Directors and in particular the Report on corporate governance included therein, hereby approves the principles and guidelines used to determine and structure the fixed, variable and exceptional components of the total remuneration and benefits of any kind payable to the Chairman and Chief Executive Officer, as detailed in the report required by the final paragraph of Article L.225-37 of this same Code and provided on page 156 of the 2017 registration document.

4.1.4 Decisions relating to the Chairman and Chief Executive Officer's remuneration for financial year 2017

4.1.4.1 Short-term variable remuneration payable to the Chairman and Chief Executive Officer in respect of 2017

At its meeting of 7 February 2018, the Board, acting on a proposal from the Remuneration Committee and, for the managerial part, on a proposal prepared jointly by this Committee and the Appointments and Corporate Governance Committee, approved as shown below the variable remuneration payable to Mr Huillard in respect of 2017:

Indicator	2016	2017	Performance level achieved	2017 bonus *(in €)*	Percentage of maximum bonus received
Net earnings per share *(in €)*	4.24 (*)	4.89 (*)	115.2%	355,000	100%
Recurring operating income *(in € millions)*	4,167	4,592	110.2%	312,168	87.9%
Free cash flow *(in € millions)*	2,948	2,902 (**)	98.4%	213,341	60.1%
Total economic part *(in €)*	**879,027**			**880,509**	**82.7%**
CSR and managerial criteria *(in €)*	**470,800**			**508,250**	**95%**
Total variable remuneration *(in €)*	**1,349,827**			**1,388,759**	**86.8%**

(*) Excluding non-current taxes paid.
(**) Excluding non-current taxes paid and concession investments in Peru.

The Board again noted the challenging nature of the economic objectives set, since although the Company delivered strong and stable performance in 2017 despite economic headwinds, the economic part of the 2017 bonus corresponds to only 82.7% of the maximum amount. However, it exceeds the reference bonus, which assumes stability for the selected indicators, by 32.2%.

With respect to the managerial part of Mr Huillard's variable remuneration, the Board concluded that it was appropriate to award him 95% of the maximum amount, in light of his managerial performance. In reaching this determination, the Board noted in particular the quality and relevance of the strategy pursued as well as the effectiveness of the external growth transactions carried out, especially, but not exclusively, in the airport and energy sectors. It also observed that, in 2017, significant progress had been made with respect to workplace accidents in line with the Group's accident prevention policy and that the practice of governance between Executive Management and the Board had functioned smoothly overall.

The Board therefore decided to set the total amount of Mr Huillard's variable remuneration at €1,388,759, before deducting Directors' fees received in 2017 (€13,830 net).

4.1.4.2 Long-term component of the Chairman and Chief Executive Officer's remuneration

At its meeting of 7 February 2017, the Board noted that the performance conditions under the long-term incentive plan set up on 15 April 2014 had been met (see paragraph 5.4.2, page 163). Accordingly, the Board decided that all of the 23,473 shares initially included in the award granted to Mr Huillard, after applying the adjustment of November 2014, would vest at 15 April 2017.

Furthermore, at its meeting of 20 April 2017, the Board decided to grant a conditional award to Mr Huillard, corresponding to a maximum of 30,000 VINCI shares. At that time, the fair value of this award was €1,836,000. All or some of the shares in question will vest at the end of a three-year period on 20 April 2020, subject to the fulfilment of performance conditions that will be evaluated at 31 December 2019 as described in paragraph 5.4.3.3, page 164.

It should be noted that the vesting of this award is subject to the same performance conditions as those applying to grants of share awards under the performance share plans set up by the Company for the Group's employees, which are described in paragraph 5.3.2, page 162. The performance conditions under these plans also involve an evaluation covering a period of three calendar years.

Since the start of Mr Huillard's term of office, he has been the recipient of the following grants in connection with the long-term component of his remuneration:

	Number of shares	Value at the grant date *(in €)*	Percentage of the year's total remuneration	Vesting date
Plan set up on 15 April 2014	23,473 (*)	1,053,468 (*)	32%	15/04/2017
Plan set up on 14 April 2015	23,240	1,097,393	32%	14/04/2018
Plan set up on 19 April 2016	26,000	1,460,420	38%	19/04/2019
Plan set up on 20 April 2017	30,000	1,836,000	43%	20/04/2020

(*) Amounts adjusted following the payment of an exceptional dividend in November 2014.

4.1.4.3 Pension and insurance plans

With respect to the defined benefit pension plan mentioned in paragraph 4.1.1.4 on page 152, and as required by Decree no. 2016-182 of 23 February 2016, the following points should be noted:

Estimated amount of future pension payments at 31 December 2017	Company's obligation at 31 December 2017 (*)
€270,673 per year, equivalent to 11.5% of the fixed and variable remuneration received by Mr Huillard in 2017.	VINCI's obligation in respect of the supplementary pension plan for Mr Huillard mentioned in paragraph 4.1.1.4 on page 152 amounted to €8,346,141. Tax, employment and social benefit liabilities are not individualised. The tax option selected by the Group is taxation on contributions.

(*) Retirement benefit obligations are also described in the Notes to the consolidated financial statements on page 293.

4.1.5 Employment contract, specific pension plans, severance pay and non-competition clause

Executive company officer	Employment contract	Supplementary pension plan	Allowances or benefits that could be due as a result of the cessation of duties or a change in duties	Allowances for non-competition clause
Xavier Huillard, Chairman and Chief Executive Officer (*)	No	Yes	Yes (**)	No

(*) Term of office renewed: 15 April 2014; term of office ends: 2018 Shareholders' General Meeting.
(**) Mr Huillard is eligible for severance pay in the event that the Company terminates his appointment as Chairman and Chief Executive Officer prior to the normal expiry of his term of office as Director, as described in paragraph 4.1.1.5, page 152.

4.1.6 Remuneration due and/or paid to the Chairman and Chief Executive Officer in 2017

4.1.6.1 Summary of remuneration due and options and share awards granted *(in €)*

Xavier Huillard	2017	2016
Remuneration due in respect of the year	2,392,823	2,353,891
Value of options granted during the year	NA	NA
Value of grants under the long-term incentive plan set up on 19 April 2016	NA	1,460,420
Value of grants under the long-term incentive plan set up on 20 April 2017	1,836,000	NA
Total	**4,228,823**	**3,814,311**

4.1.6.2 Summary of remuneration *(in €)*

	2017		2016	
Xavier Huillard	Amount due in respect of the year	Amount paid during the year	Amount due in respect of the year	Amount paid during the year
Gross fixed remuneration [1]	1,000,000	1,000,000	1,000,000	1,000,000
Gross variable remuneration including Directors' fees [2]	1,388,759	–	1,349,827	–
Gross variable remuneration excluding Directors' fees [1] [2]	1,374,929	1,335,997	1,335,997	1,304,976
Directors' fees *(net amount)* [2]	13,830	13,830	13,830	13,830
Benefits in kind [3]	4,064	4,064	4,064	4,064
Total	**2,392,823**	**2,353,891**	**2,353,891**	**2,322,870**

(1) See paragraph 4.1.1.1, page 151.
(2) Directors' fees received by Mr Huillard from companies belonging to the VINCI Group are deducted from the variable remuneration decided by the Board, as proposed by the Remuneration Committee. Since his appointment as Chairman and Chief Executive Officer, thus with effect from 6 May 2010, Mr Huillard has not received Directors' fees from VINCI SA. For the duration of this appointment, the only Directors' fees he receives are those paid in respect of appointments in other Group companies.
(3) Mr Huillard had the use of a company car in 2016 and 2017.

4.1.7 Items of remuneration due or granted in respect of the 2017 financial year to the executive company officer, subject to the approval of the Shareholders' General Meeting of 17 April 2018

At the Shareholders' General Meeting of 17 April 2018, in accordance with Article L.225-100 of the French Commercial Code, shareholders will be asked to vote on a draft resolution relating to the items of remuneration due or granted in respect of the 2017 financial year to Mr Huillard, Chairman and Chief Executive Officer.

Xavier Huillard

Item of remuneration	Amount	Observations
Fixed remuneration	€1,000,000	Gross fixed remuneration in respect of the 2017 financial year set by the Board at its meetings of 5 February and 15 April 2014.
Variable remuneration	€1,388,759	Gross variable remuneration in respect of the 2017 financial year set by the Board at its meeting of 7 February 2018. This remuneration comprises: - an economic part in the amount of €880,509. This amount is tied to the changes from the previous year in net earnings per share, recurring operating income and free cash flow (excluding non-current tax effects and concession investments in Peru); - a managerial part in the amount of €508,250. This amount is tied to the evaluation reached by the Board of the Chairman and Chief Executive Officer's performance against qualitative criteria.
Annual deferred variable remuneration	NA	Not applicable.
Multi-year variable remuneration	NA	Not applicable.
Long-term incentive plan set up in 2017	€1,836,000	At its meeting of 20 April 2017, the Board granted Mr Huillard an award of 30,000 VINCI shares, which will vest on 20 April 2020, subject to continued employment within the Group as well as the internal and external performance conditions described in paragraph 5.4.3.3, page 164.
Directors' fees	€13,830	Mr Huillard does not receive Directors' fees from VINCI SA, but he received Directors' fees from a foreign subsidiary, the amount of which will be deducted from the variable portion of his remuneration.
Exceptional remuneration	NA	Not applicable.
Benefits of any kind	€4,064	Mr Huillard has the use of a company car.

Items of remuneration that required the approval of the Shareholders' General Meeting in line with the procedure for regulated agreements and commitments

	Amount	Observations
Severance pay	No payment	Mr Huillard is eligible for severance pay in the event that the Company terminates his appointment before its normal expiry in 2018. The related commitment was authorised by the Board at its meeting of 5 February 2014 and approved by the Shareholders' General Meeting of 15 April 2014 (Eleventh resolution).
Non-competition payment	NA	Mr Huillard is not eligible for any non-competition payment.
Supplementary pension plan	No payment	Mr Huillard is eligible for coverage under the supplementary defined benefit pension plan (known in France as an "Article 39" plan) in force within the Company under the same conditions as those applicable to the category of employees to which he is deemed to belong for the determination of employee benefits and other ancillary items of remuneration. The related commitment was authorised by the Board at its meeting of 5 February 2014 and approved by the Shareholders' General Meeting of 15 April 2014 (Tenth resolution). He is also eligible for coverage under the mandatory defined contribution pension plan set up by the Company for its executives and other management-level personnel.

4.1.8 Supplementary pension plan set up for senior executives

VINCI SA and its subsidiary VINCI Management have set up a defined benefit pension plan for their senior executives, with the aim of guaranteeing them a supplementary annual pension. The table below presents the main features of this plan:

Type of disclosure required by Decree no. 2016-182 of 23 February 2016	Information
Name of the obligation	Defined benefit pension plan set up on 1 January 2010
Applicable legal provisions	Article 39 of the French Tax Code
Eligibility requirements for beneficiaries	At least 10 years' service within the Group
Beneficiaries	Employees of VINCI or VINCI Management having the status of senior executive ("cadre dirigeant") as defined by Article L.3111-2 of the French Labour Code
Conditions for receiving pension payments	- Career within the Group has ended - At least 10 years' service within the Group - No further payments are due under the mandatory and supplementary pension plans - Aged 67 or older, with the option to receive early benefits, at a reduced level, from the age of 62
Method for determining the remuneration reference amount	Monthly average of the gross fixed and variable remuneration received over the last 36 months of activity multiplied by 12
Vesting formula	The beneficiary's gross pension is determined using the following formula: Gross pension = 20% R1 + 25% R2 + 30% R3 + 35% R4 + 40% R5, where: R1 = remuneration reference amount between 0 and 8 times the annual French social security ceiling; R2 = remuneration reference amount between 8 and 12 times this ceiling; R3 = remuneration reference amount between 12 and 16 times this ceiling; R4 = remuneration reference amount between 16 and 20 times this ceiling; R5 = remuneration reference amount greater than 20 times this ceiling (all ranges in the formula are inclusive). The remuneration reference amount taken into account for the calculation of the pension will be equal to the gross average monthly remuneration (fixed component + bonuses), including paid leave, received by the beneficiary over the last 36 months multiplied by 12. The limit for this gross pension was equal to 6.9 times the annual French social security ceiling at 31 December 2017 and to 7.45 times this ceiling at 1 January 2018. The limit will be increased to reach 8 times this ceiling at 1 January 2019 (0.55 times the ceiling per year).
Pension payment limit	The pension payment limit, which was 3.05 times the annual French social security ceiling when the plan was set up in 2010, increases by 0.55 times this ceiling per year (thus €39,228 in 2017) to reach a maximum of 8 times the annual French social security ceiling at 1 January 2019. At 31 December 2017, the limit was 6.9 times the annual French social security ceiling, or €270,673. At 1 January 2018, the limit was 7.45 times the annual French social security ceiling, or €296,003.
Funding of benefits	The Group uses an insurance contract to externalise its pension plan, to which VINCI and VINCI Management make contributions.

4.2 Non-executive company officers

4.2.1 Principles and rules for determining the remuneration and benefits of the Vice-Chairman and Lead Director

In his capacity as Vice-Chairman and Lead Director, Yves-Thibault de Silguy receives specific Directors' fees calculated as described in paragraph 4.2.2 below.

In addition, on 5 February 2014 the Company entered into a services agreement with YTSeuropaconsultants, of which Mr de Silguy is sole shareholder. This agreement was authorised by the Board and approved by the Shareholders' General Meeting of 15 April 2014 (Twelfth resolution).

The agreement covers the provision of services as described in paragraph 2.3 on page 132, with oversight by the Audit Committee, in return for an annual flat fee of €330,000 (ex. VAT). It was entered into for a duration of four years, with the option for either party to terminate the agreement each year.

A resolution to renew this services agreement will be put to a vote at the Shareholders' General Meeting of 17 April 2018.

Finally, it should be noted that Mr de Silguy has received a pension paid by the Company since 30 April 2010. VINCI's commitment under this pension totalled €7,849,298 at 31 December 2017. Mr de Silguy also has the use of a company car.

4.2.2 Principles and rules for the payment of Directors' fees

The Shareholders' General Meeting of 14 April 2015 had set the aggregate amount of Directors' fees at €1,150,000 for each financial year, starting on 1 January 2015. By decision of the Shareholders' General Meeting of 20 April 2017, this aggregate amount was raised to €1,400,000 for each financial year, starting on 1 January 2017. This increase was justified by the need for the Board to have an amount appropriate for the payment of Directors' fees in line with the assiduous participation by the Board's members in all its meetings and those of its committees, which have become necessary to further the Group's expansion.

At its meeting of 4 February 2015, the Board had decided to allocate this aggregate amount of Directors' fees as follows (amounts given on an annual basis, unless otherwise stated):
- the Chairman and Chief Executive Officer receives no Directors' fees from the Company;
- each Director receives €20,000 in fixed fees and €3,500 in variable fees per Board meeting;
- an additional amount of €1,000 is paid per Board meeting for Directors residing in an EU country other than France and €2,000 for Directors residing outside the EU, provided that they physically attend the Board meetings;
- the Chair of each committee receives €25,000, the members of the Audit Committee receive €15,000 and the members of the other committees receive €10,000, in addition to the Directors' fees mentioned above.
- the Vice-Chairman and Lead Director receives an additional payment of €100,000 in respect of his position as Lead Director.

At its meeting of 15 December 2017, the Board decided to change the allocation rules for Directors' fees as follows in order to improve their variability (amounts given on an annual basis, unless otherwise stated), effective 1 July 2017:
• the Chairman and Chief Executive Officer receives no Directors' fees from the Company;
• each Director receives €25,000 in fixed fees and €3,500 in variable fees per Board meeting for physical attendance per Board meeting or €1,750 in the event of participation via audio or video conferencing (if more than one Board meeting is held on the same day, a single variable fee is paid, with the exception of the two meetings held on the date of the Shareholders' General Meeting, in which case Directors receive two fees if they take part in both Board meetings);
• the Chair of each committee receives €20,000 in fixed fees, the members of the Audit Committee receive €10,000, the members of the Strategy and CSR Committee receive €4,000, and the members of the Appointments and Corporate Governance Committee and of the Remuneration Committee receive €5,500; Directors also receive €1,500 in variable fees for physical attendance at each committee meeting and €750 in the event of participation via audio or video conferencing;
• an additional amount of €1,000 is paid per Board or committee meeting for Directors residing in an EU country other than France and €2,000 for Directors residing outside the EU, provided that they physically attend these meetings;
• the Vice-Chairman and Lead Director receives an additional payment of €100,000 in respect of his position as Lead Director.

4.2.3 Directors' fees and other remuneration due and/or paid to non-executive company officers in 2017

The total amount of Directors' fees paid in 2017 by the Company (for the second half of 2016 and the first half of 2017) amounted to €959,000. Some company officers also received Directors' fees in 2017 from companies controlled by VINCI.

The total amount of Directors' fees payable by VINCI in respect of 2017 was €1,099,000.

The table below summarises the Directors' fees and other remuneration received in 2016 and 2017 by non-executive company officers of VINCI.

Directors' fees and other remuneration paid to non-executive company officers *(in €)*

	Amount paid in 2017 (*)		Amount paid in 2016 (*)	
	By VINCI	By companies consolidated by VINCI	By VINCI	By companies consolidated by VINCI
Serving Directors				
Yves-Thibault de Silguy (1)	201,500	–	205,000	–
Nasser Hassan Faraj Al Ansari (2)	37,000	–	62,500	78,025
Yannick Assouad	66,500	–	62,542	–
Robert Castaigne	88,000	–	95,000	–
Uwe Chlebos (3)	61,500	10,000	61,500	10,000
Graziella Gavezotti	57,500	–	74,500	–
Miloud Hakimi (3) (4)	–	–	–	–
Jean-Pierre Lamoure	61,500	–	61,500	–
Marie-Christine Lombard	54,500	–	54,500	–
Josiane Marquez (3)	61,500	–	65,000	–
Ana Paula Pessoa	68,000	–	73,000	–
Michael Pragnell	60,500	–	74,958	–
Henri Saint Olive	76,500	–	80,000	–
Pascale Sourisse	64,500	–	64,500	–
Total Directors' fees and other remuneration	**959,000**	**10,000**	**1,034,500**	**88,025**

(*) Amount before taxes and withholdings in accordance with applicable legislation.
(1) Mr de Silguy's remuneration package from the time of his appointment as Vice-Chairman and Lead Director is described in paragraph 4.2.1, page 159. It should be noted that (a) Mr de Silguy is entitled to receive a non-externalised pension benefit, payable in the amount of €392,285 for 2016 and 2017 and that (b) the Company has a services agreement with YTSeuropaconsultants, of which Mr de Silguy is sole shareholder, authorised by the Board and approved by the Shareholders' General Meeting of 15 April 2014. The agreement covers the provision of services as described in paragraph 2.3 on page 132. Under this agreement, YTSeuropaconsultants received from VINCI a total payment of €330,000 (ex. VAT) for each of the financial years 2016 and 2017. The amounts mentioned in points (a) and (b) are not included in the table above.
(2) Permanent representative of Qatar Holding LLC.
(3) The salaries received by Mrs Marquez, who is currently the Director representing employee shareholders, and by Mr Chlebos and Mr Hakimi, the Directors representing employees, are not included in the table above.
(4) Mr Hakimi renounced his Director's fees.

4.3 VINCI shares held by company officers

4.3.1 Shares held by Directors of the Board

In accordance with the Company's Articles of Association, each Director (other than the Director representing employee shareholders and the Directors representing employees) must hold a minimum of 1,000 VINCI shares which, on the basis of the share price at 31 December 2017 (€85.15), amounts to a minimum of €85,150 invested in VINCI shares.

The number of shares held by each of the company officers, as declared to the Company, is included in the information presented in paragraph 3.2, pages 136 to 141.

4.3.2 Share transactions by company officers, executives and persons referred to in Article L.621-18-2 of the French Monetary and Financial Code

The Group's company officers and executives subject to spontaneous declaration of their share transactions carried out the following transactions in 2017:

(in number of shares)	Acquisitions (*)	Disposals (**)
Pierre Coppey, Executive Vice-President and Chairman of VINCI Autoroutes	10,117	-
Richard Francioli, Executive Vice-President in charge of Contracting	17,500	4,007
Xavier Huillard, Chairman and Chief Executive Officer	-	41,067
Christian Labeyrie, Executive Vice President and Chief Financial Officer	23,813	16,075
Qatar Holding LLC, Director represented by its permanent representative Nasser Hassan Faraj Al Ansari	-	1,250,000

(*) Excluding grants of performance share awards.
(**) Excluding donations and disposals of units in company savings funds invested in VINCI shares.

5. Options, performance shares and long-term incentive plans

5.1 Policy on the granting of options and other awards

In 2014 and 2015, the Board decided to put in place a system for awards split between a cash amount and a number of shares in the Company that would be granted in accordance with ordinary law. These awards would only vest if their beneficiaries remained with the Group and, for the share-based portion, if certain performance conditions were met. As a result, the Company did not make use, in these same years, of plans that involve the granting of performance share awards or the granting of share subscription or share purchase options, respectively pursuant to Articles L.225-197 and L.225-177 of the French Commercial Code, which include specific provisions relating to tax treatment and social security contributions.

In 2016, the Board decided to continue its policy aimed at ensuring the long-term commitment of its executives and company officers (about 280 individuals) and senior managers (about 1,800 individuals) by providing deferred benefits tied to the Group's performance.

To this end, the Company set up long-term incentive plans in 2016 and 2017 for its employees, which involved the granting of performance share awards pursuant to Article L.225-197 of the French Commercial Code. Under these plans, shares only vest at the end of a three-year period, subject to continued employment within the Group, and the number of shares vested is tied to both internal and external performance conditions applicable for all beneficiaries. VINCI's executive company officer was not eligible for these plans due to the conditions laid down by Article L.225-197-6 of the French Commercial Code, but was eligible to receive share awards in 2016 and 2017 under specific plans set up in accordance with ordinary law.

5.2 Share subscription option plans

5.2.1 Existing option plans

The Company provides below details of share subscription option plans set up until 12 April 2012 and still in force in 2017:

Record of share subscription options granted (1)

Plan	Date		Initial number		Shares in awards initially granted to		Date		In 2017		At 31/12/2017		Exercise price
	Share-holders' General Meeting	Board meeting	Bene-ficiaries	Options	Company officers (2)	Top 10 employee bene-ficiaries (3)	From which options may be exercised	Of expiry of options	Number of options exercised	Number of options cancelled or expired	Options not exercised	Number of remaining bene-ficiaries	Adjusted exercise price *(in €)*
VINCI 2010	14/05/09	09/07/10	1,735	4,234,595	-	243,348	09/07/13	09/07/17	917,710	26,805	-	-	36.70
VINCI 2011	02/05/11	02/05/11	266	1,592,493	-	243,346	02/05/14	02/05/18	352,154	-	185,296	45	43.70
VINCI 2012	02/05/11	12/04/12	302	2,457,980	-	336,015	12/04/15	12/04/19	529,192	-	769,362	121	39.04
Total options				**8,285,068**	-	**822,709**			**1,799,056**	**26,805**	**954,658**	**130**	**39.94 (4)**

(1) Only those plans for which the exercise period has not expired or expired in 2017 are mentioned.
(2) Company officers serving at the time the options were granted.
(3) Not company officers.
(4) Based on the number of options remaining to be exercised at 31 December 2017.
Note: one option gives the right to subscribe for and/or purchase one VINCI share.

Total number of shares that can be subscribed for or purchased by the executive company officer at 31 December 2017

None.

5.2.2 Options granted in 2017

The Board decided not to set up a new share subscription or share purchase option plan in 2017.

5.2.3 Options exercised in 2017

a) General information

Between 1 January and 31 December 2017, 1,799,056 options were exercised. During this same period, 26,805 options were cancelled or expired.

Taking all these elements into account, a total of 954,658 options remained to be exercised at 31 December 2017, at an average exercise price of €39.94, all of which were subscription options.

b) Exercise of options by the executive company officer

In 2017, Xavier Huillard, Chairman and Chief Executive Officer, did not exercise any subscription options.

c) Exercise of options by the 10 Group employees (not company officers of VINCI SA) having exercised the largest number of options

In 2017, share subscription options exercised by the 10 Group employees (not company officers of VINCI SA) having subscribed for or purchased the largest number of shares concerned the following plans:

Plan	Type	Number of options exercised during the year	Exercise price *(in €)*
VINCI 2010	Subscription	38,245	36.70
VINCI 2011	Subscription	62,875	43.70
VINCI 2012	Subscription	88,008	39.04
Total/weighted average		**189,128**	**40.11**

5.3 Performance share plans

5.3.1 Existing performance share plans

a) General information

The Company provides below details of performance share plans set up pursuant to Article L.225-197 of the French Commercial Code and still in force at 1 January 2018:

Record of performance share awards

Plan	Date		Initial number		Shares in awards initially granted to		Definitive number (***)	At 31/12/2017			
	Shareholders' General Meeting	Board meeting	Beneficiaries	Performance shares	Company officers (*)	Top 10 employee beneficiaries (**)	Determined at the end of the vesting period	Start of vesting period	End of vesting period	Number of remaining shares	Number of remaining beneficiaries
VINCI 2016	19/04/2016	19/04/2016	2,076	2,232,124	-	123,500	Unknown	19/04/2016	19/04/2019	2,155,486	2,001
VINCI 2017	20/04/2017	20/04/2017	2,568	2,315,655	-	142,500	Unknown	20/04/2017	20/04/2020	2,285,333	2,531

(*) Company officers serving at the time the award was granted.
(**) Not company officers.
(***) Subject to performance conditions, comprising an internal condition relating to the measurement of net value creation and an external condition relating to the measurement of the VINCI share's performance in comparison with the CAC 40 index.

b) Number of performance shares in awards granted to the executive company officer

None.

5.3.2 Performance share plan set up by the Board at its meeting of 20 April 2017

At its meeting of 20 April 2017, the Board decided to use the delegation of authority given by the Shareholders' General Meeting of 19 April 2016 to set up a performance share plan to grant awards satisfied using existing VINCI shares pursuant to Article L.225-197 of the French Commercial Code, with effect from 20 April 2017. This plan provides for the granting of awards including a total of 2,315,655 existing shares to 2,568 beneficiaries. The members of the Executive Committee, with the exception of Mr Huillard, thus a total of 11 persons, are to receive 153,000 shares, thus about 6.61% of the total number of shares in the awards. The executive company officer is not eligible to receive performance shares under this plan.

The plan stipulates that the shares will vest at the end of a three-year period on 20 April 2020 and that the number of shares vested will also be subject to two types of performance condition: an internal condition for 80% of the award and an external condition for 20% of the award. The internal condition relates to the measurement of net value creation, which is determined on the basis of the ratio of the return on capital employed (ROCE), calculated as an average over three years (2016, 2017 and 2018), to the weighted average cost of capital (WACC), also calculated as an average over three years (2017, 2018 and 2019), as noted by the Board at 31 December 2019. The proportion of shares vested in line with this internal condition will depend on this ratio. It will be 100% if the ratio is greater than or equal to 1.10 and 0% if it is less than or equal to 1, with linear interpolation between these two limits.

The external condition relates to the measurement of the VINCI share's performance in comparison with the CAC 40 index. This performance is determined on the basis of the difference, whether positive or negative, noted at 31 December 2019, between the total return achieved by a VINCI shareholder, calculated as an average over three years (2017, 2018 and 2019), and the total return that a shareholder invested in the CAC 40 index would have achieved, calculated as an average over the same three years, the latter with dividends reinvested. The proportion of shares vested in line with this external condition will depend on this difference. It will be 100% if the difference is greater than or equal to 10%, 50% if it is nil, and 0% if it is less than or equal to -10%. The proportion will be set by linear interpolation if the difference falls between the two limits of this range.

It will be the responsibility of the Board to record the proportion of shares that will vest in line with the internal and external conditions described above.

5.4 Long-term incentive plans

5.4.1 Existing long-term incentive plans

The Company provides below details of long-term incentive plans set up in accordance with ordinary law by the Company and still in force at 1 January 2018:

Record of awards under long-term incentive plans

Plan	Date		Initial number			Shares in awards initially granted to		Definitive number	At 31/12/2017			
	Shareholders' General Meeting	Board meeting	Bene-ficiaries	Shares in awards subject to conditions	Cash payment subject to conditions	Company officers (1)	Top 10 employee bene-ficiaries (2)	Determined at the end of the vesting period	Start of vesting period	End of vesting period	Number of shares	Number of remaining bene-ficiaries
VINCI 2015	14/04/2015 (3)	14/04/2015	1,846	1,036,658	(4)	2	57,450	Unknown	14/04/2015	14/04/2018	966,583	1,718
VINCI 2016	19/04/2016 (3)	19/04/2016	2	42,500	None	2	None	Unknown	19/04/2016	19/04/2019	42,500	2
VINCI 2017	20/04/2017 (3)	20/04/2017	1	30,000	None	1	None	Unknown	20/04/2017	20/04/2020	30,000	1

(1) Company officers serving at the time the award was granted.
(2) Not company officers.
(3) Delegation of authority relating to the setting up of a share buy-back programme.
(4) The initial cash award is in an amount equivalent to the value of the shares in the award and is calculated on the basis of the average opening price of the VINCI share over the 20 days preceding the date of the Board meeting. Its payment is subject to continued employment within the Group at the end of the vesting period.

5.4.2 Vesting of performance shares on 15 April 2017 under the plan set up by the Board of Directors on 15 April 2014

At its meeting of 15 April 2014, the Board of Directors set up a long-term incentive plan involving simultaneous awards of existing VINCI shares (initially relating to 1,027,651 existing shares) and a cash amount. It was decided that these awards would vest provided their beneficiaries remained with the Group and, for the share-based portion, if the Board noted that certain performance conditions were met.

The vesting of shares was subject to performance conditions, comprising an internal condition for 80% of the award and an external condition for 20% of the award.

The internal condition relates to the measurement of net value creation, which is determined on the basis of the ratio of the return on capital employed (ROCE) to the weighted average cost of capital (WACC), as noted by the Board at 31 December 2016. Both the numerator and the denominator of this ratio are calculated as an average over the same three years (2014, 2015 and 2016). The proportion of shares able to vest in line with this internal condition depends on this ratio. It will be 100% if the ratio is greater than or equal to 1.10 and 0% if it is less than or equal to 1, with linear interpolation between these two limits.

The external condition relates to the measurement of the VINCI share's performance in comparison with the CAC 40 index. This performance is determined on the basis of the difference, whether positive or negative, noted at 31 December 2016, between the total return achieved by a VINCI shareholder, calculated as an average over three years (2014, 2015 and 2016), and the total return that a shareholder invested in the CAC 40 index would have achieved, calculated as an average over the same three years. In each case, this total return, also called a total shareholder return (TSR), includes dividends. The proportion of shares able to vest in line with this external condition depends on this difference. It will be 100% if the difference is greater than or equal to 5% and 0% if it is less than or equal to -15%. The proportion will be set by linear interpolation if the difference falls between the two limits of this range.

With respect to the internal condition, the Board noted at its meeting of 7 February 2017 that the ROCE/WACC ratio was 1.51 and that, as it was thus greater than 1.10, the proportion of shares able to vest was 100%. With respect to the external condition, the Board noted that the difference between the TSR for the VINCI share and the TSR for the CAC 40 index was 7.90% on average and that, as it was thus greater than 5%, the proportion of shares able to vest was 100%.

On 15 April 2017, the Board thus decided that the cash amount and 100% of the shares in awards initially granted to beneficiaries of the long-term incentive plan set up on 15 April 2014 would vest for these beneficiaries, provided that the other conditions set out in the plan, in particular that they had remained with the Group, were also met.

5.4.3 Awards granted to the Chairman and Chief Executive Officer under the long-term incentive plans

5.4.3.1 Summary table

Xavier Huillard	Plan	Date of Board meeting	Number of shares initially included in the award	Number of shares at the end of the vesting period	Value of shares (*) (in €)	Start of vesting period	End of vesting period	Performance conditions (**)
2014	15/04/2014	15/04/2014	23,240	23,473 (***)	1,053,468 (***)	15/04/2014	15/04/2017	Yes
2015	14/04/2015	14/04/2015	23,240	Unknown	1,097,393	14/04/2015	14/04/2018	Yes
2016	19/04/2016	19/04/2016	26,000	Unknown	1,460,420	19/04/2016	19/04/2019	Yes
2017	20/04/2017	20/04/2017	30,000	Unknown	1,836,000	20/04/2017	20/04/2018	Yes

(*) Value of shares at the grant date according to the method chosen for the consolidated financial statements.
(**) The performance conditions applicable to the executive company officer are the same as those applying to the plans set up for the Group's employees.
(***) Adjusted following the payment of an exceptional dividend in November 2014.

5.4.3.2 Vesting of shares under the plan set up by the Board of Directors on 15 April 2014

At its meeting of 7 February 2017, the Board noted that the performance conditions under the long-term incentive plan set up on 15 April 2014 had been met (see paragraph 5.4.2, page 163). Accordingly, the Board decided that all of the 23,473 shares initially included in the award granted to Mr Huillard, after applying the adjustment of November 2014, would vest at 15 April 2017.

5.4.3.3 Plan set up by the Board on 20 April 2017 for the executive company officer

At its meeting of 20 April 2017, the Board decided to set up a long-term incentive plan for the Chairman and Chief Executive Officer that involves the granting, in accordance with ordinary law, of awards satisfied using existing VINCI shares that vest at the end of a three-year period, provided that the Board has noted that both internal and external performance conditions are met. The purpose of these performance conditions is to measure both the value created by the Group and the performance of the VINCI share.
This plan, which entered into effect on 20 April 2017, calls for the granting of an award of 30,000 existing shares in the Company to VINCI's executive company officer. The plan stipulates that the shares will vest at the end of a three-year period on 20 April 2020. These awards are subject to the same continued employment and performance conditions as those applying to the performance share plan set up by the Board at its meeting of 20 April 2017 and described in paragraph 5.3.2, page 162.
It will be the responsibility of the Board to record the proportion of shares that will vest in line with these conditions.
The condition requiring Mr Huillard to remain with the Group is defined as follows, given that he does not have an employment contract:
• The Chairman and Chief Executive Officer will not be eligible to receive vested shares, unless the Board decides to maintain his eligibility, in any of the following cases:
– In the event of the simultaneous termination of his positions as Chairman of the Board and Chief Executive Officer before their expiry on the date of the Shareholders' General Meeting called in 2018 to approve the 2017 financial statements, for any reason whatsoever (except in the case of disability or death).
– In the event of the simultaneous termination of his positions as Director, Chairman of the Board and Chief Executive Officer following the possible renewal of these appointments in 2018, for any reason whatsoever (except in the case of disability or death).
• The Chairman and Chief Executive Officer will continue to be eligible to receive the vested shares if his appointments as Director, as Chairman of the Board and as Chief Executive Officer are not renewed in 2018, provided the performance conditions are met.

5.4.3.4 Holding requirements applicable to the share awards under the long-term incentive plans to VINCI's executive company officers

At its meeting of 7 February 2017, the Board decided, in accordance with Article 22 of the Afep-Medef code, that the Company's executive company officers will be required to hold a number of registered shares equal to the higher of:
• 20,000 VINCI shares;
• a number of shares corresponding, in value, to the individual's current fixed remuneration for one year.
Any executive company officer not already in possession of this number of shares when taking office will need to ensure that 30% of the shares arising from the exercise of options or from grants of awards consisting of Company shares will not be transferred or sold until this holding requirement for shares is met.

6. Summary table of delegations of authority to increase the share capital and other authorisations given to the Board of Directors

6.1 Authorisations in force

The authorisations currently in force are as follows:

	Date of Shareholders' General Meeting	Date of expiry	Maximum amount of issue (nominal value)
Share buy-backs [1]	20/04/17 (Eighth resolution)	19/10/18	€2,000 million 10% of the share capital
Capital reductions by cancellation of treasury shares	20/04/17 (Twelfth resolution)	19/06/19	10% of the share capital over a period of 24 months
Capital increases through capitalisation of reserves, profits and share premiums [1]	20/04/17 (Thirteenth resolution)	19/06/19	[2]
Issues, maintaining the shareholders' preferential subscription rights, of all shares and securities giving access to the share capital of the Company and/or its subsidiaries [1]	20/04/17 (Fourteenth resolution)	19/06/19	€300 million (shares) [3] €5,000 million (debt securities) [4]
Issues of bonds convertible into and/or exchangeable for new shares, while cancelling the preferential subscription rights of shareholders in the Company and/or its subsidiaries [1][a]	20/04/17 (Fifteenth resolution)	19/06/19	€150 million (shares) [3][5][8] €3,000 million (debt securities) [4][6]
Issues of debt securities, other than bonds that are convertible into and/or exchangeable for new shares, giving access to the share capital while cancelling the shareholders' preferential subscription rights [1][b]	20/04/17 (Sixteenth resolution)	19/06/19	€150 million (shares) [3][5][8] €3,000 million (debt securities) [4][6]
Increase of the amount of an issue if it is oversubscribed	20/04/17 (Seventeenth resolution)	19/06/19	15% of the initial issue [3][4]
Issues of all shares and securities giving access to the share capital to use as consideration for contributions in kind made to the Company in the form of shares or securities giving access to the share capital [1]	20/04/17 (Eighteenth resolution)	19/06/19	10% of the share capital [8]
Capital increases reserved for employees of VINCI and its subsidiaries under Group savings plans [c]	20/04/17 (Nineteenth resolution)	19/06/19	1.5% of the share capital [7]
Capital increases reserved for a specific category of beneficiaries in order to offer employees of certain subsidiaries outside France benefits comparable to those offered to employees who subscribe directly or indirectly through a company mutual fund in a savings plan [d]	20/04/17 (Twentieth resolution)	19/10/18	1.5% of the share capital [7]
Authorisation to grant performance share awards satisfied using existing shares	19/04/16 (Twelfth resolution)	18/06/19	1% of the share capital [9] Other conditions [10]

(1) Except during a public offer period.
(2) Total amount of reserves, profits or share premiums arising on issue that may be capitalised.
(3) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Fourteenth, Fifteenth, Sixteenth and Seventeenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €300 million.
(4) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Fourteenth, Fifteenth and Sixteenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €5,000 million.
(5) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Fifteenth and Sixteenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €150 million.
(6) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Fifteenth and Sixteenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €3,000 million.
(7) The total number of shares that may be issued under the Nineteenth and Twentieth resolutions of the Shareholders' General Meeting of 20 April 2017 may not exceed 1.5% of the shares representing the share capital when the Board of Directors takes its decision.
(8) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Fifteenth, Sixteenth and Eighteenth resolutions of the Shareholders' General Meeting of 20 April 2017 may not exceed 10% of the shares representing the share capital when the Board of Directors takes its decision.
(9) The total number of performance shares that may be granted under the Twelfth resolution of the Shareholders' General Meeting of 19 April 2016 may not exceed 1% of the shares representing the share capital when the Board of Directors takes its decision.
(10) Shares only vest at the end of a minimum period of three years from the grant date, provided the beneficiaries are still Group employees or company officers on the vesting date. The number of shares vested is subject to performance conditions, comprising an internal condition relating to the measurement of net value creation and an external condition relating to the measurement of the VINCI share's performance in comparison with the CAC 40 index.

Price determination procedures:
(a) The issue price of bonds convertible into and/or exchangeable for new shares will be set such that, on the basis of the conversion or exchange rate, the issue price of shares that may be created by conversion or exchange will at least be equal to the amount provided for by legal and regulatory provisions applicable at the issue date, which at this writing corresponds to the weighted average price of the VINCI share over the three trading days preceding the date on which the conversion or exchange price of bonds convertible into and/or exchangeable for new shares is determined, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights.
(b) The issue price of debt securities will be set such that, on the basis of the conversion or exchange rate, the issue price of shares that may be created by conversion or exchange will at least be equal to the amount provided for by legal and regulatory provisions applicable at the issue date, which at this writing corresponds to the weighted average price of the VINCI share over the three trading days preceding the date on which the conversion or exchange price of bonds convertible into and/or exchangeable for new shares is determined, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights.
(c) The subscription price of newly issued shares may not be more than 5% below the average opening price of the VINCI share over the 20 trading days preceding the date of the decision by the Board of Directors setting the start date of the subscription period.
(d) The reference share price used to determine the subscription price of newly issued shares may not be more than 5% below the average price of the VINCI share over the 20 trading days preceding the opening of the subscription period or preceding the date of the decision by the Board of Directors setting the start date of the subscription period.

6.2 Authorisations presented for approval at the Shareholders' General Meeting of 17 April 2018

The authorisations proposed to the Shareholders' General Meeting of 17 April 2018 are as follows:

	Date of Shareholders' General Meeting	Date of expiry	Maximum amount of issue (nominal value)
Share buy-backs [1]	17/04/18 (Ninth resolution)	16/10/19	€2,000 million 10% of the share capital
Capital reductions by cancellation of treasury shares	17/04/18 (Fifteenth resolution)	16/06/20	10% of the share capital over a period of 24 months
Authorisation to grant performance share awards satisfied using existing shares [2]	17/04/18 (Sixteenth resolution)	16/06/21	1% of the share capital [2] Other conditions [2] [3]
Capital increases reserved for employees of VINCI and its subsidiaries under Group savings plans [a]	17/04/18 (Seventeenth resolution)	16/06/20	1.5% of the share capital [4]
Capital increases reserved for a specific category of beneficiaries in order to offer employees of certain subsidiaries outside France benefits comparable to those offered to employees who subscribe directly or indirectly through a company mutual fund in a savings plan [b]	17/04/18 (Eighteenth resolution)	16/10/19	1.5% of the share capital [4]

(1) Except during a public offer period.
(2) The total number of performance shares that may be granted under the Sixteenth resolution of the Shareholders' General Meeting of 17 April 2018 may not exceed 1% of the shares representing the share capital when the Board of Directors takes its decision.
(3) Shares only vest at the end of a minimum period of three years from the grant date, provided the beneficiaries are still Group employees or company officers on the vesting date. The number of shares vested is subject to performance conditions, comprising an internal condition relating to the measurement of net value creation and an external condition relating to the measurement of the VINCI share's performance in comparison with the CAC 40 index.
(4) The total number of shares that may be issued under the Seventeenth and Eighteenth resolutions of the Shareholders' General Meeting of 20 April 2017 may not exceed 1.5% of the shares representing the share capital when the Board of Directors takes its decision.

Price determination procedures:
(a) The subscription price of newly issued shares may not be more than 5% below the average opening price of the VINCI share over the 20 trading days preceding the date of the decision by the Board of Directors setting the start date of the subscription period.
(b) The reference share price used to determine the subscription price of newly issued shares may not be more than 5% below the average price of the VINCI share over the 20 trading days preceding the opening of the subscription period or preceding the date of the decision by the Board of Directors setting the start date of the subscription period.

7. Matters that could be relevant in the event of a public offer

In application of Article L.225-37-5 of the French Commercial Code, matters that could be relevant in the event of a public offer are as follows:

a) Structure of the Company's share capital	F. General information, paragraph 3.3 "Changes in the breakdown of share capital and voting rights during the last three years"
b) Restrictions in the Articles of Association on the exercise of voting rights and the transfer of shares or clauses of agreements brought to the Company's knowledge in application of Article L.233-11	F. General information, section 1 "Provisions on statutory thresholds (excerpt from Article 10a of the Articles of Association)"
c) Direct or indirect investments in the Company's share capital of which it has knowledge by virtue of Articles L.233-7 and L.233-12	F. General information, paragraph 3.3 "Crossing of shareholding thresholds"
d) The list of holders of any shares granting special control rights and description thereof	F. General information, paragraph 3.3 "Pledging of registered shares"
e) Control arrangements provided if there is an employee shareholding system in place, whenever rights to control are not exercised by the employees	F. General information, paragraph 3.3 "Employee shareholders"
f) Any agreements between shareholders of which the Company has knowledge and that could entail restrictions on the transfer of shares and the exercise of voting rights	F. General information, paragraph 3.3 "Shareholder agreements or concerted actions"
g) The rules applicable to the appointment and replacement of members of the Board of Directors and to amendments of the Articles of Association	C. Report on corporate governance, pages 130 to 167, and provisions of law and the Articles of Association
h) The powers of the Board of Directors, in particular for the issue or buy-back of shares	Table of delegations of authority to increase the share capital, paragraph 6.1, page 165 and F. General information, paragraph 3.2 "Potential capital"
i) Agreements entered into by the Company that are amended or cease in the event of a change of control of the Company, unless this disclosure would seriously undermine its interests, except when such disclosure is a legal obligation	Note 23.3 to the consolidated financial statements
j) Agreements providing for compensation payable to members of the Board of Directors or employees if they resign or are dismissed without valid grounds or if their employment is terminated due to a public tender or exchange offer	C. Report on corporate governance, pages 130 to 167

8. Formalities for participation of shareholders in the Shareholders' General Meeting

The formalities for shareholders to participate in the Shareholders' General Meeting are described in Article 17 of the Articles of Association and reproduced below:

Article 17 – Shareholders' General Meetings
"Shareholders' General Meetings are called and take place in accordance with the legislation and regulations in force.

"The meetings are held either at the registered office or at another location specified in the notice of meeting.

"All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:
• a registration of the shares in their own name; or
• a record of the shares in a bearer securities account with an authorised intermediary, confirmed by the intermediary in the form of a share ownership certificate, which can be communicated by electronic means, if necessary.

"These formalities must be completed no later than midnight (Paris time) on the second business day before the meeting. Shareholders wishing to attend the meeting in person but who have not received their admission card by midnight (Paris time) of the second business day before the meeting will be issued a share ownership certificate, which they will need to present in order to attend and vote at the meeting. However, the Board of Directors may shorten or remove this time period provided that any such decision applies to all shareholders.

"If the Board of Directors so decides when the Shareholders' General Meeting is called, individual shareholders may take part in the meeting by video conference or vote by any telecommunication or electronic means including via the internet, in accordance with the applicable regulations in force at the time such means are used. Any such decision must be communicated in the notice of meeting and the invitation to the meeting.

"Postal votes may be cast, subject to the terms and conditions defined by law and regulations. Shareholders may transmit proxy forms and postal votes for every Shareholders' General Meeting, under the conditions set out by law and regulations, either in paper form or, if the Board of Directors so authorises, by electronic means, including over the internet. Those shareholders who, within the required time period, use the electronic voting form on the website made available by the meeting centraliser, are counted as attending or represented shareholders. Shareholders may complete and sign the electronic voting form directly on the centralising bank's website by any process determined by the Board of Directors that meets the conditions set forth in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code and Articles R.225-77, subsection 2, and R.225-79 of the French Commercial Code and, more generally, the provisions of law and regulations in force. This process may include the use of a personal identifier and password.

"Proxy forms received and votes cast prior to the Shareholders' General Meeting by electronic means, together with the acknowledgement of receipt provided, shall be considered as irrevocable acts enforceable with regard to all parties involved, it being specified that in the event of a sale of shares that takes place before the second business day prior to the meeting at midnight (Paris time), the Company shall invalidate or amend, as necessary, any proxy form or vote cast prior to such date and time.

"Shareholders' General Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board to that effect. Failing that, shareholders elect their own Chairman.

"The minutes of the Shareholders' General Meetings are drawn up and copies thereof are certified and delivered in compliance with regulations in force."

D. Risk factors and management procedures

1. Definition of risk factors

Numerous internal and external risk factors may affect different aspects of VINCI's performance.
Within the framework of VINCI's decentralised organisation, these risks are identified, assessed and handled at the most appropriate level of responsibility (holding company, business line, subsidiary) depending on their criticality.
As conditions warrant, provisions may be recognised in the Group's accounts (see Notes H.18 and H.19 to the consolidated financial statements), notably in the event of losses on completion of construction projects or unsatisfactory impairment tests.
One of the major challenges facing the Group is to adapt its business activities to changing market conditions, including the main operational, legal, social, economic, environmental, technological, cyber and financial risk factors, as presented below.

1.1 Operational risks

The VINCI companies within each of the Group's businesses (Concessions, Contracting and Property) are exposed to specific operational risks, which are prevented, controlled and managed differently.

1.1.1 Concessions

The risks of a concession contract, whose duration can vary from a few years to several decades, are carefully evaluated during the study phase before the bidding process. To carry out this evaluation, the Concession business calls upon the construction expertise as well as the economic, legal and financial expertise of internal experts and external advisors.
The preferred legal structure for concession contracts and public-private partnerships (PPP) is a special-purpose vehicle (SPV). In order to limit the Group's commitments and the amount it invests in SPVs, share capital and control is sometimes shared with one or more partners. A majority of the financing is comprised by debt with no recourse or only limited recourse against the shareholders.

The SPV generally transfers the risks related to project design and construction of concession assets to the contractors in charge of construction. Financing risks, however, remain managed at the level of the SPV and its shareholders. Some risks may remain with the granting authority, in particular in relation to making land available. However, default by the authority cannot always be ruled out, resulting in penalties being paid to the concession company.

The main risks on the operation of concession assets relate to changes in traffic, toll charges and collection, and compliance with the maintenance and repair targets fixed in the concession contract. Traffic levels on motorway concessions are correlated to economic activity and are often affected by changing fuel prices. Toll increases are usually determined by set formulas, the main aim of which is to offset the risk of inflation. As for airport concessions, traffic may be affected by a variety of events, including public health crises, natural events or harsh weather conditions as well as by terrorist attacks or threats.

Risks connected with changes in the legal and regulatory environment throughout the lifetime of contracts must be assessed on the basis of the contractual framework governing their terms. This framework may or may not provide for compensation mechanisms applying in the event of changes in the legislative, regulatory or tax framework. In addition, obtaining administrative authorisations, especially environmental permits, before projects enter service can be fraught with significant uncertainty for the concession company. There is also a risk of early termination of a concession contract, either for reasons outside the control of the parties concerned that render contract execution impossible or too onerous (termination for force majeure or unforeseen circumstances); or at the initiative of the concession-granting authority, whether at the discretion of the authority or for a reason of general interest. Termination clauses in concession contracts enable the termination penalty to be decided or, if no such clauses exist, the penalty is decided by legislation or jurisprudence.

For all concession infrastructure under operation, provisions are taken to cover the cost of renovating installations – particularly motorway road surfaces and airport runways – and the cost of building maintenance, based on maintenance expense plans (see Note H.18 to the consolidated financial statements, page 269).

1.1.2 Contracting

In the Contracting business, commitments connected to bidding constitute the main risk factor faced by VINCI companies. These risks are identified and evaluated during the estimating phase before a bid is submitted, which may lead to qualifications in the contract terms. In the event the Group's bid is accepted, budgets for works are regularly updated throughout project execution.

The Group has a selective bidding policy that includes control procedures for tenders. Before commitments are made, projects presenting specific risks, in particular those that exceed certain thresholds stated in the general guidelines, are reviewed by business line Risk Committees. The largest projects are reviewed by the VINCI Risk Committee.

The diversity in the businesses, geographical locations and customers of the Contracting business, as well as its multiplicity of contracts, allows risk to be spread widely. By way of example, approximately 43% of the revenue of VINCI Construction France is generated through contracts with a unit value of less than €10 million, and 71% of the contracts of VINCI Energies have a unit value of less than €30,000. The Group's policy is to promote highly technical projects that allow it to leverage its know-how to the maximum; it also carries out its largest projects in partnership with other construction companies, thus limiting the Group's risk exposure.

The relationship between the Group's businesses and their clients may be deteriorated by unilateral decisions taken by the latter (changes to the contract or even early termination) or by client default of a technical nature (late delivery of information required for construction, or of approval of studies or of technical opinions) or of a financial nature (late payments or insolvency). Measures to manage contracts, cash flow and components of the working capital requirement are therefore set up and closely monitored.

The timetable and/or construction cost may differ from bid estimates as both depend on a wide range of parameters, some of which are difficult to predict, such as changes in the cost of labour, subcontracting, materials, commodities and energy, and also weather conditions. The use of revision clauses and the limited lifespan of most contracts generally mitigate, but do not eliminate, unit cost inflation risk. In addition, the risk of an increase in outsourcing costs can in some cases be transferred to subcontractors and suppliers by negotiating fixed-price agreements with them.

Commodity price exposure varies according to business activities. Exposure to oil prices mainly affects Eurovia's roadworks activities, which consume bitumen and, to a lesser extent, fuel. It is worth noting that Eurovia sources 32% of its aggregates from Group quarries. Lastly, fluctuations in prices for hydrocarbons (oil and gas) affect the revenue of oil companies and oil-producing countries that are clients. They may reduce or postpone investments and thereby have an impact on the planned workload of any Contracting entities concerned.

A lack of skilled personnel or inadequate staffing levels may result in design or construction errors, leading to technical non-compliance, lower-than-expected productivity, quality shortfalls in projects and even accidents affecting individuals (company, partner employees or third-party individuals), the works or other goods. These damages, associated with possible repairs to remedy the problems, may give rise to additional costs and delays in completion. For large projects, the technical complexity of the design and construction of infrastructure assets, geological conditions, site constraints (presence of underground utilities, maintenance of traffic during works, actions of local residents or other third parties) may also represent significant threats.

The quality of subcontracted work or the default of VINCI joint venture partners may negatively affect the satisfactory performance of projects. Given the diverse nature of VINCI's business activities and the essentially local character of its markets, the Group considers that, overall, it has little dependence on any particular supplier, joint contractor or subcontractor.

During the execution phase, the risks are monitored at various levels: by supervisory staff at the project worksite level and at the operational management level of the entities by periodic reviews on project progress.

1.1.3 Property

The Group's property development activities are exposed to numerous administrative, technical, commercial, tax and economic uncertainties as well as business failures of joint venture partners or subcontractors that may result in delays (or even the abandonment of certain projects), budget overruns and uncertainty regarding programme selling prices. The various property operations conducted by the Group are mainly undertaken in France, where they are sensitive to the country's economic and regulatory climate. This business is mainly carried out through VINCI Immobilier, which accounted for 2.2% of Group revenue in 2017. Any VINCI Immobilier commitments that would exceed defined thresholds undergo prior examination by the VINCI Risk Committee. The Group's policy in the property development business is to undertake a new project only after it has reached a minimum pre-sale rate. Some construction subsidiaries, mainly in France, may participate in limited-risk property transactions or property development programmes.

1.1.4 Acquisition and disposal of companies

VINCI's external growth policy, especially in regard to the Contracting business, is to take a majority interest in the share capital of acquired companies in order to limit risks associated with integration of these companies and to be able to quickly apply the Group's management principles. Proposed acquisitions and disposals are submitted to the VINCI Risk Committee for approval. The largest projects are also submitted to the Strategy and CSR Committee (see chapter C, "Report on corporate governance", paragraph 3.4.2, in the Report of the Board of Directors, page 145) and in some cases, to VINCI's Board of Directors.

1.2 Legal risks

1.2.1 Legal and regulatory compliance

Given the diversity of their activities and geographical locations, the Group's companies operate within specific legal and regulatory environments that vary depending on the place where the service is provided and on the sector involved. Moreover, laws in effect in some countries may have an extraterritorial scope that could concern the domestic business of some Group companies.

In particular, Group companies must comply with rules deriving from:
- the terms of agreement and performance of public- and private-sector contracts and orders;
- laws governing construction activities and the applicable technical rules governing the delivery of services, supplies and works;
- environmental law, commercial law, labour law, competition law, and financial and securities law;
- personal data protection;
- duty of vigilance and accident prevention (the Sapin 2 Act and the duty of vigilance law in France).

With respect to concession operators, aside from the legislative, regulatory and tax policy changes that are always possible during such long-term contracts, the Group is dependent on public authorities that may, as is the case in France, have the right to unilaterally alter the terms and conditions of public service, PPP and concession contracts during their execution phase or even terminate the contract itself, subject to compensation.

In the performance of their activities, Group companies could be held civilly or criminally liable and thus be required to bear the financial or administrative consequences. Similarly, Group executives and employees may also be held criminally liable.

A large share of the risks of non-compliance is therefore likely to lie primarily with executives and/or company officers and with employees to whom responsibility has been delegated, but may also lie with legal entities. The consequences may be financial (fines) or penal (conviction and/or being banned from operating).

The financial risks relating to the potential invoking of the civil liability of Group companies are covered by the insurance policies described in paragraph 2.5, "Insurance cover against risks".

1.2.2 Ethical risks

In relation to business ethics, VINCI decided to adhere to the principles of the United Nations pact and the OECD charter many years ago. This commitment is reflected in commitment no. 2 of the VINCI Manifesto, which all employees can read on the company intranet, and in the Code of Ethics and Conduct, which has been distributed to all persons in positions of responsibility. The measures taken to implement the obligations of the Sapin 2 Act are detailed in paragraph 3.4.1 of chapter E, "Workforce-related, environmental and social information", of the Report of the Board of Directors. The Group's human rights commitments are detailed in the "Sustainable development" chapter, page 40. In November 2017, an agreement on workers' rights was signed by Building and Wood Workers' International (BWI), Qatari Diar VINCI Construction (QDVC) and VINCI.

1.2.3 Contractual relationships

The Group's business activity is based on contracts that, as a general rule, are subject to the laws of the countries where the projects are performed.

As mentioned in the section on operational risks, disputes may arise during the performance of said contracts.

The Group's policy is to limit its exposure during the proposal phase by seeking to negotiate terms – not always successfully – with contracting authorities that:

- pass onto the client the extra costs and/or delays stemming from changes in the client's requests;
- halt the project in the event of non-payment;
- exclude indirect damages;
- exclude or limit liability relating to existing pollution;
- limit its contractual responsibility for the total project to a reasonable percentage of the contract's price;
- cap delay and performance penalties to an acceptable percentage of the contract price;
- stipulate contractual provisions allowing for adjustments (price and time schedule) to account for legal, tax or regulatory changes;
- obtain protection via a force majeure clause (against political risk, client's unilateral decision, economic upheaval) or for early contract termination;
- obtain an international arbitration clause, if possible.

Detailed information on the principal disputes and arbitrations in which the Group is involved can be found in Note M to the consolidated financial statements, page 298. These disputes are examined on the date the financial statements are approved. Following a review by legal advisers, any necessary provisions are constituted to cover the estimated risks.

1.2.4 Relationship with stakeholders

New construction under concession contracts, property development projects and major construction sites require numerous permits before they can be launched. Opposition from non-governmental organisations (NGOs) or local residents in the form of numerous legal challenges can cause delays and risks increasing the cost of compensation. If opposition is reported in the media, there is a risk it can damage the Group's image.

1.3 Risks deriving from social and economic factors

1.3.1 Human resources management

VINCI's success largely depends on its ability to attract, train and motivate its employees within a very decentralised management model. Group companies are exposed to difficulties connected with recruitment and training in key job functions (project management and supervision, specialist activities, etc.).

VINCI considers the health and safety of its personnel and third parties involved with or affected by its operations to be a major priority and in this regard has implemented policies for the prevention of accidents, occupational illnesses and pandemics.

Detailed information on VINCI's workforce-related responsibility is given in chapter E, "Workforce-related, environmental and social information", of the Report of the Board of Directors, page 179.

1.3.2 Lack of security, unstable social or political context (country risk)

Given the large number of countries where the Group operates, some activities may be affected by various forms of social and political instability (terrorism, armed conflict, embargo, seizure of bank accounts or equipment, etc.), as well as malevolent acts such as vandalism and theft on construction sites, or criminal acts such as attacks or kidnapping.

VINCI's Security Department makes information available to business lines to ensure the best possible preparation for work and travel, and issues recommendations to ensure the protection of people and goods. The department can be called on to conduct site audits and/or implement regularly updated security plans. It also intervenes within the framework of crisis management, in particular to organise personnel evacuation.

Country risk is analysed prior to the submission of tenders for new projects and is monitored for current projects or operations (see paragraph 2.3, "Management of business risks", page 175).

1.3.3 Changes in the economic and tax environment

Political uncertainty, unpredictable changes in commodity prices and slowing economic growth could lead to a worsening of conditions on markets where VINCI operates.
In this context, there is a real risk of a weakening in demand and a heightening of competition.
In addition, harsher tax provisions in countries exposed to rising government debt levels are putting further pressure on the profit margins of VINCI companies. Given uncertainty about the future course of tax provisions, their impact cannot always be incorporated into products and services offered to customers, or into external growth transactions.

1.4 Environmental, technological and cyber risks

1.4.1 Environmental risks

Environmental risks are those that deteriorate, either permanently or temporarily, the natural environments on which VINCI's business activities are reliant. The risks can come in several forms:

- loss of raw material resources (water, inert materials, fuel, etc.) required by business activities;
- deterioration of the quality of materials, or pollution;
- extreme weather events (flooding, landslides, extreme temperature variations, storms, etc.).

Environmental risks may be caused by:

- greenhouse gases being emitted into the air, contributing to climate change;
- emission or discharge into the air, ground or water of toxic, hazardous substances, or waste;
- overexploitation of certain resources;
- expansion of certain exotic, invasive species;
- technological accidents;
- use, handling or transport of hazardous substances;
- loss of natural and agricultural land and fragmentation of landscapes.

1.4.1.1 Environmentally related economic and regulatory context

The consequences of environmentally related risks essentially involve:

- growth in client demand for materials of the required quality and increases in their prices, resulting in additional project costs;
- increase in the costs involved in maintaining or repairing damaged facilities;
- construction delays (worksite shutdowns, infrastructure deterioration) and business operating losses due to difficulties in delivering supplies or to extreme weather events;
- damage to equipment due to extreme weather events, and associated costs;
- deterioration in health and safety conditions for employees;
- tightening of national and international regulations on environmental protection in response to such risks and in an attempt to avoid them as far as possible;
- the Group's reputation may be tarnished in the event of deficient quality of service (maintenance of the road network, vehicle breakdown assistance, exceptional events management, etc.).

1.4.1.2 Analysis of environmental risks

VINCI companies take into account environmental risks right from the moment they bid on contracts for building and infrastructure construction and concessions. Risks are analysed with respect to the monetary amounts and legal consequences they represent. Solutions are then developed and tailored to the situation, in liaison with the development teams, so as to integrate environmental risks in the early stages of the project. VINCI seeks to obtain and analyse the expectations of local stakeholders so as to better understand the environmental protection needs of the affected region. These risks are regularly re-evaluated in accordance with changes in business activities, and VINCI implements whatever technical and organisational solutions it can to reduce these risks to a minimum.

In 2017, VINCI analysed the risks that extreme climate events could have on the Group's projects. The analysis concluded that the incidence of these risks on the Group's activities is low, as they are integrated into the procedures and activities of the companies most affected by them. A report will be published in the first quarter of 2018.

1.4.1.3 Environmental impact of the Group's activities

Environmental risks can have an impact on the activities of VINCI companies, but VINCI companies themselves also have an impact on the environment, which is presented in section 4, "Duty of vigilance plan", of chapter E, "Workforce-related, environmental and social information", of the Report of the Board of Directors, page 215.

The Group's activities can impact the environment in four ways:

- air, water and soil pollution, noise and light pollution, unpleasant odours
- greenhouse gas emissions
- use of non-renewable raw materials
- long-term impact on species and natural habitats.

As a general rule, VINCI's companies may be responsible for and are potentially exposed to the consequences of accidental pollution, in particular spillage of hazardous materials on its road network and construction sites. This type of event, which is fortunately rare, can disrupt the particular site or operations and necessitate the deployment of crisis arrangements (see paragraph 1.3.2, "Lack of security, unstable social or political context (country risk)", page 170). Preventive measures have been implemented.

Independently of the environmental impacts that VINCI's activities may have in the places where it operates, the Group's business activities involve certain intrinsic environmental risks. The Group pays particular attention to treating water: collection and removal of stormwater in the Concessions business and pumping and draining of aquifers in the Construction business.

Some roadworks activities may also face exposure to these risks, which remain limited.
• Binder plants: the use or manufacture of products that are potentially hazardous to the environment is subject to continuous monitoring and internal inspections by the plant managers, who are assisted by Eurovia's quality, health, safety and environment managers.
• Production and application of asphalt mix:
— Coating plants have an environmental regulation watch unit that enables plant operators to take the action needed to ensure compliance with regulations.
— Operational monitoring of the plants is performed using specific tools that give an overall picture of the measures to be taken and the related results.
— Regular or unannounced external inspections are undertaken to analyse products and measure the quantities in stock to ensure that the plants comply with regulations. Conditions for applying asphalt mix at worksites are regularly monitored in close conjunction with the relevant government agencies and health and safety bodies.
• Quarries: the sources of pollution identified include noise, vibration and dust emissions.
— External audits are made annually by organisations approved to check dust emissions and noise. In France, the results of these tests are transmitted annually to the regional departments for environment, planning and housing (DREAL).
— For biodiversity, Eurovia has set up a specific partnership with France's Natural History Museum to take into account environmental issues during the different phases of quarry operations.

Because these environmental risks are local and limited, no consolidated system has been set up to monitor the costs and investments associated with their prevention. However, all identified risks are analysed on a case-by-case basis and provisions are made where necessary. At 31 December 2017, provisions for Eurovia, where the main risks in this area lie, amounted to €21.2 million, including €10.6 million for business activities located in France. Provisions for VINCI's other subsidiaries are of little significance.

Nine VINCI facilities are concerned by France's national greenhouse gas quota plan (PNAQ III). The CIFC plant (Eurovia) at Fos sur Mer near Marseille accounts for most of these emissions, which totalled 170,565 tonnes of CO_2 in 2017 (175,934 tonnes in 2016). No CO_2 was sold in 2017 (as for other environmental indicators, these figures were calculated on the period from 1 October 2016 to 30 September 2017; see "Note on the methods used for environmental and social reporting", page 216).

1.4.2 Technological risks

Technological risks stemming from human activity relate to the occurrence of accidents in industrial or nuclear installations.

The Group's companies have no facilities that present significant health or safety risks for neighbouring populations and the environment, as defined under clause IV of Article L.515-8 of the French Environmental Code (Seveso High Threshold, etc.).

They can, however, be indirectly exposed to technological risks in the following cases:
• some of the Group's activities may be carried out occasionally or permanently near facilities classified for technological risk;
• some activities carried out by VINCI Energies and VINCI Construction take place inside classified facilities (in particular, nuclear power facilities). These activities are conducted in compliance with the specific regulations in effect.

1.4.3 Cyber risks

Cyber risks relate to financial losses, degradation of digital systems, business interruptions, and damage to reputation due to the accidental failure or sabotage of information systems.

In 2017, many large multinationals were affected by different cyber incidents, including wide-scale alteration of data that compromised information quality. Given the situation, VINCI has implemented procedures to protect itself from cyber attacks that could destroy or damage data and critical systems or disrupt operations. Among other measures, the Group has launched initiatives to strengthen IT infrastructure security and implement effective post-incident recovery plans. It has also implemented procedures to detect cyber crime, foster internal dialogue and circulate information about cyber security.

Compromised data, an IT system breakdown or other cyber threats can have unfavourable financial, legal and operational effects as well as a negative impact on VINCI's reputation.

1.5 Financial risks

1.5.1 Counterparty risk and credit risk

The Group is exposed to counterparty risk stemming from contracts and financial instruments contracted with banks and other financial institutions, should the debtor refuse or be unable to honour all or part of its commitment. The consequence for VINCI may be a loss of value (in its cash investments, the acquisition of negotiable debt securities, marketable securities, financial receivables, derivative instruments and guarantees or sureties received) or a loss of liquidity (on the amounts of its unused, confirmed credit facilities).

VINCI is also exposed to credit risk on client default, as described in paragraph 1.1, "Operational risks".

The Group's counterparty and credit risk exposure and its procedures to manage them are specified in Note J.25.3 to the consolidated financial statements, page 287.

1.5.2 Liquidity risk

Group liquidity must be evaluated via its cash and unused, confirmed credit facilities. The Group's exposure to liquidity risk relates to its existing debt repayment obligations, to the financing of its future needs associated in particular with concession companies' investment programmes and with the Group's general needs.
The Group diversifies its funding sources by using bond markets, banks and supranational banking organisations such as the European Investment Bank (EIB).
Some financing agreements include accelerated maturity clauses in the event of non-compliance with financial covenants. At 31 December 2017, VINCI was in compliance with the thresholds imposed under these ratios.
Net cash is managed using a reporting system that specifies the yield of the various assets and monitors the level of associated risks.
Given this situation, the Group considers that it has no exposure to liquidity risk for the coming 12 months and is able to meet its future financial commitments.
Details of the above elements can be found in Note J "Financing and financial risk management" to the consolidated financial statements, page 275.

1.5.3 Market risks (interest rates, currency, equity and commodity risks)

VINCI is exposed to changes in interest rates (mainly in the eurozone) on its floating rate debt and to changes in credit spreads applied by lenders. The Group is also exposed to currency risk stemming from its activities outside the eurozone. In 2017, these represented approximately 23% of total revenue. VINCI's policy for the management of interest rate and foreign exchange risks and its exposure to these risks are explained in Note J.25 to the consolidated financial statements, page 283.

The risk on commodity price increases is relatively limited because, as stated in paragraph 1.1.2 and Note J.25.4 to the consolidated financial statements (page 288), a large share of the Group's revenue is generated under short-term contracts or contracts containing price-indexing clauses. As a general rule, unprocessed raw materials form a small proportion of cost structures.
In the case of large-scale contracts with non-revisable prices or multi-year contracts, the risk of fluctuations in prices for commodities is assessed on a case-by-case basis and managed via the use of:
• firm price agreements with suppliers for a given time period;
• cash-and-carry deals, with supplies bought or paid for by the client at the beginning of the site works;
• more marginally, hedging derivatives based on commodity indexes, particularly where the supplier uses a price review mechanism based on an index that can be hedged in financial markets.
In view of these arrangements, the Group considers this risk to be properly managed.

Equity risk relates to listed shares held directly or indirectly by VINCI: treasury shares, other shares, assets to cover retirement benefit obligations, etc. This risk is described in Note J.25.4 to the consolidated financial statements, page 288, as well as in Note B.3 "Treasury shares" to the parent company financial statements, page 311.

1.5.4 Risks of financial rating downgrade

VINCI receives investment grade ratings from two rating agencies, Standard & Poor's and Moody's.

This rating gives the Group access to the financial markets at favourable terms and enables it to secure long-term resources to meet its needs of similar duration, in particular in the event of capital expenditure or an acquisition.

Credit ratings may be downgraded by the agencies as a result of events significantly affecting VINCI's financial condition or a change in the agencies' methodology. Depending on the extent of the downgrade, the Group's financing terms could become more expensive and its access to the financial markets more difficult.

To reduce this risk, VINCI has implemented a financial policy to maintain the conditions needed to preserve its high-quality rating, to the extent possible. In particular, this policy includes monitoring the financial ratios (actual and projected) tracked by the agencies and contributing to the determination of the rating, maintaining regular dialogue with agency analysts and tracking any agency methodology changes that might have an impact on the Group's rating. In addition, when the Group is considering a major acquisition, it performs financial projections to simulate the acquisition's impact on its financial structure. For the most significant acquisitions, these simulations are carried out in conjunction with the rating agencies so as to obtain their preliminary opinion on the potential impact of the proposed transaction on the Group's rating.

2. Risk management system

2.1 Introduction

2.1.1 Reference framework and definitions

In July 2010, the Autorité des Marchés Financiers (AMF, the French securities regulator), published a document entitled "Risk management and internal control systems: reference framework". The VINCI Group uses this document as its reference framework.

The risk management and internal control systems participate in a complementary manner in keeping control over the Group's businesses.
The two systems aim to identify and analyse the principal risks to which the Group's subsidiaries are exposed. They contribute to:
• preserving the value, assets and reputation of the Group;
• securing decision-making procedures and other internal processes;
• ensuring that initiatives are in line with the Group's values;
• fostering a shared view of the principal risks among employees.

These systems, however well designed and implemented, cannot provide an absolute guarantee that the Group will achieve its objectives.

2.1.2 Scope of risk management and internal control

A centralised crisis management system, encompassing the various phases of the process (alert procedures, the triggering of crisis measures, management of and exit from crises), is cascaded through the Group's subsidiaries, which also have their own crisis management and communication arrangements.
In addition to setting up a specific system for the VINCI holding company, the Group also ensures that appropriate risk management and internal control systems function in its subsidiaries.
The scope of risk management and internal control covers fully consolidated subsidiaries (see Note B.2 "Changes in consolidation scope" to the consolidated financial statements, page 241).

2.2 Environment and organisation

2.2.1 Principles of action and conduct

The businesses in which VINCI operates require the personnel involved to be geographically close to customers in order to ensure the prompt delivery of solutions that are suited to their needs. To enable the manager of each business unit – of which there are around 3,000 in total in the Group – to take the required operational decisions rapidly, each business line has put in place an organisational structure suitable for its own needs and decentralised to different extents depending on the activities involved.

In this context, the Group has delegated authority and responsibility to operational and functional staff at all levels of the organisation. These staff fulfil their responsibilities in compliance with the general guidelines (see paragraph 2.4.2) and with VINCI's principles of action and conduct:

- compliance with the rules common to the whole Group in respect of commitments, risk-taking (see paragraph 2.4.3), acceptance of contracts (see paragraph 2.4.3), and reporting of financial, accounting and management information (see paragraph 2.4.5);
- transparency and loyalty of managers towards their line management superiors and towards the central functional departments of the business lines and the holding company. An integral part of operational managers' duties is to take decisions on matters falling within their area of competence, within the framework of the general guidelines they have received and accepted. Nevertheless, any significant difficulties encountered must be handled with the assistance, as necessary, of their line management superiors or the functional departments of the business lines and the VINCI holding company;
- compliance with the laws and regulations in force in the countries where the Group operates;
- a culture of financial performance.

2.2.2 Organisational structures involved in risk management and internal control

VINCI's **Board of Directors** is a collegial body responsible for defining the Group's strategic choices, ensuring that these choices are properly implemented and that the Group functions properly. It carries out the controls and verifications that it believes are timely and appropriate. It considers all major matters concerning the Group's business. In its annual management report, the Board sets out the principal risks and uncertainties the Group faces.

In 2003, the Board adopted a set of internal rules and created four specialised committees: the Audit Committee, the Strategy and Investments Committee (which became the Strategy and CSR Committee in 2017), the Remuneration Committee, and the Appointments and Corporate Governance Committee. The tasks delegated to the **Audit Committee** and the principal activities carried out in 2017 in this regard are presented in chapter C, "Report on corporate governance", of the Report of the Board of Directors, page 146. They take into account the measures resulting from the 17 March 2016 Order relating to Statutory Auditing, as well as the revisions made to the Afep-Medef code in November 2016.

The **Executive Committee,** composed of 13 members at 7 February 2018, is in charge of implementing the Group's strategy, and of defining and monitoring the enforcement of its risk management, finance, human resources, safety, IT and insurance policies.

The holding company's functional departments ensure that the Group's rules and procedures as well as the decisions of VINCI's Executive Management are correctly enforced. Furthermore, these departments advise business lines on technical matters without interfering with operational decisions, which are the responsibility of the business lines under the Group's decentralised structure. The holding company had a staff of 269 people at 31 December 2017.

On 1 January 2018, an **Ethics and Vigilance Department** was set up. Reporting directly to VINCI's Chairman and CEO, it is tasked with taking part in the definition and implementation of policies on business ethics and duty of vigilance in close collaboration with the business lines.

The **Audit Department**'s role covers the following areas:

- Concerning risk management: based on guidelines from the Group's Executive Management, it heads up the deployment and implementation of a structured system that makes it possible to identify, analyse and handle the principal risks. In this framework, the Audit Department provides methodological support to the subsidiaries' operational and functional departments. It organises and ensures the follow-up for the meetings of the VINCI Risk Committee, which reviews and authorises tenders exceeding certain thresholds set by the Group's Executive Management or presenting particular technical or financial risks.
- Concerning internal control: in addition to drafting and disseminating the general internal control procedures set by the holding company, the Audit Department organises the annual self-assessment survey on internal control in the Group's subsidiaries.
- The department helps run the fraud prevention system in collaboration with the Security, Information Systems, Treasury and Financing departments.
- Concerning auditing: the department carries out its own assignments in the field, alongside or in support of the work performed by the business lines, as well as assignments related to internal alert procedures.

The **Insurance Department** implements the Group's insurance strategy as defined by the Executive Management (see paragraph 2.5 below).

The business lines carry out their activities based on the principles of action and conduct described in paragraph 2.2.1. The operational teams in each business line are monitored at several levels: operational management, support functions (cost control, quality, safety, IT) and periodic internal audits.

Various committees bring together the people involved in decision-making, in particular the VINCI Risk Committee (see paragraph 2.4.3 for information on how it functions), the business line risk committees, and the treasury committees (see Note J.25 to the consolidated financial statements, page 283).

2.3 Management of business risks

The policy set by VINCI's Executive Committee aims to comply with the legal requirements and to ensure that risks are monitored in as formalised, systematic and uniform a manner as possible. Risk monitoring is integrated into the reporting process (for accounting and financial, health and safety, social and environmental data) and into the schedules set by the existing procedures related to commitments and periodic monitoring of operations as described in paragraph 2.4 below. Through this approach, the Executive Management is informed on risks that have materialised, their consequences and related action plans.

Risk maps have been created for the Group's 12 main business lines and divisions [*] as well as for the holding company, thereby encompassing all the Group's activities in line with the methodology of the white paper entitled "Implementing the AMF reference framework". These maps are reviewed annually. The review involves:
- listing the main sources of identifiable risk, either internal or external, that represent obstacles to the achievement of the Group's objectives and which can be financial risks, risks to people or reputation risks;
- assessing risk severity on a qualitative scale, taking into account the potential impact, likelihood, and degree of control of the various events constituting risks;
- implementing proper handling of these risks.

Risk scorecards are created for each business line, based on the principal entities' risk maps. They are used to present and assess, in a uniform manner, events that might affect projects examined by the Risk Committee.

2.4 Internal control

The main procedures described below are common to all companies in the Group. They are complemented by specific procedures within each business line, in particular for the monitoring of projects and forecasting of results.

2.4.1 Compliance with laws and regulations

The Legal Department of the holding company is responsible for:
- maintaining a legislative watch related to the various applicable rules;
- informing affected employees about rules pertaining to securities transactions;
- monitoring major acquisition projects and disputes.

The main measures relating to legal and regulatory controls are presented in paragraphs 3.4, "Fair business practices", and 3.5, "Human rights", of chapter E, "Workforce-related, environmental and social information".

2.4.2 Application of the guidelines and instructions of the Executive Management

The Chairman of VINCI Autoroutes, the Chief Executive Officer of VINCI Concessions, the Chairmen of the companies heading business lines in the Contracting business (VINCI Energies, Eurovia and VINCI Construction), and the Chairman of VINCI Immobilier exercise the powers given to them by law. Under the Group's internal organisation, they are also required to comply with the general guidelines issued for them by VINCI's Chairman and Chief Executive Officer.

These guidelines apply to the following areas:
- adherence to the VINCI Manifesto, the Code of Ethics and Conduct, and the supplementary anti-corruption code of conduct;
- new commitments;
- reporting to the holding company of accounting and financial information, and information relating to human resources, safety, disputes and litigation, insurance policies and claims, etc.

These general guidelines include compliance with the holding company's procedures regarding bidding or investments. These procedures define thresholds above which specific authorisation must be obtained from the appropriate committees, namely the Risk Committee (see paragraph 2.4.3) or the Board of Directors' Strategy and CSR Committee, or where prior notification must be given to the Chairman and Chief Executive Officer of VINCI and/or to certain VINCI functional departments.

These guidelines are cascaded through the organisation by the heads of the business lines to their operational and functional staff for the provisions concerning them, as well as to managers serving as company officers in the companies in their business line.

(*) VINCI Autoroutes, VINCI Airports, VINCI Concessions, VINCI Immobilier, VINCI Energies, Eurovia, VINCI Construction France, VINCI Construction International Network, VINCI Construction UK, Soletanche Freyssinet, Entrepose, and the Grands Projets division of VINCI Construction.

2.4.3 Procedures related to commitments and the VINCI Risk Committee

The role of the VINCI Risk Committee is to assess, ahead of the commitment phases:
• acquisitions and disposals of businesses;
• the terms and conditions of tenders for construction works which, by virtue of their complexity, specific financing characteristics, location or technical characteristics, entail specific risks, especially those of a technical, legal or financial nature;
• property development transactions;
• public-private partnerships (PPPs), concessions or long-term commitments.

The monetary thresholds for vetting by the VINCI Risk Committee before a bid is submitted are defined in the general guidelines. Thresholds below those necessitating a review by the Risk Committee require that an information sheet be sent to VINCI's Executive Management.

Risk Committee meetings are usually attended by the following members:
• the Chairman and Chief Executive Officer of VINCI or a delegated executive vice-president for the largest projects;
• the Chairman (or Chief Executive Officer) of the business line involved;
• the Executive Vice-President and Chief Financial Officer of VINCI;
• the Chief Audit Officer;
• the operational representatives of the entity presenting the project.

The VINCI Risk Committee, in its various configurations, met 307 times in 2017 and reviewed 374 projects.

2.4.4 Procedures related to monitoring of operations

The business lines each have an operations monitoring system that is tailored to the specific nature of their activities and that makes it possible to regularly monitor the progress of projects and contracts as well as human resources (HR) statistics. These systems are compatible with those used to prepare and process financial and accounting information as described below, as the holding company performs a consolidation for the principal indicators.

Monthly dashboard reports on business, new orders, the order book and the Group's net financial debt are prepared on the basis of information provided by the business lines.

The senior management of the business lines and divisions prepares a monthly newsletter on key events.

The budget procedure is common to all Group business lines. It is built around five key dates in the year: the initial budget for year N at the end of year N-1, followed by four updates in March, May, September and November of year N.

Lastly, the business lines also participate in regular monitoring of VINCI's social and environmental responsibility commitments as indicated in the "Sustainable development" chapter, pages 35 and 36, and in HR monitoring, with a particular emphasis on the safety of people working at each of the Group's sites.

2.4.5 Procedures related to financial and accounting information

The Budgets and Consolidation Department, reporting to the Finance Department, is responsible for the integrity and reliability of VINCI's financial information (parent company and consolidated financial statements), which is disseminated inside and outside the Group. To ensure the statements are produced, the department is specifically in charge of:
• preparing, approving and analysing VINCI's half-year and annual parent company and consolidated financial statements, as well as quarterly information, forecasts and the monthly dashboard reports;
• identifying, consolidating, monitoring and controlling the off-balance sheet commitments of the Group's subsidiaries;
• establishing, disseminating and monitoring the Group's accounting procedures and checking their compliance with the accounting standards in force;
• coordinating the Group's financial information system, which includes the consolidation process and unifies VINCI's various reporting systems.

The Budgets and Consolidation Department establishes the timetable and closure instructions for the preparation of the half-year and annual accounts and disseminates these in the business lines. The Group's accounting rules and methods are available on VINCI's corporate intranet. At each accounts closing, business lines transmit a package to the Budgets and Consolidation Department containing an analysis of the consolidated data submitted and comments thereon.
The Statutory Auditors present their observations, if any, on the half-year and annual accounts to the Audit Committee before they are presented to the Board of Directors.

Before signing their reports, the Statutory Auditors request representation letters from VINCI's Executive Management and senior management of the business lines.

2.4.6 Fraud prevention

External fraud prevention involves several Finance Department, Security Department and IT Department units. The core system includes reporting via email to a dedicated address (alerte.fraude@vinci.com), enabling Central Services to react immediately, if necessary, and facilitating statistical analysis of fraud attempts. The information is then analysed, and specific information and recommendations are disseminated to CFOs and the Group's anti-fraud coordinators. In this regard, three fraud warning notes were posted on the Group's intranet in 2017.

The Group's Finance Department, in conjunction with the Security Department and the IT Department, has developed a set of measures to prevent fraud that are available on the Group intranet. In particular, these include instructions specifying correct conduct in the event of suspicion, guidelines concerning means of payment, and awareness-raising measures to be taken in regard to the main people faced with this kind of situation.

Internal fraud prevention is based on the Code of Ethics and Conduct as well as on specific training or awareness initiatives.

2.4.7 Management of cyber risks

Since November 2017, the management of cyber risks has been coordinated at the Group level by a chief information security officer in the Group IT Department, with the assistance of the Security Department.

2.5 Insurance cover against risks

2.5.1 Overall policy

VINCI's general insurance policy places a strong emphasis on prevention and risk protection. Given the Group's decentralised organisation, this policy is defined at several levels of responsibility.

VINCI's Executive Management lays down the general guidelines and in particular the standards applicable to all subsidiaries.

Within this framework, and after identifying and analysing the risks relating to their activities, the managers of the business lines or major subsidiaries define the optimum trade-off between the level and extent of the guarantees likely to meet the range of insurable risks and a cost level (comprising premiums and uninsured losses) allowing business units to remain competitive. With a view to preventing accidents and optimising costs, uninsured losses are defined on an individual subsidiary basis. Self-insurance budgets have been set up for liability insurance, motor vehicle insurance, and property and casualty insurance in certain business lines.

In addition to subsidiaries' own specific cover, VINCI also takes out cover on behalf of all its subsidiaries, in particular regarding:
• supplementary liability cover in addition to the first levels of cover arranged by subsidiaries;
• liability protection for company officers;
• liability for environmental damage;
• fraud risks;
• cyber risks.

VINCI has its own brokerage firm, VINCI Assurances, in charge of consolidating insurance policies and harmonising cover within the Group. VINCI Assurances acts as a broker for most of the French subsidiaries and bears no financial risk as an insurer.

2.5.2 Loss prevention and claims record

Loss prevention arrangements are systematically adopted on construction sites as well as operating sites. This policy, which places importance on training, forms part of the VINCI companies' approach to quality assurance and the prevention of workplace accidents.

The Group's claims record in the area of civil liability is characterised, on the basis of available statistics and data and without prejudging any actual liability, by a small number of incidents involving more than €1 million, a few medium-sized incidents, ranging from €100,000 to €1 million, and a high number of smaller incidents (several thousand) of less than €100,000 each, which, to a great extent, are borne directly by subsidiaries as uninsured losses or under self-insurance cover.

2.5.3 Insurance in concessions and service activities

Property and business interruption insurance

Operating infrastructure under concession involves potential Group damage exposure to assets under its responsibility, whether accidental or not, that could result in an obligation to rebuild (including the related costs), and to financial consequences resulting from the interruption of operations and debt service requirements to financing providers. Business interruption insurance is intended to allow concession operators to restore an income stream interrupted or reduced by an accidental event affecting the normal operation of an asset, thus enabling the operator to meet any financial commitments towards lenders and cover ordinary operating overheads during the reconstruction period.

As a general rule, bridges and tunnels are insured for accidental destruction. Resulting operating losses are also guaranteed, less the uninsured amount, which varies from one contract to another and is expressed as a fixed amount or as a number of days of interruption. For linear infrastructure (motorways and rail lines), the complete destruction of which is deemed highly unlikely, are not systematically covered for business interruption losses, since the total and prolonged shutdown of their operations is not taken into consideration. Uninsured amounts are determined on a case-by-case basis to ensure that the concession's earnings are not materially affected by an accidental interruption in traffic.

Liability insurance

Concession assets operated by VINCI subsidiaries in France or elsewhere are also covered by specific liability insurance arrangements, which are coordinated with the complementary cover at Group level. These arrangements are specifically designed to meet local legal requirements and those specified in concession agreements. Concession operations in which VINCI is a minority shareholder do not generally benefit from the Group's complementary liability insurance taken out on behalf of all entities.

Responsibility linked to airport activity is covered by specific airport operator liability insurance programmes:
• the programme set up by the Union des Aéroports Français (UAF) for the French airports managed by VINCI Airports;
• a VINCI programme for the Portuguese, Cambodian, Dominican and Brazilian airports under concession;
• specific programmes for Chile and Japan, undersigned by the concession companies.

2.5.4 Insurance in contracting activities

Liability insurance
Subsidiaries are exposed to their liability for bodily, physical or consequential damage caused to third parties, including customers or project owners.

The liability insurance taken out by the Group comprises the primary coverage put in place at subsidiary level, intended to cover usual incidents, and additional coverage taken out for the common benefit by VINCI.

In addition to this basic cover, specific insurance is taken out as a result of legal or contractual requirements or management decisions, particularly in areas such as:
• 10-year liability in France;
• motor vehicle liability insurance.

Property and casualty insurance
Contractor's All Risks (CAR) insurance is generally taken out for major construction sites. In particular, this covers physical damage arising from accidents or natural events up to the value of the project as a maximum.

Office buildings and fixed production facilities are covered for a contractual rebuilding value. Site plant and equipment are covered case by case and depending on the economic advantage of insuring them, based on value, type and age.

Vehicles, which are mostly pooled within fleets by subsidiary, are generally covered only by third-party insurance.

2.6 Actions undertaken to strengthen risk management and internal control

2.6.1 Tasks carried out in 2017

The annual self-assessment survey of internal control quality in the VINCI Group was carried out on 495 legal entities in 2017, representing 84% of the Group's consolidated business. Apart from the recurrent topics related to the internal control system and to financial and accounting information, the specific topic highlighted this year was control of operational risks. A fourth chapter was added to monitor the implementation of the anti-corruption procedures set out in Article 17 of the French Sapin 2 Act. The survey was conducted using specialised software that also enables entities to manage their action plans. It included a statement signed by the company officers and the chief financial officers of the participating entities indicating whether internal control was both sufficient and enforced. The report prepared by the holding company's Audit Department was presented to the Audit Committee in December 2017.

The business lines and divisions prepared reports summarising the specific actions carried out in 2016 and mentioning in particular audits (around 100) and reviews carried out (over 200). It is their responsibility to follow up on recommendations.

In addition, VINCI's Audit Department carried out audits at VINCI Airports, Eurovia, VINCI Energies and VINCI Construction.
These various controls did not reveal any problems that might have a significant impact on the business or financial statements of the Group.

Regarding the security of the Group's IT systems, as all activities increasingly depend on digital technology, VINCI has deployed an active, centralised, three-pronged strategy:
• increasing the protection of assets and data transmission;
• raising awareness among personnel;
• implementing backup and business recovery plans in the Group's various business lines and companies.
To implement this strategy, cyber security teams have been strengthened, and a Group chief information security officer has been appointed.

Concerning the fake email incident of 22 November 2016, the Group updated its financial communications procedure and distributed this procedure to all media agencies, acting in accordance with the recommendations of the Autorité des Marchés Financiers (AMF, the French securities regulator). The principal measures are as follows:
• press releases are always published outside the opening hours of the Paris stock exchange;
• only approved distribution outlets publish the Group's financial communications;
• all press releases are simultaneously published on the Group's corporate website.

2.6.2 Tasks to be carried out in 2018 and beyond

VINCI aims to continue improving on how risk management and internal control are organised within the Group, while maintaining streamlined central structures, both at the holding company level and at the level of the business lines, in accordance with the Group's decentralisation principles. The Group's internal audit department will in particular ensure that the Group's duty of vigilance measures are disseminated internationally, especially those pertaining to anti-corruption, environmental protection and human rights.

Concerning cyber security, VINCI regularly updates its procedures to take into account technological changes, new threats and new methods (e.g. connected objects). The cyber security master plan is monitored by the Executive Management with an eye towards measuring progress and adjusting allocated resources.

E. Workforce-related, environmental and social information

This report is compiled pursuant to Articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code, as well as French Order no. 2017-1180 and Decree no. 2017-1265. It is based on such international reporting guidelines and standards as the Global Reporting Initiative (see the cross-reference table on page 331) and ISO 26000. It has also been prepared in compliance with the decree on companies' disclosure requirements for social and environmental data, and presents the duty of vigilance measures implemented by VINCI.

It contains four sections:
- workforce-related responsibility (pages 180 to 191);
- environment (pages 192 to 202);
- social information (pages 203 to 215);
- duty of vigilance plan (pages 215 and 216).

VINCI's sustainable development policy and strategy are presented on pages 34 to 43 of this Annual Report. Additional, regularly updated information is available on the Group's website at www.vinci.com, in particular examples of the innovative approaches implemented by the Group's companies, arranged by category and type of challenge. VINCI requests one of its Statutory Auditors to issue an opinion on the completeness and sincerity of its workforce-related, environmental and social reporting. The report on this audit work and its conclusions, along with a note about the reporting methods used by VINCI, is presented on pages 216 to 218. In addition to complying strictly with legislation, VINCI has voluntarily committed to observing the 10 principles of the UN's Global Compact and to reporting annually on its progress in this area. VINCI has also made a commitment to Global Compact France (the French branch of the Global Compact Network) to promote these initiatives among businesses. Advance, a sustainable development self-assessment questionnaire, enables managers to review the Group's workforce-related, environmental and social categories, and take strategic decisions related to them. The method was developed by VINCI in accordance with the principles of the Global Compact, the fundamental conventions of the International Labour Organisation (ILO) and ISO 26000. VINCI's sustainable development policy also encompasses the Sustainable Development Goals that were adopted by the United Nations General Assembly in 2015, and which officially went into effect on 1 January 2017.

Global Compact implementation

Commitments/Principles	Initiatives in 2017
Human rights	
1. To support and respect the protection of internationally proclaimed human rights within the Group's sphere of influence.	– Ongoing work of the human rights working group, which brings together the human resources directors of companies that operate in potentially sensitive regions. – Publication and broad dissemination within the Group of VINCI's Guide on Human Rights to teach best practices in this area. Publication of the Guide on the Group's website. – Continuation of the dissemination of the Group's Subcontractor Relations Guidelines, which cover all the Group's business activities and countries where it operates.
2. To ensure that Group companies are not complicit in human rights abuses.	– Publication and broad dissemination within the Group of VINCI's Guide on Human Rights to teach best practices in this area. Publication of the Guide on the Group's website. – Ongoing integration of the "Labour standards and human rights" chapter in the Group's new framework contracts with its suppliers. – Development of the new version of Advance, a sustainable development self-assessment questionnaire that deals in particular with fundamental social rights; the questionnaire is intended for the management committees of Group companies.
Labour standards	
3. To uphold the freedom of association and the effective recognition of the right to collective bargaining.	– 1,153 collective agreements signed. – Organisation of measures to promote management-labour relations in countries where VINCI operates that have not ratified the International Labour Organisation's conventions on trade union rights.
4. To uphold the elimination of all forms of forced and compulsory labour.	– Risks explained in VINCI's Guide on Human Rights, including definitions and case studies. – Inclusion of specific clauses to prohibit forced and compulsory labour in framework contracts with suppliers.
5. To uphold the effective abolition of child labour.	– Risks explained in VINCI's Guide on Human Rights, including definitions and case studies. – Inclusion of specific clauses to prohibit child labour in framework contracts with suppliers.
6. To uphold the elimination of job and occupational discrimination.	– Diversity programme rolled out via the Group's worldwide network of 208 diversity coordinators. – Diversity courses included in the training of the Group's operational managers. – Guidebook produced by VINCI distributed to all diversity coordinators to prepare them to lead local meetings to heighten awareness of stereotypes, fight against discrimination and promote equal opportunities for all.
Environmental protection	
7. To support a precautionary approach to environmental challenges.	– Measures to systematically take environmental criteria into consideration at the earliest stages of projects and when assessing business activity risk, product risk (REACH) and pollution prevention. – Nearly 54,000 hours of environmental training across the Group. – Voluntary participation in the rating of the transparency and performance of corporate water strategy by CDP Water Disclosure, resulting in a management score of B-, above average for sector companies. – Continued high ranking in the CDP Climate Change Program with score of B. – Systematic application of life cycle analysis during tender and design phases: multi-criteria analysis of each phase of the project life cycle.
8. To undertake initiatives to promote greater environmental responsibility.	– Ongoing work to conserve biodiversity in partnership with environmental non-profit organisations: introduction of environmental labels at worksites, training courses, best practice handbooks.
9. To encourage the development and dissemination of environmentally friendly technologies.	– Integration of renewable energy and of systems with improved energy efficiency within the Group's activities and increase in energy performance guarantees in its products and services. – Development of biodiversity conservation initiatives: ecological engineering services, protection of urban biodiversity, soil remediation using phytoremediation techniques. – Support given to the research and teaching efforts of the VINCI-ParisTech Chair in Eco-design of Buildings and Infrastructure: 15 research projects involving VINCI correspondents and three conferences per year.
Anti-corruption	
10. To work towards combating all forms of corruption, including extortion and bribery.	– Further reinforcement of internal controls through the creation of an Ethics and Vigilance Department. – Ongoing distribution of and adherence to the Code of Ethics and Conduct among all VINCI employees. – Point 6 of the Subcontractor Relations Guidelines sets out the need to comply with VINCI's values as expressed in its Manifesto and Code of Ethics and Conduct. – Inclusion of social responsibility criteria including anti-corruption in the supplier and subcontractor selection process, as well as in framework contracts with VINCI subsidiaries. – Implementation of Advance, a sustainable development self-assessment questionnaire that deals in particular with fundamental social rights; the questionnaire is intended for the management committees of Group companies.

VINCI has submitted its workforce-related, environmental and social information for review by its Statutory Auditors since 2002. In 2017 the Group designated one of its Statutory Auditors as an independent third party to attest to the inclusion and fair presentation of the CSR information published in this report, in compliance with Decree no. 2012-557 of 24 April 2012 on companies' disclosure requirements for social and environmental data. As well as checking the consolidation of information from the different business lines, the independent third party carries out interviews and surveys on the application of the guidelines at subsidiaries. In 2017, the following subsidiaries were interviewed: VINCI Autoroutes (ASF, Cofiroute and Escota), VINCI Construction France, VINCI Energies France, VINCI Energies Europe, VINCI Energies International & Systems, Eurovia, Sogea-Satom, VINCI Construction Grands Projets, VINCI Construction UK, Soletanche Freyssinet. International companies are closely monitored, particularly in Cameroon, Colombia, the Czech Republic, Germany and the United Kingdom. Environmental data is presented in compliance with Decree no. 2012-557 of 24 April 2012, in application of Article 225 of France's Grenelle II Environment Act of 12 July 2010, and additional provisions set forth in Decree no. 2016-1138 of 19 August 2016 on changes resulting mainly from the law on the energy transition for green growth (Article 173) and the law on combating food waste. It also meets the requirements of Order no. 2017-1180 of 19 July 2017 and Decree no. 2017-1265 of 9 August 2017, which transposed the European directive on disclosure of non-financial information by certain large undertakings and groups into French law.

Having been one of the first French companies to support voluntary reviews of its data, VINCI is continuing its efforts. The Group considers transparency with respect to stakeholders to be an element of its performance. The data presented in this report is consolidated using the same method as VINCI's financial data. Some entities, such as QDVC (Qatari Diar VINCI Construction Grands Projets), are still consolidated proportionally.

1. Workforce-related information

1.1 General human resources policy

This section follows precisely Article 225 of France's Grenelle II Environment Act. It is also based on the guidelines of the Global Reporting Initiative (GRI) – see the cross-reference table on page 331.

VINCI's economic development policy is based on a complementary set of short- and long-term business activities performed through a decentralised organisation. The Group's employees are vital to the success of its business model. Its operating methods therefore prioritise people over systems and are based on the view that sustained business success requires an ambitious approach to human resources. To support its growth, in particular outside France, since 2010 the Group has applied employee development plans adapted to its forward-looking management of jobs and skills. The measures involve all phases of staff's occupational life, be it recruitment, the annual appraisal, training, the collegial workforce review, direct exchanges, and use of the new information and communications technologies. All are used to implement individual development plans covering such areas as job mobility and training and extending to the employee's departure from the company due to retirement, end of employment contract, and so on.

As a major player in very fragmented and extremely competitive sectors, VINCI works hard to stand out by producing compelling results.

1.2 Employment

1.2.1 Workforce

At the end of 2017, VINCI had 194,428 employees in more than 100 countries, higher than the number at year-end 2016 (183,487 employees). This increase reflects both a recovery in business activity for some companies in the Contracting business, especially in Europe, and the inclusion of new companies within the Group. Staff employed by European entities as a percentage of the total workforce came to almost 78% in 2017. Staff employed outside Europe increased, from 21% of the total workforce in 2016 to 22% in 2017, in particular due to business growth mainly in Oceania and the Americas.

VINCI's companies have held up well against strong market fluctuations by implementing a number of human resources management methods, including more coordination between regional activities and solidarity measures, as well as efforts to facilitate job transfers between regions and sectors in order to keep pace with changing activities.

Workforce at 31 December 2017 by geographical area and by business line, with change

	2017									2016	2017/2016
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
France	**6,309**	**1,099**	**523**	**33,848**	**22,447**	**31,451**	**944**	**96,621**	**49.7%**	**95,473**	**+1.2%**
United Kingdom	-	-	32	942	2,686	5,283	-	**8,943**	4.6%	8,606	+3.9%
Germany	-	-	34	10,845	3,484	356	9	**14,728**	7.6%	13,643	+8.0%
Benelux	-	3	-	4,840	541	207	6	**5,597**	2.9%	4,865	+15.0%
Central and Eastern Europe	-	-	44	3,017	4,858	3,805	-	**11,724**	6.0%	11,512	+1.8%
Rest of Europe	-	3,283	75	8,593	388	1,536	-	**13,875**	7.1%	10,612	+30.7%
Europe excl. France	**-**	**3,286**	**185**	**28,237**	**11,957**	**11,187**	**15**	**54,867**	**28.2%**	**49,238**	**+11.4%**
Americas	**-**	**699**	**721**	**1,779**	**5,122**	**8,175**	**-**	**16,496**	**8.5%**	**14,142**	**+16.6%**
Africa	**-**	**-**	**-**	**2,021**	**-**	**11,633**	**-**	**13,654**	**7.0%**	**12,726**	**+7.3%**
Rest of the world	**-**	**1,621**	**-**	**3,497**	**-**	**7,672**	**-**	**12,790**	**6.6%**	**11,908**	**+7.4%**
Total	**6,309**	**6,705**	**1,429**	**69,382**	**39,526**	**70,118**	**959**	**194,428**	**100.0%**	**183,487**	**+6.0%**

Since 2012, the percentage of managers has grown from 17% to 19%. At 31 December 2017, VINCI's workforce consisted of 37,769 managers and 156,659 non-managers. Over the same period, the percentage of female staff rose from 13.4% to 14.8% of total staff, representing a 10.4% increase. Women account for 13.7% of non-managers and 19.3% of managers.

Workforce at 31 December 2017 by category, gender and business line, with change

	2017									2016	2017/2016
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Managers	**963**	**919**	**453**	**13,639**	**4,879**	**16,300**	**616**	**37,769**	**19.4%**	**35,774**	**+5.6%**
Men	615	576	306	11,437	4,154	13,031	373	**30,492**	80.7%	29,153	+4.6%
Women	348	343	147	2,202	725	3,269	243	**7,277**	19.3%	6,621	+9.9%
Non-managers	**5,346**	**5,786**	**976**	**55,743**	**34,647**	**53,818**	**343**	**156,659**	**80.6%**	**147,713**	**+6.1%**
Men	3,082	4,206	609	48,769	30,994	47,375	115	**135,150**	86.3%	127,404	+6.1%
Women	2,264	1,580	367	6,974	3,653	6,443	228	**21,509**	13.7%	20,309	+5.9%
Total	**6,309**	**6,705**	**1,429**	**69,382**	**39,526**	**70,118**	**959**	**194,428**	**100.0%**	**183,487**	**+6.0%**
Men	3,697	4,782	915	60,206	35,148	60,406	488	**165,642**	85.2%	156,557	+5.8%
Women	2,612	1,923	514	9,176	4,378	9,712	471	**28,786**	14.8%	26,930	+6.9%

The age structure at VINCI shows an even breakdown between the various age brackets. In five years, the share of the workforce aged under 25 has remained at around 9%, while the over-50 age bracket has remained stable at about 25%.

Workforce at 31 December 2017 by age and business line, with change

	2017									2016	2017/2016
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Under 25	94	384	197	6,619	3,215	6,997	99	**17,605**	9%	15,715	+12%
26-35	367	1,932	534	17,426	8,854	21,132	302	**50,547**	26%	47,146	+7%
36-50	2,934	3,281	546	26,788	15,586	27,356	351	**76,842**	40%	73,937	+4%
Over 50	2,914	1,108	152	18,549	11,871	14,633	207	**49,434**	25%	46,689	+6%
Total	**6,309**	**6,705**	**1,429**	**69,382**	**39,526**	**70,118**	**959**	**194,428**	**100%**	**183,487**	**+6%**

1.2.2 Recruitment and departures

The rise in staff levels between 2016 and 2017 is the result of a turnaround in activity in the Contracting business in some European countries, and of the Group's international expansion, in particular in Europe, Oceania and the Americas. Staff numbers returned to their 2012 levels, increasing from 183,487 employees in 2016 to 194,428 in 2017. Employee turnover of approximately 25% in 2017, which is in line with that of the sector, reflects the expiry of worksite contracts, in particular outside France. This reflects a Group recruitment policy adapted to new worksites.

1.2.2.1 Recruitment

Worldwide, the proportion of permanent jobs (permanent job contracts, unlimited-term contracts, site contracts) decreased from nearly 55% in 2016 to 49% in 2017. VINCI again pursued its recruitment policy in 2017. In particular, 3,636 young people were hired for their first work experience, accounting for more than 15% of all new hires in permanent jobs. VINCI hired 50,057 people worldwide in 2017, including 24,703 in permanent jobs (9,438 in France).

1.2.2.2 Types of employment contract

Of the Group's 194,428 staff worldwide at end-2017, 168,378 were employed under permanent job contracts and 26,050 under non-permanent contracts (primarily fixed-term contracts in France). The Group's business lines make use of temporary staff to adjust labour needs to the pace of their business activities. In 2017, 13,297 temporary staff (full-time equivalent) worked for VINCI in France, up 16% from 2016. VINCI promotes the inclusion of young people on work-study programmes to help them acquire both on-the-job experience and classroom training. It signed the "Charter in favour of training through work-study programmes" with France's Ministry for Apprenticeship and Professional Training in 2011. On average over the year, 4,478 young people received training under work-study programmes within the Group in 2017 (4,200 in 2016).

Workforce at 31 December 2017 by type of employment contract and business line, with change

	2017									2016	2017/2016
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Permanent job contracts(*)	6,164	5,888	1,094	63,332	36,157	53,807	854	**167,296**	86%	162,098	+3%
Site contracts(**)	-	1	-	156	76	849	-	**1,082**	0%	949	+14%
Non-permanent job contracts(***)	51	798	316	3,166	2,276	14,296	33	**20,936**	11%	16,097	+30%
Work-study programmes	94	18	19	2,728	1,017	1,166	72	**5,114**	3%	4,343	+18%
Total	**6,309**	**6,705**	**1,429**	**69,382**	**39,526**	**70,118**	**959**	**194,428**	**100%**	**183,487**	**+6%**
Temporary staff (full-time equivalent)	12	340	14	7,920	3,349	12,111	23	23,769	12%	22,185	+7%

(*) Unlimited-term contracts for France.
(**) Contract type specific to France.
(***) Fixed-term contracts for France.

VINCI promotes local employment and career progression within the Group. Intra-group staff transfers totalled 2,348 in 2017. Group companies offer international volunteering programmes that give graduates the opportunity to work abroad. In 2017, 214 people were welcomed under these programmes, a slight decrease on the number in 2016 (235). The Group had 1,705 expatriate employees at end-2017.

Worldwide intra-group transfers

	2017								
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	Percentage of staff
Transfers within a business line	10	14	6	1,042	328	806	3	2,209	94%
Transfers to another business line	6	2	9	26	19	67	10	139	6%
Total	**16**	**16**	**15**	**1,068**	**347**	**873**	**13**	**2,348**	**100%**

1.2.2.3 Reasons for departure

Contracting business operations take place at temporary worksites over a relatively short period. They typically employ a large number of people whose contracts expire once the project is completed or who seek employment with another local company to avoid having to move. In the Concessions business, particularly in the Motorways business line, the seasonal variations in activity also explain the number of departures, which are included under the line item "expired contracts".

Departures by business line, with change(*)

	2017									2016	2017/2016
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Expired contracts(**)	1,218	988	158	3,242	2,577	10,457	74	**18,714**	44%	18,891	-1%
Resignations	35	126	63	3,476	2,055	5,656	32	**11,443**	27%	10,519	+9%
Redundancies	-	-	-	397	127	1,232	-	**1,756**	4%	2,405	-27%
Dismissals	44	69	18	1,593	1,000	1,862	12	**4,598**	11%	5,110	-10%
Other reasons(***)	82	109	37	2,033	1,771	1,777	33	**5,842**	14%	5,198	+12%
Total	**1,379**	**1,292**	**276**	**10,741**	**7,530**	**20,984**	**151**	**42,353**	**100%**	**42,123**	**+1%**

(*) Excluding changes in consolidation scope.
(**) Expiry of fixed-term, site or work-study contract, or retirement.
(***) Includes termination during trial period and mutually agreed contract termination for France and others.

1.2.2.4 Workforce reduction and employment protection plans, redeployment efforts, rehiring and support measures

Since 2014, some Group companies have restructured or even discontinued operations due to difficult local economic conditions. However, these types of plan were considerably less frequent in 2017 due to the recovery in the Contracting business.

When the economic environment is challenging, and as VINCI's business activities cannot be relocated, senior management and human resources managers work together to ensure economic and social solidarity through job mobility and redeployment plans, which are facilitated by the Group's extensive presence. VINCI Insertion Emploi (ViE), the Group entity specialising in employment, leveraged its expertise in 2017 to support businesses that needed to reduce their workforce and help their employees develop a long-term career path.

Also, when VINCI makes an acquisition, it strives to retain staff whenever possible, since they are the guardians of valuable skills and expertise, while benefiting from Group synergies to share resources and operate in networks. Some Group companies occasionally implement redundancy plans or redeploy employees. On the major sites, Group companies manage large-scale redundancy and staff redeployment moves. VINCI's Human Resources Department and local HR managers conduct monthly reviews of sites that are experiencing business or employment difficulties in and outside France, and define suitable employment policies with them.

1.3 Organisation of working hours

1.3.1 Hours worked and overtime

Working hours in all VINCI Group companies are subject to each country's legal requirements and collective agreements. In 2017, employees worked more than 334 million hours. The percentage of overtime hours has been stable for more than a decade, at between 4% and 6% of hours worked, compared with 4.7% in 2017, for a total of more than 15 million hours in 2017.

Organisation of working hours, with change

	2017			2016	2017/2016
	Managers	Non-managers	Total	Total	Change
Total hours worked	62,388,713	272,156,796	**334,545,509**	321,482,502	+4%
Of which overtime	*407,006*	*15,336,155*	*15,743,161*	*18,323,346*	*-14%*
Number of part-time employees	944	5,137	**6,081**	5,763	+6%

1.3.2 Absenteeism

Employees were absent from work 3.4 million days out of 44 million calendar days in 2017. Absenteeism represented 8% of working days. The percentage of non-occupational illnesses in absenteeism has been stable at about 60% for more than a decade (59% in 2017). The percentage of workplace accidents stood at 4.6% of total days of absenteeism.

Days of absenteeism by cause and by business line, with change

	2017									2016	2017/2016
(in number of calendar days)	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Non-occupational illness	103,108	46,468	7,273	796,915	508,864	546,024	6,663	**2,015,315**	59.0%	2,030,828	-1%
Workplace accident	6,407	6,901	492	39,966	35,965	66,580	199	**156,510**	4.6%	150,068	+4%
Commuting accident	658	2,108	43	10,165	8,054	8,887	164	**30,079**	0.9%	31,900	-6%
Recognised occupational illness	747	328	-	13,049	23,180	25,113	-	**62,417**	1.8%	60,338	+3%
Maternity/paternity leave	6,338	16,723	4,201	110,876	56,907	90,918	2,883	**288,846**	8.5%	295,956	-2%
Short-term work	-	-	-	10,708	19,719	49,810	-	**80,237**	2.4%	119,746	-33%
Other cause	12,047	18,514	3,554	173,398	250,059	318,739	1,181	**777,492**	22.8%	777,229	0%
Total	**129,305**	**91,042**	**15,563**	**1,155,077**	**902,748**	**1,106,071**	**11,090**	**3,410,896**	**100%**	**3,466,065**	**-2%**

1.4 Remuneration, employer social contributions and employee savings plans

1.4.1 General remuneration policy

The remuneration policy is based on common principles of allowing staff to take part in their company's success through profit-sharing and incentive plans that reward individual performance. It is in keeping with the Group's decentralised management structure. These principles are implemented through different means in the countries where VINCI operates, in accordance with national contexts, laws and regulations. Employee remuneration takes different forms: wages, bonuses, profit-sharing, incentive plans, employee share ownership, insurance and retirement plans, and other company benefits. VINCI encourages the improvement of all these efforts. All employees, regardless of position, are rewarded in accordance with their responsibilities and performance.

At the end of 2017, 96.8% of employees in France benefited from incentive plans and/or profit-sharing agreements. VINCI distributed higher amounts in France under profit-sharing and incentive plans than the previous year (€151.6 million, up from €141.8 million shared from the Group's growth in 2016).

Employee benefits, with change

(in € millions)	2017	2016	2017/2016 change	Of which France 2017	Of which France 2016	2017/2016 change
Incentive plans	**79.9**	73.0	+9.5%	68.3	63.5	+7.6%
Profit-sharing	**95.9**	86.3	+11.1%	83.3	78.3	+6.4%
Welfare protection	**40.6**	38.6	+5.2%	33.9	32.9	+3.0%
Employer contribution	**130.7**	111.0	+17.7%	113.6	102.4	+10.9%
Total	**347.1**	**308.9**	**+12.4%**	299.1	**277.1**	**+7.9%**

1.4.2 Remuneration and employer social contributions

Payroll expenses totalled €9,215 million in 2017 (€8,710 million in 2016). Payroll-to-revenue increased slightly, at about 23% (22.9% in 2016).

All the Group's main human resources directors meet on a monthly basis to share best practices and set forth guidelines relating to remuneration and employer social contributions, which vary in accordance with the labour laws of each country and as a function of the manager and non-manager categories. VINCI presents these consolidated figures for the world and France.

The analysis performed each year of gaps in remuneration shows that men have historically held the operating positions, which partially explains the lag in remuneration between men and women, although women are making headway in these jobs (see section 1.8.2). Each entity carries out the analysis of remaining pay gaps and ensures equal remuneration for the same job and job potential.

Remuneration and employer social contributions worldwide

	Total		Managers		Non-managers	
(in € thousands)	2017	2016	2017	2016	2017	2016
Average VINCI salary	**36**	35	**64**	62	**29**	29
Men	**36**	36	**67**	65	**29**	29
Women	**33**	32	**50**	48	**27**	26
Employer social contributions	**34%**	35%	**38%**	38%	**32%**	33%

In the case of France, the presentation shows more precise segmentation: managers; office, technical and supervisory staff; and manual workers. Figures designate gross annual averages in thousands of euros.

Remuneration and employer social contributions in France

	Total		Managers		Office, technical and supervisory staff		Manual workers	
(in € thousands)	2017	2016	2017	2016	2017	2016	2017	2016
Average VINCI salary	**41**	39	**67**	64	**34**	33	**29**	28
Men	**41**	39	**71**	67	**35**	35	**29**	28
Women	**38**	37	**53**	51	**30**	30	**26**	26
Employer social contributions	**46%**	46%	**48%**	48%	**47%**	47%	**43%**	43%

1.4.3 Employee savings plans

1.4.3.1 Employee share ownership

VINCI continued its employee savings efforts, carrying out three share issues during the year, as provided for under the terms of its Group savings plan in France. The regularity of share issues ensures the strength and continuity of this plan, which has been available to employees since 1995.

Employee investment in the Castor fund, which invests exclusively in VINCI shares, is encouraged through a 5% discount on a pre-determined share price and an employer contribution aimed at encouraging savings by the lowest-paid employees. Employer contributions were maintained in 2017 as follows:

- 100% up to €1,000;
- 50% from €1,001 to €4,000.

The employer's maximum annual contribution per employee thus amounts to €2,500. The total employer's contribution for the Castor Fund was over €109 million for France in 2017.

To support its international business development and strengthen staff's sense of belonging to the Group, VINCI decided to extend its employee savings arrangements by giving employees in countries other than France the chance to acquire (directly or indirectly) VINCI shares at preferential prices and thereby give them a greater interest in the Group's financial performance and growth. In 2017, a new plan was initiated in 30 countries [*] to benefit employees that have been working at least six months at subsidiaries in which VINCI owns more than a 50% stake. The plan covered about 460 subsidiaries. Subject to holding their shares for three years (five years in the UK), employees may receive an employer contribution from VINCI in the form of a bonus share award, deferred to avoid initial taxation (with exceptions) and dependent on employees remaining with the Group for the required time period.

To develop these plans outside France, VINCI decided to carry out a similar plan in 2018 in 31 countries with the addition of another country, Peru, bringing the number of employees covered to about 70,000 in 470 subsidiaries. This increases the plan's coverage to more than 70% of Group employees outside France who are eligible to become VINCI shareholders.

In seven years, staff covered by the employee savings plan has climbed from about 59% to almost 90% of Group employees worldwide.

(*) Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, Czech Republic, Dominican Republic, Germany, Hong Kong, Indonesia, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, UAE, UK and USA.

Coverage of employee savings plans

	2013	2014	2015	2016	2017
Number of countries covered (including France)	20	24	28	30	**31**
Percentage of employees covered	86%	88%	87%	88%	**88%**

At end-2017, about 122,000 current and former Group employees held more than 8.8% of Group shares via the various investment funds invested in VINCI shares. Collectively, its employees are VINCI's largest shareholder, reflecting their confidence in their Group's future. At the same date, the average employee portfolio totalled more than €32,000.

Created in 2011, VINCI's Employee Shareholders' Circle had about 13,750 members at 31 December 2017, up slightly from the preceding year. The Circle offers a toll-free phone number and a secured and personalised space on VINCI's internet and intranet websites. Employee shareholders may use these facilities to register as Circle members or participate in events such as discovery trips of Lyon, Marseille or Paris, as well as visits to worksites or VINCI projects. The e-letter "En Direct" keeps readers informed of Group events and news.

1.4.3.2 Retirement plans

The Group's collective retirement savings plan, Perco Archimède, came into force in December 2010 in France following the collective agreement with French trade unions CFDT, CFE-CGC and CFTC on 25 June 2010. It rounds out the Group savings plan, and is gradually gaining in popularity. This plan was established to allow employees to offset reduced income from mandatory pension plans and to save for retirement under more attractive terms than they could obtain individually. It allows them to:

- receive a lump-sum payment or annuity upon retirement;
- manage their investment themselves or opt for guided management;
- select from a wide range of investment vehicles in accordance with their particular savings or investment profile.

To help its employees more in forming a supplementary retirement plan, in 2016 VINCI decided to double the percentage and amount of the matching contributions it makes: voluntary contributions are now matched 100% with an annual ceiling of €400 for contributions of €400. At end-September 2017, almost 40% of employees in France had subscribed to the Perco Archimède plan, more than 60% of whom were under the age of 50. The average portfolio value was nearly €1,976, an increase of 16% from 2016. The percentage of investments under guided management continued to rise steadily to reach 51%, while 49% were managed by employees themselves.

Employer contributions to the Group's collective retirement savings plan totalled €4.3 million in 2017 for France, up 10% from the €3.9 million contributed in 2016.

In 2013, VINCI established a fixed-contribution supplementary pension plan in France to help executives and other management-level personnel form a supplementary pension plan and take into account the mandatory pension plans affecting this personnel category in particular. Called Reverso, this plan complements Perco Archimède, which is available to all personnel in France, and combines the technical, financial, social and tax advantages of a company pension plan with those of an individual plan. The plan is vested exclusively by annuity.
Reverso is funded by equal contributions from employee and employer (based on the contribution rate rising proportionately to remuneration), and the basic contributions are deductible from the employee's taxable income, as are any additional contributions the employee chooses to make. The plan was set up under an insurance contract between VINCI SA and the insurer ACM-Vie in the summer of 2013 and has since been rolled out at subsidiaries. At end-2017, Reverso was available to all Group subsidiaries and eligible employees in France, covering 766 companies and representing a potential of 26,000 employees.

1.5 Labour relations and collective agreements

1.5.1 General policy regarding dialogue between management and labour

VINCI's policy regarding dialogue between management and labour reflects its fundamental principles: recognising the role played by trade unions in the Group and the right of employees to belong to a union; achieving a constant balance between union involvement and close links with professional activities; facilitating communication and meetings between trade union representatives and employee representative bodies; ensuring that employee and trade union representatives are properly informed and trained by involving them in the Group's major initiatives (e.g. in the areas of health, safety, sustainable development, gender equality, and employing people with disabilities); and working to foster communication and collective bargaining worldwide. In this regard, dialogue between management and labour is confirmed as a key component to the success of the Group Manifesto and its commitments.

VINCI's decentralised organisational structure facilitates dialogue between management and labour at all Group levels. In 2017, 8,666 employees around the world served as employee representatives (including 7,368 in France). An overall budget of €220,000 is distributed to the trade unions represented on the Group Works Council, mainly in proportion to their membership, with the aim of assisting them and giving them the means of exercising their mandates.

In countries that have not ratified the International Labour Organisation's conventions on trade union rights, VINCI companies are working to give employees the means of expressing themselves.

1.5.2 Employee representative bodies

Employee representative bodies strengthen dialogue between management and labour by working with the various local organisations that oversee occupational hygiene, health, safety and working conditions.

A number of organisations covering specific cases or national situations have been set up to complement individual companies' employee representative bodies. France, for example, has a Group Works Council comprising representatives from about 50 entities that meets at least twice a year. It receives information about the Group's business and financial situation, employment trends and forecasts, and health and safety actions at Group and company levels. It is kept informed of the economic and business outlook for the coming year and has access to the Group's consolidated financial statements and the associated Statutory Auditors' reports. It is also informed, prior to any decision, of any significant projects that may affect the Group's consolidation scope or its legal or financial structure, and of their potential impact on employment. In certain business lines, bodies have also been established for each business activity to ensure the continuity of dialogue between management and labour.

The European Works Council takes up discussions within these various local or national organisations at the European level. The council's mandate, renewed in 2014 under an agreement unanimously approved by all unions, makes provisions for representatives from 11 countries in which VINCI operates: Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Portugal, Romania, Slovakia, Sweden and the UK. The role of the council, which meets once a year, is to ensure that the employee representatives of the Group's subsidiaries in the European Economic Area and Switzerland are properly informed and consulted. At end-2017, the council was composed of 47 representatives.

1.5.3 Trade union freedoms

Since 84% of the Group's business is in Europe, the European Works Council is the prime guarantor of freedom of association and the right to organise. An online platform was set up in 2016 for members of the European Works Council to make communication easier among them and improve the provision of information on the council's work for employees of VINCI's European subsidiaries. To fulfil its role, every year the European Works Council receives three days of training on legal, economic and social issues.
Elsewhere, VINCI companies observe the laws and regulations of the countries in which they do business. Operational managers are assisted by human resources managers, who propose the solutions the best adapted to local conditions and in compliance with VINCI's commitments to observe trade union freedoms.

1.5.4 Collective agreements

The collective agreements negotiated and signed by VINCI companies are a concrete example of the Group's decentralised approach to human resources management, which takes account of the realities on the ground and aims to improve working conditions, health and safety, and the organisation of working hours. In 2017, 1,153 collective agreements were signed, of which 20% outside France.

The agreement to promote labour-management relations covering all the French companies of the VINCI Group was signed with labour representatives at end-2015, confirming consultation with employee representatives as one of VINCI's core values. This agreement provides for reinforcing the information forwarded to employee representatives and for assistance for them throughout their terms of office and also following the expiry of their terms. A joint commission has been set up to offer an alternative to disputes about restrictions on exercising terms of office to represent staff. At the end of their term of office, representatives receive a contribution to their personal training account (CPF account), subject to certain conditions relating to length of term, to help them acquire the skills needed to facilitate their reintegration into the workforce.

Collective agreements by category, with change

	2017	Portion of total agreements	2016	2017/2016 change
Flexible work arrangements	**104**	9.0%	99	+5.1%
Equality and diversity	**55**	4.8%	52	+5.8%
Union rights	**64**	5.6%	58	+10.3%
Training	**13**	1.1%	5	+160.0%
Job and skill management systems	**51**	4.4%	50	+2.0%
Health and safety	**49**	4.2%	42	+16.7%
Welfare protection	**92**	8.0%	57	+61.4%
Remuneration and benefits	**594**	51.5%	607	-2.1%
Pensions	**19**	1.7%	4	+375.0%
Other	**112**	9.7%	31	+261.3%
Total	**1,153**	**100.0%**	**1,005**	**+14.7%**

More than 51% of the agreements related to salary. Among the other collective agreements, many involved flexible work arrangements, with 104 agreements signed in 2017. The number of agreements relating to union rights rose from 58 in 2016 to 64 in 2017.

1.5.5 Collective conflicts

Absenteeism due to strikes is very marginal at VINCI. In 2017, employee absences due to strikes totalled 4,252 days (of which 3,241 in France) out of a total of 44 million days worked in the year. Salary demands, mainly stemming from national actions, were the main cause of the strikes.

1.6 Health and safety

1.6.1 General health and safety policy

Achieving zero accidents remains VINCI's priority. The goal, reiterated in VINCI's Manifesto, applies not only to VINCI employees but also to temporary staff and anyone else on a VINCI site, including the employees of joint contractors and subcontractors and on sites under operation (motorway and airport customers, etc.). The Group encourages and supports its subcontractors and suppliers in this effort by sharing tools and resources with them and involving them in safety actions. Safety performance has improved significantly since this priority policy began to be implemented, in particular in recent years, with the reduction in frequency of lost-time workplace accidents to 6.60 (from 8.60 in 2012). VINCI's commitment to attain zero accidents was confirmed in a statement issued in 2017 with the Group's European Works Council. The statement provides a set of guidelines for the essential and fundamental steps to be taken, along with measures for progress and initiatives within Group companies to explore ways of improving health protection and the prevention of occupational risks. It upholds the shared belief that progress can only take place with the support of all employees and their representatives by promoting a culture of workplace safety.

In 2017, the Group continued its drive to instil a culture of safety awareness in all employees as well as its work on the reporting and analysis of near-miss incidents. The early detection of near-miss and at-risk situations helps keep down the number of accidents but, above all, contributes to the creation of a daily safety awareness culture. The Contracting business lines regularly organise safety events throughout the world. In 2017, these events included World Safety Week organised by VINCI Energies and VINCI Construction, and Eurovia's International Prevention Day. The inclusion of temporary staff and subcontractors in safety training and awareness activities is being systematically implemented within the Group. Moreover, safety data on temporary staff and subcontractors is increasingly included in the performance monitoring indicators.

1.6.2 Health and safety of VINCI employees

The main goal of the Group's health and safety policy is to anticipate and prevent occupational hazards, including psychosocial risks. It also consists in ensuring the quality of hygiene, health, safety and quality of life in the workplace, and ensuring the redeployment of employees who have suffered a workplace accident or illness. The health and safety coordination system ensures the implementation of VINCI's H&S policy. This worldwide system brings together the health and safety managers in all the business lines. It aims to foster the sharing of best practices, improve the reliability of H&S indicators, and propose new ways of making progress in keeping with each business activity's specific situation. Accident prevention Pivot Clubs and internal collaborative platforms help disseminate and monitor safety events for the approximately 100-strong H&S coordinators.

Training, awareness and employee support campaigns are among the various measures taken to promote health and safety. With respect to occupational health actions, the Group's initiatives, campaigns and reports focus mainly on substance abuse, studies of workstation ergonomics and musculoskeletal disorders. A number of measures have been taken to upgrade equipment and tools and to implement flexible work arrangements. Several companies in France develop their policy on improving quality of life in the workplace in partnership with the French national agency for the improvement of working conditions (Anact). Training programmes for managers have been developed at most Group business lines to reinforce the culture of safety among management.

As a result of these various actions, the proportion of companies with no lost-time workplace accidents has risen from 63% to 72% in five years, which represents an increase of more than 14%.

Frequency and severity rates, percentage of VINCI companies with no lost-time workplace accidents, with change

	Group				Of which France		
	2017		2016	2017/2016 change	2017	2016	2017/2016 change
Lost-time workplace accident frequency rate(*)	**6.60**	☑	6.84	-3.5%	**9.33**	8.67	+7.6%
Lost-time severity rate(**)	**0.47**	☑	0.47	0.0%	**0.85**	0.78	+9.0%
Percentage of companies with no lost-time workplace accidents	**72%**		70%	+3%	**65%**	64%	+2%

(*) Lost-time workplace accident frequency rate = (number of lost-time workplace accidents x 1,000,000)/number of hours worked.
(**) Lost-time severity rate = (number of days lost due to workplace accidents x 1,000)/number of hours worked.
☑ Data checked to a level of reasonable assurance.

In five years, the frequency of lost-time accidents declined from 8.60 in 2012 to 6.60 in 2017.

Frequency and severity rates of lost-time workplace accidents by business line

	Frequency rate			Severity rate		
	2017		2016	2017		2016
Concessions	**13.42**		**16.14**	**0.58**		**0.82**
VINCI Autoroutes	6.71		5.30	0.74		0.69
VINCI Airports	18.93		26.37	0.55		0.97
Other concessions	9.28		4.24	0.19		0.41
Contracting	**6.09**		**6.21**	**0.46**		**0.44**
VINCI Energies	5.23		5.41	0.36		0.34
Eurovia	7.15		6.90	0.56		0.58
VINCI Construction	6.30		6.54	0.49		0.46
Group	**6.60**	☑	**6.84**	**0.47**	☑	**0.47**

☑ *Data checked to a level of reasonable assurance*

In 2017, occupational illnesses recognised in the Group were responsible for 62,417 days lost out of a total of 44 million days worked.

Number of days lost through recognised occupational illnesses and the severity and frequency rates, with change

	Group			Of which France		
	2017	2016	2017/2016 change	2017	2016	2017/2016 change
Days lost through recognised occupational illness	**62,417**	60,338	+3.4%	**62,020**	59,775	+3.8%
Recognised occupational illness frequency rate(*)	**0.99**	1.13	-12.4%	**2.21**	2.28	-3.1%
Recognised occupational illness severity rate(**)	**0.19**	0.19	0.0%	**0.43**	0.41	+4.9%

(*) Occupational illness frequency rate = (number of recognised occupational illnesses x 1,000,000)/hours worked.
(**) Occupational illness severity rate = (number of days lost through occupational illness x 1,000)/hours worked.

1.6.3 Health and safety of temporary staff

Under the terms of the Group's framework agreement in France with its partners, temporary employment agencies participate fully in the Group's health and safety policy aims, notably its zero accident goal.
A new list of approved temporary employment agencies came into effect on 1 January 2016. They are selected from the Group's framework agreement based on stricter occupational health and safety criteria.

The difference between the workplace accident frequency rates of VINCI employees and temporary staff reflects differences in the jobs performed, in safety awareness, and in technical know-how and experience. Reports on workplace accidents involving temporary staff enable VINCI companies to take concrete action to prevent them from recurring. The accident frequency rate was 14.40 worldwide in 2017. It should also be noted that, after a period of economic crisis, the use of temporary staff increased; worldwide, the numbers rose from 22,185 in 2016 to 23,769 in 2017 (full-time equivalent).

Lost-time workplace accident frequency of temporary staff worldwide and by business line, with change(*)

	2017	2016	2017/2016 change
Concessions	6.22	5.11	+21.8%
Contracting	14.53	10.60	+37.1%
Total	**14.40**	**10.54**	**+36.6%**

(*) Temporary staff lost-time workplace accident frequency rate = (number of lost-time workplace accidents involving temporary staff x 1,000,000)/number of hours worked by temporary staff.

1.6.4 Subcontractor health and safety

Subcontracting accounted for €8.3 billion in 2017, around 21% of Group revenue. In VINCI's business activities, subcontracting is multifaceted and performed on diverse levels, and some VINCI companies also act as subcontractors. Under such complex circumstances, many VINCI companies have signed framework contracts with their subcontractors. The zero accident goal is the common denominator in these framework contracts, which include special clauses covering the wearing of personal protective equipment, and reporting of workplace accidents and ongoing information on any change in worksite hazards. VINCI's Subcontractor Relations Guidelines underscore the Group's determination to ensure that the employees of its partner companies work under the same safety conditions as those of its own staff. The guidelines are disseminated by the regional Pivot Clubs where the regional managers of the Group's businesses meet regularly and exchange ideas.

1.6.5 Health and safety agreements

As part of its health and safety policy, VINCI negotiates and enters into specific agreements with trade unions and employee representatives on subjects related to improving staff working conditions, thereby enhancing the overall performance of Group companies. In 2017, one of the main subjects of collective bargaining was working conditions and arrangements, especially relating to quality of life in the workplace.
In France, the public authorities decided to use labour-management discussions to develop the regulatory measures set up in 2015 relating to arduous work conditions. VINCI contributed to this dialogue and actively pursued it in its occupational fields in 2017, and will continue to do so in the years ahead.
A joint statement on occupational health and safety at VINCI was signed by Xavier Huillard and the secretary of the Group Works Council, Noureddine Boudjeniba, on 1 June 2017. The statement sets out four fundamental actions: accident risk analysis, wearing of protective equipment provided, implementation of procedures and processes to assess risks, and safety awareness.

1.7 Training

1.7.1 General training policy

The main goals of the general training policy are to share the fundamentals of the Group's business culture among all employees and to transmit know-how and expertise in order to meet clients' expectations and be their best partner, as well as to maintain a high level of operational performance. This policy also strives to promote the inclusion and career development of each employee via technical and management training as well as meetings devoted to personal and career development.

Skills development is driven by the need of each business activity to improve productivity and adapt to changing techniques and technologies. With the trend towards ever more complex and comprehensive engineering structures, new training needs arise as business lines work more closely together.

To achieve these goals, VINCI's business lines and divisions have set up internal training centres. At Group level, VINCI Academy organises cross-disciplinary management and project management training programmes, and other courses for senior managers of the Group and its operational subsidiaries. VINCI Academy continued to revamp its pedagogical approach in 2017. Rollout of the new online learning solution continued at Group entities throughout the year. The tool is designed to serve as a comprehensive knowledge base for disseminating the Group's approaches and expertise.
Two new headline projects were launched. The first covers risk prevention and safety in business travel for employees who travel abroad for work. The second project presents best practices in using the internet and social media.

In 2017, the training courses delivered by internal training centres as a proportion of all training courses was stable, at 24%. During the year, VINCI pursued its Group strategy by accelerating its worldwide rollout of a large number of programmes in project management, human resources management, safety, know-how and skills development for staff and subcontractors, as well as partners.

The increasing use of digital technology and new learning techniques made such acceleration possible. VINCI Airports focused on environmental concerns, offering a range of courses from which all employees can benefit. It includes an e-learning module for all on general awareness, an expert-level programme combining eight online and classroom modules, and a course for top management on implementing the ISO 14001 standard. This mixture of approaches helps ensure that best environmental practices are disseminated throughout the organisation.

Expansion outside Europe strengthened in 2017. At its Africa Pro campus in Morocco, Sogea-Satom massively deployed programmes during the year via training courses, which, in an initial phase, primarily address the works segment. These programmes reach out to all management staff working in Africa to enhance their integration and build a shared workplace culture along with the first internal professional network.

Activity of internal training centres: number of training hours, with change

Business line	Internal training centre	Number of training hours in 2017	2017/2016 change	Number of trainees in 2017	2017/2016 change
VINCI(*)	**VINCI Academy**	**6,069**	**+8.7%**	**466**	**+7.4%**
Concessions		**196,101**	**+24.7%**	**20,967**	**+16.5%**
VINCI Autoroutes	Parcours ASF, Parcours Cofiroute, Parcours Escota	157,335	+26.5%	19,415	+25.3%
VINCI Airports	VINCI Airports Academy	38,766		1,552	
Other concessions		-	0.0%	-	0.0%
Contracting		**642,207**	**+5.2%**	**42,414**	**+16.1%**
VINCI Energies	VINCI Energies Academy	157,484	+1.8%	9,659	+2.0%
Eurovia	Eurovia Academy	98,519	+8.1%	5,056	+50.3%
VINCI Construction(**)		386,204	+5.9%	27,699	+16.9%
Total		**844,377**	**+9.2%**	**63,847**	**+16.2%**

(*) VINCI Academy covers all VINCI Group business lines in France and abroad.
(**) Internal training centres: Cesame, Eugène Freyssinet Centre, Sogea-Satom Centre, VINCI Construction Grands Projets.

1.7.2 Training initiatives

In 2017, an average of 18 hours of training was provided per employee within the Group, with managers receiving 20 hours and non-managers 18. Sixty-nine percent of managers received training. More than €202 million was spent on training in 2017. Nearly 3.5 million hours of training (up 8% from 2016) mainly involved technical areas (40%), and health and safety (38%). In 2017, VINCI advanced its goal of fostering the professional development of all its employees by providing each of them with personalised training: 127,883 employees received training, representing 67% of staff.

Breakdown of training hours by subject, with change

	2017							2016	2017/2016
	Managers	Non-managers	Men	Women	Total	%	Of which France	Total	Change
Technical	209,581	1,169,968	1,216,726	162,823	**1,379,549**	39.7%	693,573	1,280,168	+7.8%
Health and safety	179,084	1,127,161	1,201,802	104,443	**1,306,245**	37.6%	770,052	1,216,122	+7.4%
Environment	11,242	42,682	45,051	8,873	**53,924**	1.6%	15,970	37,336	+44.4%
Management	134,163	99,451	194,018	39,596	**233,614**	6.7%	117,162	224,243	+4.2%
Admin and support	109,846	160,215	174,142	95,919	**270,061**	7.8%	156,982	255,459	+5.7%
Languages	59,349	70,738	85,160	44,926	**130,087**	3.8%	45,555	130,089	0.0%
Diversity training	3,844	11,406	12,079	3,172	**15,250**	0.4%	10,095	6,583	+131.7%
Other	28,495	55,160	63,750	19,905	**83,655**	2.4%	24,994	65,305	+28.1%
Total	**735,604**	**2,736,781**	**2,992,728**	**479,657**	**3,472,385**	**100.0%**	**1,834,383**	**3,215,305**	**+8.0%**
Hours of training per employee	20	18	18	17	**18**		19	18	0.0%

Environmental training

All VINCI companies make efforts to raise awareness of environmental issues, and a total of 53,924 hours of environmental training were delivered in 2017. Environmental training is increasingly incorporated into existing courses (works, studies, operations, etc.). Awareness is proactively promoted at worksites among employees, temporary staff and subcontractors with weekly "15-minute environment sessions". This initiative has been rolled out across all activities in the Contracting business in France, while more broadly, environmental training is being developed in other countries. For example, in 2017, VINCI plc in the United Kingdom set up 164 training sessions, totalling 984 training hours, ranging from modules on best environmental practices to sessions aimed at enhancing environmental awareness as part of the Site Environmental Awareness Training Scheme (SEATS). VINCI Construction Grands Projets now offers a two-day environmental training course for all interested staff around the Group.

Environmental training and awareness, with change

	Number of hours of training		Change
	2017	2016	2017/2016
Concessions	**8,584**	**8,426**	**+2%**
VINCI Autoroutes	6,668	7,534	-11%
VINCI Airports	1,368	807	+70%
Other concessions	548	85	+545%
Contracting	**45,340**	**28,910**	**+57%**
VINCI Energies	5,273	5,231	+1%
Eurovia	7,452	7,167	+4%
VINCI Construction	32,615	16,512	+98%
VINCI Immobilier and holding cos.	**-**	**-**	**0%**
Total	**53,924**	**37,336**	**+44%**

1.8 Equality and diversity

1.8.1 General policy for promoting diversity and preventing discrimination

In this area, VINCI is pursuing the diversity policy it initiated in 2004, which is based on preventing any type of discrimination in its hiring, training, promotion and remuneration of employees and in their working conditions. It also aims to ensure equality for everyone, with a special focus on gender equality, employing people with disabilities as well as those from an immigrant background, and age pyramid management.

A worldwide network of diversity coordinators and trainers designs and implements VINCI's diversity policy. There were 208 of them at end-2017, which was 35% higher than in 2016. The number of coordinators outside France was multiplied by five in 2017, rising to 22. The coordinators are trained and regularly pool know-how during diversity days or via their collaborative platforms. Together, they devise policies and initiatives that can be rolled out across the Group. Two coordinator meetings were held in 2017. At the first meeting, the coordinators worked on the justification of their involvement in the Group's diversity and inclusion initiatives and the visibility of their role in their different operational, functional and geographical spheres of influence. The second meeting took the form of a hackathon, and provided the opportunity to design and put forward action plans on 12 issues in the areas of work-life balance, self-censorship, verbal excesses and exemplary management. VINCI Academy continued to roll out its training course for Group managers on managing diversity in the pursuit of performance. In 2017, 45 managers completed this course, taking the total to 186 managers trained in France.

Use of the digital platform "VINCI fights discrimination – what about you?" increased in 2017. The platform, which measures how well companies fare when tested for discrimination, had nearly 980 logins, up 142% compared with 2016. This self-assessment tool is made up of 150 questions, grouped into nine modules: recruitment, hiring and integration, managing jobs and skills, training, remuneration, departures and sanctions, dialogue between management and labour, quality of life in the workplace, and diversity policy. The questions are divided into two categories: anti-discrimination basics and areas for improvement. An international version in English is being developed with the support of human resources teams outside France.

In France, the Group continues to pursue its policy of expanding the number of companies with the Diversity label awarded by Afnor Certification. At the end of 2017, 10 Group companies had earned the label, covering 8.5% of staff in France. For several Group companies, the label was successfully renewed in 2017 for another four years. Meanwhile, five other companies have entered into the accreditation process. Two Group companies in the United Kingdom have also been granted Diversity awards from the National Centre for Diversity.

In 2017, 260 VINCI Group employees in France took part in workshops on the theme of "religious expression in the workplace". Over 2016 and 2017, a total of 375 participants took part. The aim of the workshops is to promote in-depth understanding of the impact of employees' expressed or supposed religious beliefs on the smooth running of the company, staff cohesion, and health and safety requirements. The participants also had the opportunity to discuss situations when religious or other beliefs manifest in the company.

Diversity is an integral part of dialogue between management and labour. Fifty-five collective agreements (up 5.8%) were signed on equality and diversity in 2017. The Group's diversity policy and its main points were presented at a VINCI Group Works Council meeting.

1.8.2 Measures to promote gender equality

VINCI pursued its drive to significantly improve its gender mix and in particular to increase the percentage of women in managerial roles to 25% by end-2020. Women accounted for 19.3% of the total number of managers worldwide and 21.5% of managers in France at the end of 2017 (21% in 2016).

Since 2012, the number of the Group's women employees has grown from 25,903 to 28,786, representing an increase of almost 11%. During the same time frame, the number of Group employees has remained virtually unchanged, rising from 192,701 to 194,428, up 1%.

Women employees by business line, with change

	2017						2016	2017/2016
	Number of women managers	As a % of managers in the workforce	Number of women non-managers	As a % of non-managers in the workforce	Total women employees	As a % of the total workforce	Total	Change
Concessions	**838**	**36%**	**4,211**	**35%**	**5,049**	**35%**	**4,685**	**+8%**
VINCI Autoroutes	348	36%	2,264	42%	**2,612**	41%	2,692	-3%
VINCI Airports	343	37%	1,580	27%	**1,923**	29%	1,690	+14%
Other concessions	147	32%	367	38%	**514**	36%	303	+70%
Contracting	**6,196**	**18%**	**17,070**	**12%**	**23,266**	**13%**	**21,826**	**+7%**
VINCI Energies	2,202	16%	6,974	13%	**9,176**	13%	8,347	+10%
Eurovia	725	15%	3,653	11%	**4,378**	11%	4,141	+6%
VINCI Construction	3,269	20%	6,443	12%	**9,712**	14%	9,338	+4%
VINCI Immobilier and holding cos.	**243**	**39%**	**228**	**66%**	**471**	**49%**	**419**	**+12%**
Total	**7,277**	**19%**	**21,509**	**14%**	**28,786**	**15%**	**26,930**	**+7%**

1.8.3 Measures to promote the employment and social integration of people with disabilities

The accident prevention policy aims to ensure that everything possible is done to minimise workplace accidents and their consequences in terms of incapacity. Measures to promote the employment and social integration of people with disabilities have three main strands: the redeployment of incapacitated staff, the hiring of people with disabilities, and the use of social enterprises ("EA") and sheltered workshops ("ESAT") that specifically employ people with disabilities.

Trajeo'h was established to help incapacitated staff remain in employment, hire people with disabilities and generally support Group companies in the area of disability. The non-profit organisation's activity developed significantly in 2017. The 12 Trajeo'h establishments took on all 465 of the requests received from VINCI employees over the year, up 7% from 2016. Added to the dossiers already in hand, Trajeo'h supported a total of 744 employees in 2017, up 27% on 2016.

In 2017, 3,901 people with disabilities were working within the Group worldwide, representing 2% of employees. Faceo Entreprise Adaptée, a social enterprise working in the field of facilities management, had a total of 61 employees with disabilities, accounting for more than 89% of total staff at end-2017.

In 2017, €5.9 million of revenue was awarded to companies with workforces primarily comprised of employees with disabilities, remaining stable from the previous year. A guidebook continued to be distributed to purchasing officers and managers, explaining the workings of organisations employing mainly people with disabilities and the types of service they perform. The entire kit includes the guidebook, a contract template, a film and visual awareness props. The geo-tracking system developed by VINCI Energies France to find organisations (EA and ESAT) with workforces primarily made up of employees with disabilities was adapted for use by all the Group's business lines.
In some countries, legislation requires companies to employ a certain percentage of staff with disabilities (certain sectors are excluded from this requirement). Companies that do not meet the requirement must pay a compensatory levy. Following a sharp decrease in 2016 for VINCI, this levy increased to €4.7 million in 2017, maintaining its average for the past several years, i.e. about €4.6 million.

Proportion of employees with disabilities by business line, with change

	2017						2016		2017/2016
	Managers	As a % of managers in the workforce	Non-managers	As a % of non-managers in the workforce	Total	As a % of the total workforce	Total	As a % of the total workforce	Change
Concessions	**42**	**1.8%**	**474**	**3.9%**	**516**	**3.6%**	**443**	**3.3%**	**+16.5%**
VINCI Autoroutes	33	3.4%	439	8.2%	**472**	7.5%	421	6.4%	+12.1%
VINCI Airports	7	0.8%	27	0.5%	**34**	0.5%	14	0.2%	+142.9%
Other concessions	2	0.4%	8	0.8%	**10**	0.7%	8	1.0%	+25.0%
Contracting	**393**	**1.1%**	**2,977**	**2.1%**	**3,370**	**1.3%**	**3,382**	**2.0%**	**-0.4%**
VINCI Energies	192	1.4%	1,402	2.5%	**1,594**	2.3%	1,600	2.5%	-0.4%
Eurovia	27	0.6%	688	2.0%	**715**	1.8%	710	1.9%	+0.7%
VINCI Construction	174	1.1%	887	1.6%	**1,061**	1.5%	1,072	1.6%	-1.0%
VINCI Immobilier and holding cos.	**5**	**0.8%**	**10**	**2.9%**	**15**	**1.6%**	**13**	**1.5%**	**+15.4%**
Total	**440**	**1.2%**	**3,461**	**2.2%**	**3,901**	**2.0%**	**3,838**	**2.1%**	**+1.6%**

2. Environmental information

2.1 General environmental policy: "Acting for green growth"

2.1.1 Environmental organisation

The implementation of VINCI's environmental policy, "Acting for green growth" (see page 38), is built on the Group Executive Committee's commitment, the empowerment of all operational staff within Group companies, and open dialogue with national, European and international public authorities and environmental protection organisations. The operational departments coordinate and ensure the application of VINCI's environmental policy in all aspects of day-to-day work. They rely on a network of over 500 correspondents who are in charge of managing environmental risks and developing initiatives to protect the environment. The Group's Delegation for Sustainable Development steers this network, organises technical working groups comprising experts from each business line – such as the Biodiversity Task Force, the Circular Economy group, or the Energy Performance group – and coordinates the Group's environmental actions. The sustainable development self-assessment questionnaire, Advance, is used by all Group companies. Based on the ISO 26000 concept, it enables each subsidiary's management committee to assess its level of commitment and validate its environmental action plan.

2.1.2 Environmental reporting coverage and scope

VINCI's environmental reporting system deals with the themes listed in Article 225 of France's Grenelle II Environment Act and covers further provisions under Article 173 of France's 2016 law on the energy transition for green growth. It uses the Group's common financial and social reporting software and is based on the standards of the Global Reporting Initiative's Sustainability Reporting Guidelines and adapted to the Group's activities (see the cross-reference table on pages 331 and 332). Reporting covers nearly all of the Group's companies and uses around 60 quantitative indicators for measuring performance against key environmental parameters such as the consumption of resources (especially water) and energy, greenhouse gas emissions, waste and recycling, certification, training, environmental incidents and environmental risk provisions. Environmental reporting is prepared using updated methodological guidebooks and procedures that are available on the Group's intranet. In addition to this central reporting system, each business line uses its own management indicators. The note about the reporting methods used by VINCI, on pages 216 to 218, covers the key points.

Environmental reporting covered 97% of total revenue generated by companies in the new scope at end-2017. This high rate was maintained thanks to the steadfast dedication of Group companies and the consolidation of new international companies. At VINCI Construction, coverage has decreased since 2015 primarily due to the completion of major projects outside France, which are the main international projects to be monitored for reporting purposes, and the launch of new projects. However, the inclusion of new companies operating outside France (HEB Construction) in the reporting scope at the end of 2016 and in 2017 extended coverage. Efforts continue to focus on short-term projects outside Europe to cover 100% of revenue.

Environmental reporting coverage – excluding acquisitions in 2017

(as a percentage of revenue)	2017	2016	2015
Concessions	**99**	**100**	**100**
VINCI Autoroutes	100	100	100
VINCI Airports	100	100	100
Other concessions	89	100	94
Contracting	-	-	-
VINCI Energies	100	99	99
Eurovia	100	99	99
VINCI Construction	90	90	97
VINCI Immobilier	100	100	100
Total	**97**	**95**	**98**

VINCI has submitted its environmental information for review by its Statutory Auditors since 2002. Environmental data is presented in compliance with Article 225 of France's Grenelle II Environment Act and additional provisions set forth mainly in application of the law on the energy transition for green growth (Article 173) and the law on combating food waste. It also meets the requirements of Order no. 2017-1180 of 19 July 2017 and Decree no. 2017-1265 of 9 August 2017, which transposed the European directive on disclosure of non-financial information by certain large undertakings and groups into French law.

Having been one of the first French companies to support voluntary reviews of its data, VINCI is continuing its efforts. The Group considers transparency with respect to stakeholders to be an element of its performance. The data presented in this report is consolidated using the same method as VINCI's financial data. Some entities, such as QDVC, which is 49%-owned by VINCI Construction Grands Projets, are still consolidated proportionally.

2.1.3 Preventing environmental incidents

Each Group entity prepares and updates environmental incident prevention plans that address its specific environmental risks. Under new regulations passed in France (Law no. 2017-399 of 27 March 2017), VINCI is establishing a duty of vigilance plan (see section 4 of chapter E, "Workforce-related, environmental and social information", page 215). The most significant projects undergo a preliminary analysis of environmental risks to determine the appropriate prevention equipment and procedures. Specific documents and equipment are provided to help prepare for and respond to emergency situations. At VINCI Construction France, for example, all staff concerned – skilled site workers, works management teams, cost estimating teams and project coordinators – are trained or informed about environmental issues and incident prevention. Modules have been specially developed for each job category and are available in various formats: worksite training, classroom training or e-learning. This training covers environmental regulations that apply to projects and provides the tools necessary for implementing best practice.

In 2017, VINCI or its subcontractors were involved in three major environmental incidents (three in 2016). A major incident is defined as one that creates extensive pollution requiring clean-up by external specialists and has consequences stretching beyond the entity's responsibility. All three incidents – one in France, one in the United Kingdom and one in Slovakia – involved oil or fuel leaks, which contaminated the soil. All available resources are being implemented to repair the damage caused, in accordance with applicable regulations.

2.1.4 Environmental certification

VINCI encourages its companies to obtain ISO 14001 or similar environmental certification to confirm and improve the effectiveness of their environmental management system. Operational activities maintained their high certification level in 2017. VINCI Autoroutes has had all its in-service motorways ISO 14001 certified, while VINCI Airports has had 12 airports certified, corresponding to 52% of its revenue. The proportion of revenue generated by certified contracting entities is steadily increasing, particularly at VINCI Energies, with 44% now certified compared with 24% in 2010, and VINCI Construction, with 83% certified compared with 59% in 2010.

Group activities covered by ISO 14001 environmental certification

(as a percentage)	2017	2016	2015	Scope/base reference
VINCI Autoroutes				France
Motorways in service	**100**	100	100	Kilometres
Motorways under construction	**-**	100	100	Kilometres
VINCI Airports, percentage of revenue	**52**	72	72	France and worldwide
Other concessions, percentage of revenue	**24**	18		France and worldwide
VINCI Energies, percentage of revenue	**44**	43	40	France and worldwide
Eurovia				France and worldwide
Production from quarries owned	**60**	60	63	Tonnes
Production from coating plants owned	**48**	45	39	Tonnes
Production from binder plants owned	**67**	33	61	Tonnes
Revenue from the works activity	**27**	25	32	France and worldwide
VINCI Construction, percentage of revenue	**83**	81	75	France and worldwide

VINCI companies have acquired substantial expertise in meeting a variety of environmental standards, including HQE®, BREEAM® and LEED®. In 2017, they delivered 230 certified projects, of which 33 BREEAM® projects and 18 LEED® projects involving both new and refurbished buildings for a total of €2.9 billion. Since 2010, these certification labels have been awarded to 2,671 projects amounting to €26.7 billion. The construction of the Aqualagon water park for Villages Nature® Paris, located 32 km outside the city, applied for HQE®, BREEAM® and LEED® certification. At Architizer A+Awards 2017, an international programme that celebrates the year's best architectural achievements worldwide, Aqualagon won the Popular Choice award in the Unbuilt Sports and Recreation category. In 2017, several VINCI Construction France developments received a nod at the Green Solutions Awards organised by the Construction21 network. Winners in France included the Le Pressoir urban regeneration zone in Le Havre and the École Nationale Supérieure Maritime (ENSM) building in the same city. A particular focus was placed on resource autonomy for the building to achieve top environmental performance by making use of solar and marine energy, resulting in a positive energy balance. VINCI Immobilier delivered Elements, located in the heart of a new, ultra-connected business hub within the Paris Rive Gauche urban development complex in France. This commercial building covering 16,300 sq. metres of office space and 830 sq. metres of shops meets HQE®, BREEAM® Very Good and Effinergie+ certification standards. To bring nature into the work environment, VINCI Immobilier has created a space where natural surroundings appear to be perfectly integrated into the building, with three vast green terraces and a garden inspired by the forest of Fontainebleau.

2.2 Resource conservation and the circular economy

Sustainable management of resources, in line with the concept of a circular economy, is a fundamental component in VINCI's environmental policy, which focuses on the three key areas and seven pillars defined by Ademe, the French environment and energy management agency. The circular economy concept is incorporated into a variety of aspects of VINCI's business, ranging from the eco-design strategy used in its products and services to the management of resources (water, soil, waste, energy, etc.). VINCI firmly believes that the circular economy must be central to its business activities, drawing on three main concepts: eco-design, a systemic and regional approach, and inclusive and collaborative methods.

2.2.1 Sustainable use of resources

2.2.1.1 Protecting water resources

VINCI answered the CDP Water Information Request for the sixth time, to be once again among the 2,025 companies worldwide capable of replying to the information request supported by 639 global investors. The Group achieved a rating of B- for 2017, outscoring many other companies in its sector in the area of water management. The Group's water strategy is based on its environmental policy: it includes water consumption and pollution prevention in risk analyses; measures and reduces water consumption resulting from its business activities and products; and protects aquatic environments and their ecosystems. A Marine and Inland Waterway Works Pivot Club identifies expertise and designs new, specific offerings that account for approximately 10% of VINCI Construction's revenue. Many opportunities are developing in this sector. The demand for fresh water is expected to result in huge investment, and extreme weather events (flooding, tsunamis, etc.) are likely to require large-scale works in the future. In 2017, VINCI Construction France developed hydraulic engineering business activities, which come under the VINCI Construction Marine and Inland Waterways division.

Group companies monitor water resources particularly carefully. Subsidiaries have adopted a number of specific initiatives to reduce their consumption. Programmes to find and repair leaking pipes are being conducted on Escota's motorway network in southern France. VINCI Construction has introduced a wastewater recycling policy in France. About 100 closed-loop concrete mixer washing stations have significantly reduced water consumption at worksites. All of their concrete batch plant installations feature settling basins to treat effluents and recycle water.

Conserving water resources also involves protecting wetlands. For example, of all the VINCI motorways in service, 77.5% have been equipped with either natural water protection systems or engineering structures that address potential problems to prevent accidental pollution in the surrounding natural environment. These protection programmes were strengthened by the adoption of the green motorway package and the motorway stimulus plan. Under this plan, ASF firmed its commitment in 2016 to launch initial upgrades to protect wildlife and water resources, and save water. These works continued in 2017.

The life cycle analysis tools used by VINCI provide a detailed assessment of the water footprint of specific neighbourhoods, with particular emphasis given to ground permeability, rainwater harvesting and wastewater treatment. Some subsidiaries have created specific products and services to conserve fresh water resources. VINCI Construction Terrassement developed Aqua-eco, a new technology that can reduce by up to 65% the amount of water used for hosing down civil engineering project worksites. VINCI Construction Grands Projets set up Water Management International, a structure designed to manage and optimise drinking water systems outside France.

Consumption of water purchased (in cubic metres)

	2017	2016	Change
Concessions	**2,482,359**	**1,869,839**	**+32.8%**
VINCI Autoroutes	792,587	841,552	-5.8%
VINCI Airports	1,635,207	978,668	+67.1%
Other concessions	54,565	49,619	+10.0%
Contracting	**9,796,878**	**7,682,786**	**+27.5%**
VINCI Energies	312,630	321,236	-2.7%
Eurovia	3,192,610	3,244,483	-1.6%
VINCI Construction	6,291,638(*)	4,117,067	+52.8%
VINCI Immobilier	**3,344**	**1,782**	**+87.7%**
Total	**12,282,581**	**9,554,407**	**+28.6%**

(*) Scope does not include VINCI Construction International Network Oceania (HEB Construction).

In the Contracting business, the marked variation in consumption is explained by the significant differences in the types of project from one year to the next. The sharp increase at VINCI Construction mainly stems from the extent of the works on the Lorong Kuda interchange in Kuala Lumpur being carried out jointly by BSG Construction Malaysia and the major projects division of Soletanche Freyssinet (Soletanche Bachy International). Consumption rose for the Concessions business, partly due to the inclusion of airport concessions and VINCI Railways in the reporting scope. Many of the Concessions business companies have taken steps to reduce their water consumption. For example, ANA, part of VINCI Airports, is the only airport operator in the world that measures its water footprint across all 10 of its airports. An action plan has been defined for each airport to control and reduce consumption and pollution throughout the value chain.

VINCI continues to improve its monitoring of water consumption by consolidating the monitoring of consumption of water from boreholes and of water pumped directly from the natural environment. The programme at VINCI Autoroutes to monitor its consumption of water from boreholes is now in place for most concessions.

Consumption of water taken directly from the natural environment (in cubic metres) in VINCI's concessions

	2017				2016			
	VINCI Autoroutes	VINCI Airports(*)	Other concessions(**)	Total Concessions	VINCI Autoroutes	VINCI Airports	Other concessions(**)	Total Concessions
Water from boreholes and taken directly from the natural environment	**392,235**	**206,884**	**3,550**	**602,669**	369,922	53,856	4,441	428,219

(*) Scope includes Lyon-Saint Exupéry Airport as of 2017.
(**) The Le Mans stadium is the only concession with its own borehole.

Measuring the consumption of water purchased or taken directly from the environment by drilling or pumping remains complex. Measurements should be combined with a qualitative analysis to assess the actual impact of water use and how it returns to the natural environment. By way of an example, earthworks activities use water mainly for hosing down work areas to reduce the amount of dust produced. In Africa, water is often pumped using electric generators installed near villages so that communities can have easy access to water. The water itself undergoes no transformation whatsoever. It either evaporates or runs back to the water table without being polluted. For foundations operations (tunnels, metro lines), the underground water is pumped before returning into the water table, unpolluted, after analysis and treatment if needed. These examples show the complexity of measuring consumption given the diversity of VINCI's businesses. The score achieved on the 2017 CDP Water Information Request (Management B-) is a sign of their maturity.

2.2.1.2 Raw materials consumption

In the Concessions business, most raw materials consumption is monitored and consolidated. In 2017, 2,227,659 tonnes of asphalt mix, including nearly 1,093,218 tonnes of recycled mix, were used for motorway maintenance. Due to harsher weather conditions during the winter, 24,033 tonnes of de-icing salt were used (against 16,396 tonnes in 2016) and enhanced preventive measures were implemented to guarantee user safety.
In the Contracting business, raw materials purchasing is decentralised, with purchases generally not consolidated at Group level. Efforts to manage raw materials consumption include purchasing recycled materials that have equivalent performance to new materials, recycling waste produced by business activities (see paragraph 2.2.2) and sourcing local products.

There is also a focus on designing products that use fewer raw materials. VINCI Construction France implements this approach in developing eco-designed housing, offices, student accommodation and other projects. In housing, the Habitat Colonne procedure reduces raw materials consumption.

Arbonis, the subsidiary of VINCI Construction France specialised in timber design and construction, generated revenue of €47 million in 2017 (€45 million in 2016). In 2017, Arbonis gained further expertise in modular timber construction with the brand Arbo 3D, a guarantee of quality for its customers. Arbonis has also developed its know-how in creating multi-storey buildings in wood. A key example is the seven-storey Julien-Cornil student residence built for the regional student services centre in Marseille, France, which was completed in 12 months. The work of Arbonis is contributing to the Group's efforts in advancing towards the energy transition.
Eurovia's Granulat+ programme is its sector's first experiment in industrial ecology and is recognised by France's Ministry of the Environment, Energy and the Sea as a leading initiative in the circular economy. For its first phase adopted at quarries in the Mediterranean area, the aim of the programme is to recover all the resources needed to produce aggregates used in construction. It is based on the combined effort of quarry managers, local waste producers and raw materials users. In addition to its direct benefits, the programme provides a way for regional actors to integrate environmental issues into their processes. Since 2015, Granulat+ has been rolled out and adapted in the Greater Paris region and Haute Normandie. Further strengthening its relations with its stakeholders, Eurovia continued its involvement with the French Circular Economy Institute in 2017. VINCI set up a centralised focus group to advance its study of the circular economy. More specifically, it aimed to find new ways of integrating recycled materials and recycling waste produced by construction activities in line with the French law on the energy transition for green growth. The next step is to set up task forces to develop Group-wide tools or initiatives that can facilitate the operational implementation of the circular economy throughout the project life cycle. A case in point is the Soletanche Bachy worksite for Nice's tramway network, where Eurovia implemented a disposal solution via sea route, developing an innovative logistics system aligned with the tunnel boring machine's rate of progress. The excavation material was then recovered to be used in building a future development area at the Marseille Fos Port.

To gain a better understanding of the environmental impact of raw materials, VINCI collaborates with professional groups to prepare life cycle inventories (LCI) of its materials and works with France's energy, environment and transport observatory (OEET) and the French underground tunnel association (Aftes). Soletanche Freyssinet participates in the Diogen working group focused on environmental databases. The company contributes to developing a life cycle analysis-based methodology for assessing and comparing underground structure building methods, estimating the impact of materials used, making design and construction adjustments, and comparing technical solutions. Eurovia and VINCI Construction France maintained their involvement in Recybeton, France's nationwide collaborative research project to promote concrete recycling.

2.2.1.3 Energy consumption

VINCI actively participates in the debates launched by French and European government authorities on the energy transition, in particular on retrofitting buildings and developing eco-mobility.

In France, the 2012 thermal regulations (RT 2012), which came into effect in 2014, form a major part of the Grenelle environment legislation and seek to encourage low-energy buildings. To meet the new requirements while remaining competitive, VINCI is developing new systems for both housing and offices, drawing on the expertise of VINCI Construction to minimise energy losses through the building shell and on that of VINCI Energies to install innovative equipment such as all-air heating using the Green Floor process. VINCI is playing a part in preparing the future Responsible Building Regulations (RBR 2020), which are designed to enlarge the scope from energy performance to building sustainability as a whole. Current work is focused on building use and the calculation of overall multi-criteria performance. For example, VINCI Construction France enhanced its Oxygen® solution in 2017 by developing approaches to costs, project phasing and value creation. The company can now proactively offer clear commitments on building energy performance; more reliable technical equipment to guarantee optimal comfort; and asset management monitoring. In addition to these innovations, the Oxygen® offer moved into unexplored territory in 2017, such as housing renovation (Le Levain, Bordeaux) and hotels (Les Clarines, Les Deux Alpes). The Oxygen® suite of guidelines can now be implemented for any design-build project or bid. This new strategy was featured in two conferences at the Commercial Property Exhibition (Salon de l'immobilier d'entreprise, or Simi) in France.

VINCI Energies' activities in facilities management are using their expertise in areas such as energy diagnostics and audits, monitoring and optimisation work to develop energy efficiency contract solutions for their clients through their dedicated structure, Smart Energy.

Within the framework of the Chair in the Eco-design of Buildings and Infrastructure, Mines ParisTech has developed an energy and environmental performance simulation tool, NovaEquer. The tool offers neighbourhood-wide solutions and is available through the startup Kocliko. It can be used by anyone involved in urban planning (contractors, engineers, designers, other companies).

Total energy consumption (including natural gas, propane and electricity), with change

	2017				2016	
	Natural gas (MWh)	Propane / LPG (MWh)	Electricity (MWh)	Total energy (MWh)(*)		Change
Concessions	**53,381**	**2,550**	**349,495**	**544,288**	**457,608**	**+18.9%**
VINCI Autoroutes	5,316	1,619	126,834	223,871	227,032	-1.4%
VINCI Airports	47,458	927	206,328	297,875	212,918	+39.9%
Other concessions	607	4	16,333	22,542	17,658	+27.7%
Contracting	**1,117,490**	**2,881**	**702,925**	**7,533,703**	**7,368,471**	**+2.2%**
VINCI Energies	52,815	769	91,402	886,693	859,029	+3.2%
Eurovia	1,032,695	256	321,666	3,849,334	3,675,455	+4.7%
VINCI Construction	31,980	1,856	288,857	2,797,676	2,833,987	-1.3%
VINCI Immobilier	**30**	**-**	**1,817**	**4,251**	**4,662**	**-8.8%**
Total	**1,170,901**	**5,431**	**1,054,237** ☑	**8,082,242** ☑	**7,830,741** ☑	**+3.2%**

(*) The total includes consumption of fuel, natural gas, propane, electricity, heavy fuel oil, coal and used oils.
☑ *Data checked to a level of reasonable assurance.*

Group companies pay close attention to their energy consumption, the absolute value of which had risen 3.2% at the end of 2017 compared with 2016. In relative terms, Group energy intensity totalled 201 MWh per million euros of revenue for the reporting period, compared with 206 MWh in 2016 and 223 MWh in 2015. This decrease rewards the efforts made by Group companies. Improvements to reporting methods since 2016 have made it possible to consolidate the monitoring of new energy sources, such as propane, and for Eurovia to extend its reporting to encompass liquefied petroleum gas (LPG).

Due to the industrial nature of its business, Eurovia accounts for a large proportion of total energy consumption. It was the first Group business line to set up an ambitious energy and CO_2 reduction plan, including improvements to the energy efficiency of coating plants, quarry equipment and operations buildings. Since 2013, the company has been developing and rolling out the Bridge solution, a dashboard used to monitor energy consumption at different operational levels (delegation, region, etc.). The Eurovia business line also develops products and services that reduce energy consumption, such as the Tempera® warm mix process that enables energy savings of between 20% and 40%. This asphalt mix represented 13% of French production in 2017 (11% in 2016). In 2017, Eurovia set up local energy committees coordinated by equipment experts who work on scaling back energy consumption at each entity. They also single out best practices and disseminate them throughout the company.

One of the four main goals of the environmental policy developed by VINCI Airports in 2015 is to reduce energy intensity by 20% between 2013 and 2020. To meet this target, VINCI Airports is boosting the energy efficiency measures taken at all its airports in operation. VINCI Airports continued to roll out its environmental policy in 2017, especially at recently acquired airports, including Lyon-Saint Exupéry Airport and Deputado Luís Eduardo Magalhães Airport in Salvador de Bahia, Brazil. It includes an action plan that lets each airport define its own performance targets in line with its activities. Energy consumption and associated greenhouse gas emissions are one of the seven environmental performance criteria.

Fuel consumption, with change

	2017	2017	2017	2016	
(in litres)	Diesel(*)	Petrol	Total		Change
Concessions	**13,043,268**	**308,925**	**13,352,193**	**12,777,715**	**+4.5%**
VINCI Autoroutes	8,654,502	9,186	**8,663,688**	8,973,307	-3.5%
VINCI Airports	3,970,641	179,486	**4,150,127**	3,491,110	+18.9%
Other concessions	418,125	120,253	**538,378**	313,298	+71.8%
Contracting	**484,758,084**	**19,150,027**	**503,908,111**	**494,664,886**	**+1.9%**
VINCI Energies	67,619,248	3,698,785	**71,318,033**	69,307,751	+2.9%
Eurovia	186,915,815	8,150,886	**195,066,701**	187,263,150	+4.2%
VINCI Construction	230,223,021	7,300,356	**237,523,377**	238,093,985	-0.2%
VINCI Immobilier	**231,161**	**-**	**231,161**	**217,282**	**+6.4%**
Total	**498,032,513**	**19,458,952**	**517,491,465**	**507,659,883**	**+1.9%**

(*) Since 2011, the "diesel" indicator has taken into account diesel and heating oil.

The 1.9% increase in fuel consumption in 2017 is mainly due to the inclusion of new companies in the reporting scope. Group companies continue their efforts to reduce consumption.
VINCI Autoroutes encourages customers to reduce their fuel consumption by organising eco-driving awareness campaigns at motorway rest areas and by developing offers that help make the best use of existing infrastructure, thanks to the VINCI Autoroutes eco-comparison application. To promote carpooling, parking facilities are located near toll plazas to offer a practical meeting point for drivers and passengers. In autumn 2017, 28 car parks providing 2,241 parking spaces were reserved for carpooling, up from 23 car parks with 1,799 spaces in 2016.

2.2.1.4 Use of renewable energy

For a number of years, VINCI companies have been substantially increasing their purchases of electricity generated from renewable energy sources. In 2017, these purchases, at both fixed sites and worksites, totalled 57,793 MWh compared with 15,614 MWh in 2016.

VINCI Energies' business units have expertise in and are expanding their activities in the design, supply, installation and connection to renewable energy power plants. Omexom, the VINCI Energies brand specialised in electrical power generation, transmission, transformation and distribution, takes part in developing renewable energy, contributing to the installation of more than 20% of the wind power in France and 30% of that in Morocco. In 2017, Omexom continued its international expansion, especially in Africa. The company was selected to build eight solar power plants (total of 17 MW) in Senegal over the course of 10 months to supply power to people in remote areas. In Indonesia, Omexom was awarded the contract to build the country's first wind farm, which will have a capacity of 75 MW. VINCI Construction is developing technical solutions to industrialise construction and optimise the installation of onshore and offshore wind farms. This is the focus of the Eolift research project, overseen by Freyssinet. This project won the large-scale wind power call for interest launched by Ademe under the French government's "Investissements d'Avenir" (Investment for the future) programme. Eolift's research and development work continued in 2017.

VINCI Autoroutes has 3,319 renewable energy installations generating solar, thermal and wind power (excluding heat pumps).

2.2.1.5 Land use

Combating the loss of natural and agricultural land and maintaining an attractive habitat for the species living there are factors taken into consideration before project implementation and throughout the operating life of infrastructure. More detailed study goes into projects with a significant or long-term impact on the land, such as linear infrastructure or Eurovia's quarries. Some Group companies specialise in ecological engineering, including Eurovia's subsidiary Cognac TP and Equo Vivo, the new brand developed by VINCI Construction Terrassement. They take measures to restore the ecological balance of land and environments affected by construction works, such as planting native species, combating invasive non-native species, restoring wetlands and waterways with diminished ecological functions, etc. The operations of extraction companies such as Eurovia are likely to have a lasting impact on the land's biological balance. These long-term changes to the biological balance also offer the opportunity to create new environments and bring back new, even protected, species. The initial diagnostics are now improved by taking inventories while infrastructure is in operation to assess the effectiveness of measures that are implemented at sites to protect species. Biodiversity is even more carefully taken into account during the rehabilitation of quarries, a phase essential for remediating the site so that it regains its original ecological function.

Extract Ecoterres, a subsidiary of VINCI Construction France, is the French leader in the treatment of sediment. Its polluted site and soil remediation activities are primarily carried out at its recovery facility near Paris, which can treat up to about 230,000 tonnes of sediment a year. Its operations align perfectly with the circular economy and improved use of land.

2.2.2 Waste prevention and management

VINCI's general policy is based on a circular economy model and focuses on three aims: producing less waste at the source; waste sorting and traceability; and recovering waste to use as a resource. Waste management is important to both Contracting entities – which deal mainly with construction site waste – and Concessions entities, which have to dispose of their customers' waste at airports, motorways, etc. The Group's subsidiaries implement waste management plans at their worksites in accordance with local waste management procedures and systems. VINCI assesses the overall effectiveness of its waste management each year by monitoring the volume of waste generated and the results for recovery facilities.

Since the green motorway package was introduced, all of the rest areas along VINCI Autoroutes motorways have been equipped with sorting bins. In line with the Group's eco-design policy, the focus is turning to raising the awareness of VINCI Autoroutes motorway users and encouraging them to sort their waste. Once sorted, waste is delivered to external recovery and treatment facilities; 68.5% of VINCI Autoroutes waste was recovered in 2017 versus 66.5% in 2016. VINCI Construction UK maintained a high waste recovery rate in 2017, i.e. 93% (98% in 2016). In France, the Revalo programme was instituted by VINCI Construction France and is supported by Ademe and France's Ministry for the Ecological and Inclusive Transition. This programme increases materials recovery while reducing the carbon impact of worksites by optimising waste sorting. The Optidéchets platform was expanded and covered 200 worksites in 2017. This solution is used to improve waste management and prevention by applying key indicators (sorting rates, cost, average volume, density, etc.) throughout an organisation and provides each worksite with a regulatory registry and report for its customers. The waste recovery rate stood at 75%, surpassing the French and European regulatory requirements of 70%. In 2017, VINCI Construction France joined Circolab as a founding member. The organisation promotes the circular economy, focusing on the reuse of construction materials.

Hazardous and non-hazardous waste

	2017					2016				
(in tonnes)	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	VINCI Construction(*)	VINCI Autoroutes	VINCI Airports(**)	Other concessions	VINCI Energies	VINCI Construction(***)
Non-hazardous waste (customers + operations)	**18,777**	**12,559**	**2,464**	**397,996**	**567,145**	17,412	12,722	1,830	357,146	316,385
Hazardous waste (customers + operations)	**784**	**1,355**	**153**	**4,019**	**16,483**	1,225	469	197	2,242	457

(*) Scope includes VINCI Construction UK and 50% of the revenue of VINCI Construction Grands Projets.
(**) Scope does not include the airports in Cambodia.
(***) Scope is limited to VINCI Construction UK.

Recycling has been a priority at Eurovia for some 20 years and has garnered increasing interest from customers in the development of innovative products and processes that use smaller amounts of natural resources and energy. Eurovia now has 130 platforms that recycle most of the waste produced by worksites. In 2017 the company forged ahead in its transition to promote the circular economy and recycling in its business. Eurovia's Canadian business created a catalogue of recyclable asphalt mixes to convince customers of the quality of the process and of recycled materials. The company has set a target to exceed 20% of reclaimed asphalt pavement in its total asphalt mix production. The percentage stood at 13.5% in 2017 in France, making Eurovia the market leader in this field. Also in France, the technical teams from Eurovia and the ASF motorway network joined forces to experiment with second-generation recycling on a busy section of motorway. This experiment is the first step towards the "infinite" recycling of asphalt mixes, which could eventually lead to the very sustainable development of motorway infrastructure. The project was chosen by the final jury as the sustainable development prize winner at the VINCI 2017 Innovation Awards.

Waste recycling and recovery at Eurovia, with change

	2017				2016	
	World	2017/2016 change	France	2017/2016 change	World	France
Percentage of asphalt mix made with reclaimed asphalt pavement	16.0	+1%	13.5	0%	15.9	13.5
Production of recycled material *(in millions of tonnes)*	5.6	-13%	4.6	-12%	6.4	5.2
Total recycled material as a percentage of total aggregate production	6.5	+48%	7.9	-14%	4.4	9.2

The law introduced by the French government to combat food waste does not have a significant impact on VINCI's activities, as the Group does not directly manage any catering enterprises. However, Group companies take action when possible, and its concession companies that are in direct contact with clients and users put measures in place. For motorway users who are immobilised due to incidents on the network, VINCI Autoroutes prepares food boxes (VINCI Box). Food boxes nearing their sell-by date are given to non-profit organisations that help disadvantaged people. In another action, the Stade de France set up a partnership with Le Chaînon Manquant. The day after every event at the Stade de France, this non-profit organisation collects sandwiches and desserts that have been maintained in the cold chain.

2.2.3 Measures to prevent and reduce pollution

2.2.3.1 Air pollution

VINCI companies focus on issues concerning both indoor and outdoor air quality. The VINCI business lines most concerned with the problem of atmospheric emissions are the Concessions business and the Eurovia and VINCI Construction business lines. In Concessions, especially VINCI Airports and VINCI Autoroutes, most air emissions are generated by users of cars, trucks, aircraft, etc. To reduce traffic congestion and combat air pollution, VINCI Autoroutes has introduced speed limitation measures. Eurovia has developed NOXer®, an innovative air pollution treatment process that removes nitrogen oxides. The process removes between 15% and 25% of total air pollution and reduces up to 75% of nitrogen oxides for local residents; it has also been adapted and combined with noise barriers to abate noise pollution as well. VINCI Construction France and the facilities management activities of VINCI Energies are developing new techniques that guarantee air quality in the buildings they build and operate. VINCI Construction France is moving forward with its indoor air quality management plan that integrates this factor into each project from the briefing phase until after handover.

2.2.3.2 Noise and light pollution

All VINCI projects are subject to a preliminary noise study to limit the pollution generated by urban construction sites, motorway traffic and so forth. VINCI companies systematically offer technical solutions during the construction phase, including changing a motorway route, erecting noise barriers and embankments, and using special low-noise road surfacing materials such as Eurovia's Viaphone®. This quiet, fine-graded asphalt concrete, which substantially reduces road traffic noise, was laid along a section of the A10 motorway near Orléans, France. For its project to extend Paris metro Line 12, VINCI Construction set up a "truck-free" worksite, using two-way underground and waterway transport to reduce noise pollution for local residents.
VINCI Airports takes measures to reduce noise pollution as much as possible for local residents at all of its airports in operation.
These measures include a system that continuously monitors noise and flight paths, noise insulation for nearby housing, and studies and action plans to reduce noise.

Noise levels on motorways in France are measured regularly to enable VINCI's motorway concession companies to identify and reduce noise black spots. Homes may then be protected using noise insulation in their facades, or noise barriers or embankments planted with shrubs or trees. In 2017, 897 new homes were protected from noise on VINCI Autoroutes motorways, making a total of 5,208 since 2010.

The Group deploys a variety of solutions to combat light pollution. Citeos (VINCI Energies) has incorporated measures into its contracts under which it operates public lighting networks. These measures include efficient anti-light pollution equipment, smart lighting systems, automatic shutdown of certain light sources, and respect of "dark corridors" provided for in lighting plans to reduce the impact on biodiversity. VINCI Autoroutes raises its employees' awareness about reducing light pollution in bat habitats and includes these environmental requirements in its contracting agreements.

2.3 Combating climate change

In 2007, VINCI initiated a proactive programme to reduce and control greenhouse gas (GHG) emissions and to anticipate and monitor legislation worldwide. The impact of current carbon emissions regulations on VINCI's activities is mainly indirect. VINCI has nine facilities that are subject to phase III of the European emissions trading scheme's National Allocation Plan (see page 172) and must comply with the Carbon Reduction Commitment in the United Kingdom. VINCI Autoroutes continued to work on the impact of CO_2 on its business activities and supports the actions of the Shift Project. New regulations are opening up opportunities for VINCI, whose companies now offer their customers climate-adapted solutions that enable them to reduce their own GHG emissions. VINCI has been committed to green growth since 2012, with a target to reduce GHG emissions by 30% by 2020. This target covers the Group's like-for-like Scope 1 and 2 CO_2 emissions and uses 2009 as its base year (the first year when coverage exceeded 90%). The Group is also taking initiatives to reduce its customers' energy emissions in the Concessions businesses that monitor their Scope 3 emissions.

2.3.1 Greenhouse gas emissions

The methodology used to determine the greenhouse gas (GHG) emissions of VINCI's businesses is based on the Group's environmental reporting data and measures ISO 14064 Scope 1 and 2 emissions. Scope 1 includes direct emissions from the use of fossil fuels (fixed sites, worksites and company vehicles), as well as non-energy emissions. Scope 2 includes indirect emissions produced to make energy (mainly electricity) purchased and used at fixed sites and for projects. VINCI's CO_2 emissions in 2017 amounted to about 2.7 million tonnes based on the new methodology and updated emission factors (2.3 million tonnes of CO_2 equivalent based on the emission factors applied up to 2015). The 32 French subsidiaries of VINCI concerned apply Article 75 of the Grenelle II Environment Act, which requires companies to conduct GHG emission audits and define action plans to reduce their emissions. These audits, all renewed in 2015, must now be performed at four-year intervals. The Group's emissions are calculated using factors included in the carbon database of Ademe.

Greenhouse gas emissions (Scopes 1 and 2), with change

(In tonnes of CO_2 equivalent)	Actual values (emissions updated based on new emission factors) 2017	Monitoring of reduction target (applying previous emission factors) 2017	2016	2017/2016 change
Concessions	**165,495**	**147,349**	**117,998**	**+24.9%**
VINCI Autoroutes	39,485	32,133	32,884	-2.3%
VINCI Airports	121,052	110,780	81,853	+35.3%
Other concessions	4,958	4,436	3,261	+36.0%
Contracting	**2,499,909**	**2,169,363**	**2,114,315**	**+2.6%**
VINCI Energies	259,069	221,791	215,007	+3.2%
Eurovia	1,306,120	1,146,892	1,057,672	+8.4%
VINCI Construction	934,720	800,680	841,636	-4.9%
VINCI Immobilier and holding cos.	888	735	730	+0.7%
Total	**2,666,292** ☑	**2,317,447** ☑	**2,233,043** ☑	**+3.8%**
Carbon intensity (tonnes of CO_2 equivalent per million euros of revenue)	**-**	**57.6**	**58.7**	**-1.9%**

Data extrapolated to cover 100% of VINCI's revenue – excluding acquisitions in 2017.
☑ *Data checked to a level of reasonable assurance.*

The Group's direct emissions (Scope 1 and 2) rose slightly compared with 2016 using the methodology that applies the same emission factors from one year to the next to monitor the reduction target. This increase in emissions results from the extension of reporting to new energy sources and more reliable monitoring of these sources, which reflects the continuous improvement in reporting to monitor the Group's emissions. New companies were also included in the reporting scope in 2017. Carbon intensity in tonnes of CO_2 equivalent per million euros of revenue fell slightly to 57.6 tCO_2eq. Since 2009, when the figure stood at 71 tCO_2eq, carbon intensity has decreased 19%. These figures have fallen due to the many measures taken over the past few years to control and reduce carbon intensity.

To broaden its range of low-CO_2 solutions, VINCI continues to develop specific tools and carry out studies to better quantify and control GHG emissions resulting from its business (ISO Scope 1, 2 and 3). At the end of 2016, the Group began a study to create a methodology for measuring the Scope 3 emissions of its buildings business in all countries where it operates. The work carried out in 2017 was applied to better quantifying Scope 3, especially through the use of a purpose-designed reporting tool. VINCI's long-term plan is to come up with new methodologies for assessing Scope 3 that account for the diversity of the Group's businesses. In doing so, the Group will not only meet the requirements of Article 173 of the French law on the energy transition for green growth but will also gain more insight into its carbon impact throughout the value chain and contribute to the objectives of the Paris Agreement signed in 2015.

CO_2 emissions (Scope 1, 2 and 3) of VINCI Concessions companies, customers and end users

(tonnes of CO_2 equivalent)	VINCI Autoroutes 2017	VINCI Airports(*) ACA 2017	VINCI Autoroutes 2016	VINCI Airports(*) ACA 2016
ISO Scope 1 and 2 emissions	39,485(**) ☑	45,328	40,319(**) ☑	58,825
User/third-party emissions (Scope 3)	13,865,424 ☑	764,182	13,054,556 ☑	699,199

(*) ANA scope, year Y-1 emissions taken into account in the Airport Carbon Accreditation (ACA) of year Y.
(**) Emissions based on the new methodology using Ademe's 2015 emission factors.
☑ *Data checked to a level of reasonable assurance.*

Since 2014, the GHG emissions produced by VINCI Autoroutes companies have been verified by a third party with a reasonable level of assurance, providing the highest level of transparency a company can achieve. The no-stop 30 km/hour electronic toll lanes lowered CO_2 emissions by 71,390 tonnes over the year (66,395 tonnes in 2016), or 282,189 tonnes since they opened in 2010. The carpooling spaces provided (see paragraph 2.2.1.3) avoided more than 15,000 tonnes of CO_2 in 2017. VINCI Airports operates 27 of the 209 airports with Airport Carbon Accreditation (ACA) certification in the world, including all 10 ANA Group airports in Portugal at Level 2 (Reduction). Lyon-Saint Exupéry Airport reached Level 3+, carbon neutrality, which is the highest certification level in the ACA programme. In 2017, the company also quantified its Scope 3 emissions and had them verified for 2016.

Investors have responded positively to the measurement of GHG emissions and actions taken to reduce them. In 2017, for the eleventh year running, VINCI confirmed its leadership position in France regarding climate strategy. The Group was again included in the Carbon Disclosure Leadership Index (CDLI) France in 2017, as it obtained level B for its response to the Carbon Disclosure Project (level B in 2016). This project, which is conducted on behalf of 827 investors representing $100 trillion in assets under management, assesses how large companies are responding to climate change.

2.3.2 Adapting to climate change

VINCI has adopted France's plan for adapting to climate change and takes a forward-looking approach. The Group plans in advance for any necessary changes to cities and buildings, particularly through eco-design projects in which studies span the structure's whole life cycle. Similarly, VINCI companies use scientific scenarios predicting a 50 cm rise in sea levels by 2050, according to the Intergovernmental Panel on Climate Change (IPCC). Although they cannot take action regarding political strategy on receding coastlines, they are developing expertise in technical improvements, notably to strengthen sea walls. VINCI plays a central role in making new and existing structures more resistant to extreme weather events, ensuring long-term durability and providing innovative construction solutions. It carries out extensive research, both internally and through its scientific partnerships, on adapting neighbourhoods to heat waves, handling urban heat spots and developing urban resilience.

VINCI conducted an internal study in 2017 to assess the impact of extreme weather events on the Group's business. Due to their growing frequency, these events are managed at each stage of a project. VINCI companies are often called on following extreme weather events to restore the normal operation of transport and energy infrastructure. Leonard, the new cross-functional platform dedicated to insight, innovation and forward thinking at VINCI, launched the Infrastructure and Resilience task force, bringing together a number of Group experts.

2.3.3 Reduction targets and resources implemented

Group companies have introduced ambitious policies to achieve the target of reducing greenhouse gas (GHG) emissions 30% by 2020. Due to this policy, Eurovia is one of the 33 companies selected by the Association Bilan Carbone to work on the GHG emissions management system (the actions taken are detailed in paragraph 2.2.1.3). As part of its work in this area, since 2016 Eurovia has developed and deployed a new environment and green growth strategy, based on achieving high energy efficiency for each business segment in order to meet the Group's emissions reduction target for 2020. A number of solutions have also been developed to reduce emissions, such as the plant-based fuel Dertal G. The fuel is derived by distilling pine resin and can replace the fuel oil used at production facilities to dry asphalt mixes. The use of Dertal G is also in line with circular economy principles. After one year in use and 150,000 tonnes of asphalt mix produced, no heavy metal or polycyclic aromatic hydrocarbons (PAHs) were detected in the air.

Other levers for reducing GHG emissions are mainly to be found in how structures are used by customers and end users: operations account for over 50% of lifetime emissions for a rail line, 90% for a building and over 95% for a motorway. Reducing the CO_2 emissions of VINCI structures is part of an eco-design approach that takes into account the construction, operation and end-of-life phases to compare and select the most appropriate technologies during the design phase. The approach uses life cycle analysis (LCA) tools that measure CO_2 emissions and other indicators such as water consumption, depletion of natural resources and impacts on human health. These tools allow the Group to ensure that CO_2 reductions do not generate other impacts at any point in the life cycle of its structures. LCA tools, primarily developed within the framework of the Chair in the Eco-design of Buildings and Infrastructure, are used in numerous subsidiaries. The CO_2NCERNED methodology developed by VINCI to measure a project's carbon footprint is deployed across all Group business lines to assess construction options at VINCI Construction, the effectiveness of solutions at VINCI Energies and motorway routes in the Concessions business, and to optimise the carbon footprint of rail infrastructure.

VINCI is an active member of national and international working groups within its industry (Association Bilan Carbone and Encord) that are defining standards for quantifying Scope 3 emissions. Under this approach, success depends on relationships with end customers. The VINCI Autoroutes eco-comparison application available on its website calculates the amount of CO_2 motorists could avoid emitting. VINCI Construction shows building occupants how they can consume less energy through its Oxygen® guidelines. VINCI Construction France and the facilities management activities of VINCI Energies continued to work together in 2017 to develop the Oxygen® energy performance guarantee for the in-use phase of buildings.

2.4 Biodiversity conservation

2.4.1 General biodiversity policy

The Biodiversity Task Force, which implements the Group's biodiversity policy, brings together about 40 ecology experts and environment managers from the Group's different activities. It is primarily responsible for monitoring the regulatory environment, developing scientific expertise, analysing risks, promoting initiatives and sharing best practices. The task force encourages organisations, engineering and design departments, government authority representatives and companies to transmit information on what they do and the tools they use. VINCI has developed a Group-wide network of more than 500 biodiversity coordinators, who come together once a year in a day-long meeting to discuss technical issues. In 2017, some 100 people attended the meeting, which focused on solutions that business lines could implement to avoid and reduce impacts on biodiversity.

Five years after the Biodiversity Task Force was formed, a number of Group-wide initiatives have been launched at the Group's business lines. Four thematic working groups – focusing on stakeholder relations, offset strategy, environmental monitoring methods and the mapping of natural areas – were set up in 2017 to share tools and best practices.

2.4.2 Measures to promote biodiversity

Several Group companies with long-cycle business activities that directly impact natural environments – notably those involved in the concession-construction of transport infrastructure (motorways, airports), earthworks and quarries – have been deploying a biodiversity action plan for many years.

Measures to avoid and reduce impacts on natural environments or, lastly, to offset residual impacts are developed and applied in partnership with the most appropriate stakeholders, depending on the project, location, species and ecosystems. Across all VINCI companies, more than 300 partnership agreements on biodiversity issues with non-profit organisations, research centres and engineering and design firms were signed or in effect in 2017.

To maintain a continuous hands-on approach, the Group gave special focus to deploying training and awareness modules on biodiversity issues in 2017. At VINCI Concessions, 121 people have taken the Biodiversity and Stakeholders training course since 2013. Eurovia has integrated specific modules on biodiversity into its training programmes for young quarry and technical engineers and its environmental regulations training for operational staff. At certain worksites, "15-minute biodiversity sessions" were introduced to make sure that employees understand and properly take into account the signage used concerning biodiversity. As part of its Attitude Environnement label, VINCI Construction France continued rolling out its training modules on factoring biodiversity into projects, especially in urban settings. A technical manual on green roofs is also provided for company employees. VINCI Construction Grands Projets devoted a large portion of its environmental training programme to biodiversity conservation. Several sessions of this programme were held in 2017.

Operators of linear infrastructure concessions are primarily concerned with the fragmentation of natural habitats, focusing their efforts on the ecological transparency of their infrastructure, the reversibility of barriers and the restoration of ecological connectivity. This includes creating ecological engineering structures, re-profiling ponds, making improvements to hydraulic structures, restoring and enhancing sites of ecological interest, redeveloping slopes, sustainable roadside grass mowing, and so on. VINCI Autoroutes works to keep users informed at the environmental awareness spaces it sets up at rest areas along summer routes for its Étapes Estivales programme, and invited children from nearby schools to visit wildlife crossing construction sites.
VINCI Autoroutes has also taken steps to reduce the impact of the operation phase of motorways on natural environments. For example, the considerable efforts engaged to limit the use of phytosanitary products have led to a 85.8% decrease in their use since 2008.

Wildlife crossings and fenced sections on the motorways of VINCI Autoroutes companies

	2017	2016	2015
Crossings for small and large wildlife *(in number)*	**883**	806	783
Fenced sections *(in km)*	**8,651**	8,543	8,497

The main biodiversity issue faced by Eurovia is the production of aggregates at quarries currently in operation or during the site rehabilitation phase. To focus on this issue, Eurovia established a partnership with the natural heritage department of France's Natural History Museum (MNHN) in 2012, which was renewed in 2017. They developed a methodology used to analyse natural environments and a study of the balance of plant and animal life at each site. Using this approach, Eurovia sites can be mapped based on their natural environment and species living there. Measures can then be determined to conserve and provide a favourable environment for new plant and animal species.

At these sites, Eurovia implemented an assessment methodology designed by the MNHN to determine their ecological potential and environmental quality index (IQE). This approach helps define actions to improve how biodiversity is taken into account during both operation and rehabilitation phases. In addition to the MNHN, other local partners (non-profit organisations such as those approved as Permanent Centres for Environmental Initiatives) have gradually been trained and authorised to use this methodology. The IQE was tested on 20 quarries from 2013 to 2016 and was extended to six additional sites in France in 2017.

Eurovia's biodiversity indicators specific to quarries

	2017	2016	2015
Quarries that have set up a CLCS(*)	**39%**	19%	52%
Quarries that have formed partnerships with local naturalists	**34.80%**	25%	30%
Quarries that have joined the Unicem Environment Charter(**)	**47.05%**	72%	79%
Number of data on flora and fauna sent to the INPN by Eurovia quarries(***)	**12,120**	9,800	11,162

(*) Commission Locale de Concertation et de Suivi (local consultation and monitoring commission).
(**) National Union of the Quarrying and Construction Materials Industries.
(***) Inventaire National du Patrimoine Naturel (national inventory of natural heritage).

In 2017, over three out of four VINCI Construction Terrassement worksites put up signs with information on biodiversity issues. The company won around 15 new contracts for ecological engineering projects. More than 25 operational staff members (site managers and machine operators) gained and developed significant experience in biodiversity conservation techniques and methods.

Going forward with the biodiversity expertise it has gained over the past years, in September 2017 VINCI Construction launched Equo Vivo, an ecological engineering services offering dedicated exclusively to conserving and restoring biodiversity, designing and carrying out environmental improvements and maintaining ecological connectivity. Equo Vivo was created to serve both local public entities – such as local government authorities and river basin agencies – and private organisations to meet their needs in regional development while responding to the growing importance of environmental issues.

The environmental policy at VINCI Airports includes a section on biodiversity conservation that involves conducting an assessment of biodiversity issues at all the Group's airport sites by 2020. This assessment can then be applied to adapt action plans to the local context, primarily addressing wildlife hazards. The methodology and assessment tool were completed in 2017, and initial studies were led at Nantes Atlantique, Clermont Ferrand Auvergne and Grenoble Alpes Isère airports.

2.4.3 Sponsorship, research and development to promote biodiversity

The LISEA Biodiversity Foundation, set up at the end of 2012 with a budget of €5 million for the period 2012-2020, helps to finance local projects submitted by non-profit organisations, companies or research centres located in any of the six French administrative departments crossed by the Tours–Bordeaux rail line: Indre et Loire, Vienne, Deux Sèvres, Charente, Charente Maritime and Gironde.

Number of new projects supported by the LISEA Biodiversity Foundation by topic and per year

	2016	2015	2014
Restoration and environmental protection	4	12	11
Applied studies and inventories	7	22	15
Training and awareness initiatives	16	13	4
Total	**27**	**47**	**30**

Under the sponsorship programme of the Chair in the Eco-design of Buildings and Infrastructure, the students of AgroParisTech have developed a number of tools and solutions designed to conserve biodiversity in the urban environment.
Biodi(V)strict® is a diagnostics and decision-making tool used to measure the biodiversity potential of an urban or peri-urban development project. This solution is the result of a collaborative project that teamed up urban development experts with scientists under the partnership between VINCI, VINCI Construction France and AgroParisTech within the framework of the VINCI-ParisTech Chair initiated in 2008. A Biodi(V)strict® study of a construction or renovation project determines points that can be improved and suggests ways to promote local plant and wildlife. Biodi(V)strict® is used for projects under public-private partnerships, development or design-build projects and can be applied at various project stages (planning, design, bidding, etc.). This tool has been used on 27 VINCI Construction France projects since 2014 and was tested as part of the implementation of HQE Performance standards for housing, offices, retail space, schools and university campuses. This work led to the creation of the urban biodiversity startup Urbalia in late 2017. Urbalia benefits from unique expertise with Biodi(V)strict® and has permanent access to scientific-based evidence that it can use to continuously enhance its services.

The Chair's research on urban agriculture was published in 2017 and applied to Group programmes relating to this area, especially to develop new dedicated solutions. The thesis entitled "Technosols built using urban waste: ecosystem services and evolution", presented in December 2017, offers guidelines for VINCI companies that want to develop productive green roofs on buildings.
Since 2014, VINCI has been part of the Strategic Guidance Council at the Foundation for Research on Biodiversity (FRB), whose members (non-profit organisations, research centres, government services, businesses, etc.) work to support dialogue and exchange on best practices to address biodiversity issues.

2.5 Prevention and restoration

2.5.1 Legal and regulatory compliance

In regard to France's Grenelle II Environment Act, VINCI implements processes to comply with changing legislation. Special IT tools for managing regulatory and QHSE risks are also used, such as VINCI Energies' Préventéo®, which supports regulatory monitoring and the standardisation of criteria for the Group's regulatory audit. The Group pools this expertise and environmental regulation monitoring efforts within cross-business working groups.

2.5.2 Prevention of environmental impacts and associated costs

Expenditure on protecting the environment (e.g. soil remediation at Soletanche Bachy, cleaning and decontamination of structures at Freyssinet and recovery of organic materials at VINCI Environnement) is generally included directly in each project's operating expenses and is not consolidated centrally.

Environment-related expenditure by VINCI Autoroutes companies

(in € millions)	2017	2016	2015
Annual environmental investment	154	100	66
Annual spend on the upkeep of natural areas	23	23	26
Insurance premiums to cover environmental risks	0.38	0.37	0.33

Expenditure on the environment by VINCI Autoroutes (investment and maintenance) rose in 2017 compared with 2016 with the continuation of the motorway stimulus plan.

2.5.3 Environment provisions and guarantees

See "Environmental, technological and cyber risks" in chapter D, "Risk factors and management procedures", pages 171 and 172 of the Report of the Board of Directors.

2.5.4 Damages paid in 2017 following legal decisions on environmental matters and lawsuits filed for damage to the environment

Legal decisions regarding the environment are handled directly by the business units concerned and the amounts paid are not consolidated at Group level. No VINCI companies appear to have paid any significant damages in 2017 subsequent to a court decision on an environmental matter.

3. Social information

3.1 Regional, economic and social impacts of VINCI's activities

3.1.1 Contribution to regional economic and social development

3.1.1.1 Group companies with strong local roots

VINCI is made up of a network of local companies that have long-established roots in their operating regions (nearly 70% of Group companies have fewer than 100 employees). Owing to these local roots, as well as the autonomy and opportunities for initiative made possible by the Group's decentralised management model, VINCI companies play an important part in the life of surrounding communities. In 2017, VINCI had operations in over 100 countries through more than 1,400 companies.

Size of Group companies by number of employees at 31 December 2017

	2017								
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding companies	Total	
From 1 to 99 employees	1	10	12	534	165	268	6	**996**	**68%**
From 100 to 499 employees	-	3	4	169	65	150	1	**392**	**27%**
More than 500 employees	3	4	1	17	21	30	1	**77**	**5%**
Total	**4**	**17**	**17**	**720**	**251**	**448**	**8**	**1,465**	**100%**

3.1.1.2 Promoting the sustainable development of regions

Always taking a long-term perspective, VINCI companies design, finance, build and operate bridges, tunnels, roads and other infrastructure in the public interest that contributes to the sustainable development of regions. Group companies therefore take part in actions that structure territories and help improve their coherence. As key contributors to economic and social growth, VINCI companies play a major role in regional development, in both urban and rural areas. Whether engaged in construction or concession activities, Group companies create value that cannot be delocalised and generate significant local benefits in the form of revenue, subcontracting, the development of ancillary activities, local tax contributions and support for local non-profit organisations.

Apart from economic contributions in the form of locally generated revenue and tax payments by companies at local level, the types of activity pursued by the Group promote the growth and attractiveness of regions through the construction or upgrading of infrastructure and facilities. In addition, at a time when the requirements of customers – especially those of public sector or quasi-public sector customers, which generated €13.3 billion in revenue for VINCI in 2017 (more than 33% of total revenue) – are increasingly focusing on the environmental and social impacts of projects, Group companies are placing considerable emphasis on taking into account the external factors tied to their activities. They are constantly working to provide innovative solutions, particularly in terms of energy performance, the design of urban eco-districts, promoting the sustainable city, as well as mobility and end-user services.

In 2017 VINCI participated in a working group organised around the theme "Co-construction of relationships between businesses and communities" that was launched by the sustainable development consultancy, Utopies©. The working group brought together 11 large companies in order to discuss the strategic and practical approaches that may be used by them and their peers to drive the growth of sustainable entrepreneurship opportunities at the local and regional levels. In fact, VINCI companies are already contributing to successful economic development and working to improve economic vitality in the areas where they operate, notably by forging relations with local startups and pursuing open innovation initiatives.

For many years, VINCI Concessions has worked closely with startups on the development of pilot projects to test and evaluate new services for customers and new approaches to improve the user experience. VINCI Airports, which has initiated many such projects, began testing Business in the Air at the Porto and Lisbon airports in May 2017. This application feature helps business passengers awaiting their flights find and establish new professional contacts or even organise meetings at the airport via their LinkedIn profiles. The Portuguese startup Business in the Air was one of the four top picks that emerged from the VINCI Startup Tour, a Europe-wide competition launched in November 2015. Benefits for the selected winners include assistance from experts and the opportunity to test their innovations under real conditions, thereby exploring the potential for the rollout of their solutions on a larger scale. Also in 2017, Rhônexpress SAS, the company operating the fast link between Lyon-Saint Exupéry Airport and the city centre, in which VINCI Concessions is one of three shareholders, launched the first phase of its call for projects. Under the name Rhônexpress Innovative U-X, the aim is to identify innovations to improve the user experience. Of the 12 selected startups, three were named as winners in March. The LISEA Carbon Foundation organised the LISEA Startup Contest, in partnership with Bordeaux Métropole, the intercommunal structure bringing together the city of Bordeaux and surrounding communities, and the Nouvelle Aquitaine region. This competition relates to the development and implementation of a digital solution to help solve the "last mile" problem for passengers using the Bordeaux-Saint Jean train station. The three winning startups have been testing their solutions since October 2017 in the area covered by Bordeaux Métropole. VINCI Energies launched La Factory in 2017, a space dedicated to innovation where its teams can come together to work out concepts, exchange ideas and co-construct its future offerings alongside startups as well as the Group's partners and customers. La Factory houses VINCI Energies' brand management staff, its teams focusing on the service sector and smart cities, its Development and Innovation department, and has a number of startups in residence. For the second consecutive year, VINCI Energies was also a partner of the Viva Technology event in Paris, which brings together startups and business leaders from around the world to celebrate innovation, where it hosted the Digital Industry lab. Lastly, among other initiatives to promote innovation, VINCI launched Leonard in 2017; this new cross-activity platform dedicated to insight, innovation and foresight is open to both Group employees and partner startups.

3.1.1.3 Social and economic impact of VINCI's activities

For several years, VINCI companies have had access to tools developed by the Group to measure the social and economic effects of their projects. They have applied this type of assessment to specific sites as well as projects for infrastructure, facilities, upgrades and other works. These studies allow companies not only to highlight the operations being carried out, but also to better take into account the operating environment and adapt their strategies for upcoming phases. They are also helpful when engaging in dialogue with local and regional stakeholders and other key actors (elected officials, business leaders, etc.).

In 2012, LISEA, the concession company for the South Europe Atlantic high-speed rail line (SEA HSL) connecting Tours and Bordeaux, set up a monitoring unit in partnership with the concession grantor, SNCF Réseau, designed to record socioeconomic data for a period of 10 years from the opening of the line to traffic. Its core mandate is to analyse the challenges and opportunities brought by the arrival of the high-speed rail line as they relate to geographical mobility, the local economy and regional development. This monitoring unit involves the participation, alongside the concession company and grantor, of French government agencies, regional and local authorities, chambers of commerce, universities, and all other stakeholders legitimately considered as experts in the chosen research areas.

Among other initiatives, studies have been carried out since 2014 by an external partner to measure the direct, indirect and induced impacts of both planned and ongoing operations, using the Local Footprint® tool developed by Utopies©. This type of study was conducted on:

- the Solignac sur Loire quarry and the quarries managed by Jalicot (Eurovia);
- the project to upgrade the Bambeto roundabout, in Guinea;
- the Stade de France operation;
- the airports operated by VINCI Airports in France;
- the future works and operational phases of the western Strasbourg bypass;
- the T3C section of Line 15 South, together with a validation of the consortium's Grand Paris SME strategy.

3.1.2 Contribution to employment, local skills development and social integration

In terms of employment, the activities of Group companies contribute to the creation of direct jobs, indirect jobs (temporary employment and subcontracting) and induced jobs. In addition to furthering local employment opportunities, VINCI companies help to support regional development through training initiatives and social integration of the long-term unemployed. Internationally, and particularly in emerging economies, they also promote local skills development, focusing their efforts on both production and managerial staff.

3.1.2.1 Employment and local skills development

As they are highly labour intensive, VINCI's Contracting activities (the Energy, Construction and Roads business lines) have substantial direct, indirect and induced effects on regional employment. For employment at its worksites, the Group encourages the use of local resources, thus contributing to training efforts in regions. Furthermore, practices in the Group's business sectors and the relatively short duration of projects encourage professional and geographical mobility. Accordingly, training efforts of VINCI companies address the needs and issues raised by these skills transfers. The mobility of VINCI employees thus benefits the entire industry, promotes regional development and is encouraged by all Group companies.

In Africa, Sogea-Satom, which uses local resources whenever possible for the work carried out on its sites, once again demonstrated its long-standing commitment to the training of local managers. In 2017, more than 70% of Sogea-Satom's managers were from the continent, accounting for 40% of agency directors and 90% of supervisory personnel working in Africa. In addition, the year saw further growth for the Africa Pro campus, established in Morocco by the company in 2015 to expand training opportunities for its employees in Africa and reinforce the company's shared culture; the campus has now enriched its programme of training courses. Sogea-Satom also recently joined several networks on the continent with the aim of forming a federation of local training organisations in order to broaden its pool of trainers. In recognition of this new initiative, the campus was invited to take part in the second edition of the Journées Nationales des Ressources Humaines (JNRH), a national human resources management symposium held in Benin in July 2017.

VINCI Construction Grands Projets continued the rollout of its Skill Up programme, which aims to develop the knowledge and skills of operational and supervisory staff (manual workers, team leaders and site managers) around the world by setting up training centres tailored to the requirements of each project. These centres are designed to serve local teams employed on the projects. In 2017, new Skill Up training centres were set up in three countries: Egypt, Chile and Cambodia. With courses delivered to over 370 project participants (employees, subcontractors and partners) during the year, this training has also helped to improve their employability upon completion of work at the sites. The courses dealt with various subjects, such as slinging, scaffolding, shuttering and the use of concrete pumps. During the summer, a Skill Up trainer worked with Inacap, a technical university and vocational training institution in Chile, to train future trainers.

VINCI Airports Academy, which helps disseminate the company's shared culture as well as its specific know-how, continued its international rollout, in particular by expanding its offering of e-learning modules.

Lastly, VINCI Construction put in place an internal training course entitled "La ville sous la ville" (The City under the City) in response to the unusual nature of the sites for the Grand Paris project and the company's considerable experience in this type of project. The course aims to foster a culture of special and underground works, thereby anticipating its needs in the area of skills development for its employees in relation to very specific techniques. The first session of this course opened in July 2017. An introduction to the course is provided as an e-learning module, which may be accessed by all staff.

3.1.2.2 Social integration

In France, public procurement contracts include social integration clauses requiring the recruitment of the long-term unemployed. The French construction industry accounts for 70% of these clauses, corresponding to between 2 and 3 million work hours per year for VINCI companies. To help companies honour their commitments in this area, VINCI created ViE in 2011, the Group's social integration entity specialising in employment. ViE recruits locally and currently covers 90% of France.

Activity of the ViE social integration entity, and change

	2017 (*)	2016	2015	2017/2016 change
Number of people benefiting from social integration measures	**1,941**	2,157	2,105	-10.0%
Number of hours of integration employment	**777,238**	921,135	719,864	-15.6%
Number of hours of training	**22,852**	16,716	13,800	+36.7%

(*) Data provided reflects information at 30 November 2017.

To help those benefiting from social integration measures build their skills, ViE seeks to lengthen their periods of employment with the Group. In 2017, about 23,000 hours of training were delivered, an increase of 36% compared with 2016, together with 5,670 hours corresponding to the Group's 15-minute safety sessions. Furthermore, 18% of people taken on under social integration clauses were offered an additional contract once their first project was completed (14% in 2016, 12% in 2015, 15% in 2014 and 2013, 12% in 2012). Over the year, 495 of the 1,941 people benefiting from these measures (more than 25%) were subsequently hired by the Group or one of its subcontractors. The decrease in the number of hours of integration employment in 2017 is due to the completion of certain projects with which ViE was associated. Lastly, for the past two years, ViE has been working on the STEP programme in the metropolitan area of Lille in order to offer long-term unemployed people the possibility of finding work by improving their employability. Currently, this programme receives no public funding and is based on innovative training and support methods that enable people to develop their personal and organisational skills as well as certain technical competencies that are transferable to all types of work at a basic level.

Several Group entities are also applying this proactive approach to promote employment and integration at local level. For example, in connection with the A9 rerouting project at Montpellier, completed in 2017, VINCI Autoroutes had entered into a partnership agreement in September 2013 with the regional office of the French national job agency Pôle Emploi and the regional directorate for enterprises, competition policy, consumer affairs, labour and employment (Direccte). VINCI Autoroutes thus included integration clauses in each of its calls for tender, enlisting the participation of all contractors in this action on behalf of the region. VINCI Autoroutes agreed to ensure that 8% of the total number of hours worked would be performed by priority populations: the long-term unemployed, young people with few or no qualifications, welfare recipients, older employees, etc. At end-September 2017, more than 2,500 integration contracts had been signed, representing nearly 224,000 hours worked, or 156% of the initial target set and close to 4.7% of the total number of hours worked on this project. The long-term unemployed (individuals unemployed for more than 12 months) accounted for 61% of those recruited, while 19% were people under the age of 26. These very positive results confirmed the strong commitment of the A9 rerouting project to the local economy and regional development.

3.1.2.3 Relations with educational institutions

Even during periods of economic difficulty, VINCI companies recruit new staff and therefore maintain long-term partnerships with educational institutions and academic circles. These partnerships involve a wide variety of initiatives: sponsoring of graduating classes, support for specific degree programmes, site visits, recruitment fairs, sporting events, internships, etc. The general policy in this area is to further develop VINCI's employer brand to underpin the recruitment strategies of Group companies. In France and other countries, Group companies forge many local partnerships with apprenticeship centres, schools, universities and other institutions of higher learning. Group employees play an important role in these relationships by serving as sponsors or mentors, giving presentations and organising visits, among other actions. VINCI also lends its support to the educational community through the allocation of the apprenticeship tax, which is coordinated both at Group level and by entities building relations with educational institutions in their local areas.

For example, VINCI is the sponsor of the class of 2018 at École des Ponts, one of the three ParisTech engineering schools. Partnerships have also been forged with French engineering schools outside the Paris region (Icam Lille, INSA Strasbourg, Polytech Clermont). The regional Pivot Clubs, which bring together human resources managers from across the Group, provide essential support in furthering these initiatives.

Several of the Group's subsidiaries are developing their own networks of relations with educational institutions in the regions where they operate. Eurovia, which has long been a partner of the Paris engineering school ESTP, decided this year to sponsor the school's newest class of engineering students for the 2017–2020 period. Its aim is to forge personal relationships with each and every student thanks to the involvement of nearly 200 of its employees who will offer one-to-one mentoring. Over the course of their studies, students will thus be able to deepen their real-world business knowledge in areas such as accident prevention, innovation and international operations. Eurovia's sponsorship aims to demonstrate its growth, wide-ranging business activities and company culture to these future engineers.

VINCI Construction also maintains close ties with the academic community, especially with top French engineering schools (CentraleSupélec and ESTP) and universities in other countries. The company supports 10 universities across Asia, particularly in Hong Kong, Malaysia, Singapore, Thailand and Vietnam. In 2017, new partnership agreements were signed with three institutions: the University of Malaya in Kuala Lumpur, Ho Chi Minh City Polytechnic University and the National University of Civil Engineering in Hanoi. In Latin America, VINCI Construction continues to develop its partnerships, notably with the National Autonomous University of Mexico and the country's National Polytechnic Institute, the National University of Colombia and the Antioquia School of Engineering in this same country, and the University of Chile. In addition, the company signed a new agreement with the Pontifical Catholic University of Chile on 24 October 2017. Lastly, VINCI Construction frequently takes part in forums, events and conferences organised by academic institutions across Europe and around the world. Each year, dozens of graduates from these top universities and schools join the Group's companies.

In Africa, Sogea-Satom supports several educational programmes at a number of engineering schools, including École Polytechnique de Dakar in Senegal, Institut Supérieur de Technologie d'Afrique Centrale (Istac) in Cameroon and Institut International d'Ingénierie de l'Eau et de l'Environnement (2IE) in Burkina Faso. In 2017, Sogea-Satom signed a partnership agreement with Centrale Nantes and the International Campus for Sustainable and Innovative Africa (Icsia) in Mauritius to sponsor two female African students admitted to Icsia's Bachelor of Science (Hons) in Engineering programme in September 2017. Similarly, following the signature of an agreement with the University of Douala in support of Parts I and II of its QSE Masters degree programme, two students began working in January 2017 with Sogea-Satom's QHSE team in Cameroon and completed a number of practical internships at its various project sites during the year.

Other innovative initiatives are being rolled out for students and young graduates. For example, VINCI Energies held a Young Talents Day recruitment event at The Factory in November 2017. Nearly 400 internships were on offer, both within and outside France, for final-year students at engineering, business, management and computer science schools. Over 700 students submitted their applications in advance via the website www.youngtalentsday.com. At the event, the selected applicants were able to discuss their interests and plans with senior managers and other professional staff members on hand to advise them. VINCI companies also frequently reach out to students through events organised at their universities and schools. In 2017, Eurovia, VINCI Construction and VINCI Energies joined forces to organise a VINCI Day event for students at HEI Lille and Icam. The aim was to raise the profile of the Group among engineering students at the two institutions by sharing information and answering their questions about its business activities and corporate culture.

3.2 Relations with civil society stakeholders, non-profit organisations, local residents, users and consumers

3.2.1 General policy relating to dialogue with stakeholders

Owing to their position in the value chain, VINCI companies are continuously engaged in dialogue and consultation with all project stakeholders. Public authorities have responsibility for decisions on transport and energy infrastructure and on facilities to improve the living environment, including where they are to be located. However, VINCI companies serve as a liaison with local communities, residents living near the structures they build, non-profit organisations and users. In order to better identify stakeholder needs and propose solutions that will be satisfactory for all concerned, VINCI has developed an easy-to-use mapping tool called Reflex. Interactive websites developed specifically for major projects round out and help bring a fresh perspective to the more traditional consultation processes, such as public meetings, site visits, etc.

The Group's approach in this area is enshrined in the "Together" Manifesto, which encourages Group companies to strengthen openness and dialogue with stakeholders as an opportunity and a means to create value with a positive impact. As an example, Omexom (VINCI Energies) has launched a project, the first of its kind in France, with SDE 18, the authority that is in charge of energy supply for the Cher administrative department, for the collective generation and on-site consumption of electricity from renewable sources. The project was made possible by involving local and regional stakeholders in a co-construction process. Similarly, VINCI Immobilier is developing innovative solutions to better gather, analyse, understand and take into account the expectations of future buyers at an earlier stage in their processes, with a view to offering homes and configurations precisely tailored to the needs of these customers. For example, the company has partnered with the new startup HabX, an online platform leveraging a range of digital technologies to meet the needs of homebuyers, for three of its property development programmes. With HabX, the roles are reversed: the buyers conceptualise their new homes. By accessing a website set up for the property development programme, future occupants are able to configure their own living spaces – dimensions and layout, exposure, floor, number of rooms, special usage needs – even before the building permit has been filed.

3.2.2 General policy relating to dialogue with customers and end users

The majority of VINCI's customers are public authorities or companies. With these customers, the objective embraced by VINCI companies involved in long-term partnerships – for motorways, airports, stadiums and other infrastructure – is to build relationships founded on trust over time, particularly through the services they offer. Except in the case of the Concessions business, the public-private partnerships of the Contracting business or the services provided by VINCI Facilities (VINCI Energies), private individuals are only rarely direct customers. Nevertheless, close working relationships with them are vital, right from the initial design phase, owing to the potential impact of projects on nearby residents. Also, the resulting exchanges can provide important insights into the acceptance of planned structures by communities.

3.2.2.1 Consultation initiatives and relations with local residents and associations representing users

When carrying out their activities, Group companies apply strategies and undertake initiatives in a spirit of dialogue, consultation and exchange with project stakeholders and other key local and regional actors, including elected officials, associations representing users of the infrastructure and facilities they build or operate, as well as people living or working nearby.

LISEA, the operator of the South Europe Atlantic high-speed rail line, fully mindful of the impact on the local noise environment, honoured its commitments by launching an acoustic measurement campaign once the line opened to traffic. The aim of this campaign is to evaluate the adequacy of the procedures put in place under real traffic conditions. LISEA is thus engaged in direct and ongoing consultation with local and regional actors, making sure that transparency remains central to its process. Actions include listening and responding to residents' questions and concerns, and involving mayors in the identification of measuring positions. In June 2017, before the line opened to traffic, the mayors were informed of the launch of the measurement campaign. During the summer, local consultation meetings in 70 municipalities resulted in the final determination of the measuring positions for the campaign, which will continue until spring 2018. A system for handling individual claims has been developed. All claims, whether they are sent to LISEA, the departmental prefects or the mayors, are centralised so that they can be processed in consultation with all stakeholders in accordance with the specific characteristics of population areas.

Through its activities in quarrying and roadworks, Eurovia builds strong and lasting relationships with local stakeholders – residents, local government authorities, non-profit organisations and government agencies – using approaches such as information meetings, local committees for consultation and monitoring (CLCS), open days, and partnerships with non-profits and NGOs at local level. For the coating plants, a specific and more formal approach is implemented to forge these relationships, involving the use of a dedicated tool for the presentation of activities, in order to best facilitate communication between the company and its stakeholders.

VINCI Autoroutes has built up recognised expertise in consultation and dialogue with stakeholders and local residents. Following on from the efforts and actions undertaken in 2016 for the widening of France's A10 motorway between Poitiers and Veigné, and in particular its participatory web platform (www.A10-poitiersveigne.fr), the consultation process was pursued with all affected parties. In 2017, VINCI Autoroutes set up co-construction workshops with the region, bringing together its key actors (residents, elected officials, associations, economic players) to aid in defining the project in advance of the public inquiry. The first workshops held in February focused on topics such as the landscape and cultural heritage, the rehabilitation of engineering structures, biodiversity and natural environments. Two subsequent series of workshops were held in April and June dealing with acoustics, hydraulics, land rights, air quality, economic development and tourism, and new mobility solutions. In June, residents and elected officials were invited to attend meetings to present a summary of the recommendations made by these co-construction workshops, which collected more than 900 opinions. The proposals adopted by VINCI Autoroutes were presented and answers given to the questions received. The public inquiry will be the next phase of this project. In addition, VINCI Autoroutes took part in the first public procurement trade show for mayors in the Vienne administrative department, which provided a forum for exchanges concerning the various development projects launched by the company in the department.

For VINCI Airports in France, the preferred means to pursue consultation with communities living in proximity to airports is the environmental consultation committee (CCE). These committees are chaired by the prefect of the French administrative department where each airport is located and bring together aviation professionals, local authorities and civil society representatives such as local resident associations and environmental organisations. A specific and formal procedure has been set up at each airport for the management and handling of claims. In France, a claims report is presented at every CCE meeting, indicating the number of claims received, the average response time, as well as the breakdown of complaints by municipality and type of disturbance (noise, flight paths, etc.). In Portugal, at all airport facilities managed by ANA, nearby residents are also consulted. The number of claims is consolidated every year at the level of VINCI Airports.

3.2.2.2 Initiatives to promote strong and lasting relationships with users and customers

Alongside their ambition to build and maintain strong and lasting relationships with their stakeholders, Group companies also seek to anticipate the needs and expectations of both their customers and the end users of the infrastructures and facilities they design, build or operate. They do so by developing innovative solutions, in particular to promote the well-being and safety of end users or improve the information provided to them.

Based on an idea that emerged from customers' suggestions, ANA (VINCI Airports) has developed a solution for managing passenger flows, in partnership with Thales Portugal, that monitors the dynamics of occupation within a space and the movement of people through it in real time. In Lisbon, the implementation of this solution helped ANA and its partners at the airport improve indicators relating to passenger flows. As a result, waiting times were reduced by 20%, raising passenger satisfaction levels. At Lyon-Saint Exupéry Airport, in association with the French government agencies concerned, an alternative solution to the destruction of items confiscated during passenger checks has been developed. Called See You Later, this paying service is the only one of its kind in France; it offers the option for confiscated items to be mailed to the passenger's home address, at his or her request.

VINCI Autoroutes aims to cultivate constructive relationships with its customers, remaining attentive to their usage patterns and needs, in particular through the development of specific communications materials. A Facebook page named L'A63 et vous (The A63 and You) was created to keep drivers informed of traffic conditions and provide updates on the project for the widening of this motorway between Ondres and Saint Geours de Maremme. VINCI Autoroutes has also continued to set up Twitter feeds to deliver real-time and local information on traffic conditions, travel times or even weather alerts. The aim of this approach is to improve responsiveness and help drivers anticipate and make better decisions in the event of an incident. The Twitter feeds round out the range of VINCI Autoroutes services: dedicated website, VINCI Autoroutes app, Radio VINCI Autoroutes, customer service number (3605), and VINCI Autoroutes' main Twitter account. In 2017, new Twitter feeds were created for the following motorway sections: the A86 Duplex Tunnel (@DuplexA86), the Toulon Tunnel (@TunnelToulon), the A11 connecting Paris to Nantes via Le Mans and Angers (@A11Trafic), and the A7 between Lyon and Marseille (@A7Trafic). In September 2017, VINCI Autoroutes launched the Twitter feed @ToulousePeriph, which provides traffic updates for the Toulouse ring road, in partnership with DIRSO, the interdepartmental directorate of roads for south-western France, and Toulouse Métropole, the intercommunal structure bringing together the city of Toulouse and its surrounding communities. Lastly, on an experimental basis, the teams at Waze and VINCI Autoroutes have created a system of real-time alerts able to report the presence of VINCI Autoroutes road maintenance vehicles on the VINCI Autoroutes network.

Initially rolled out in a pilot phase at the Avignon Nord toll plaza on the A7, contactless toll payment is now possible at a growing number of sites across the VINCI Autoroutes network. Quick and secure, this payment method is another new practical service offered by the company and gets users through toll plazas faster. Alongside the development of electronic toll payment, it is part of the move to paperless transactions and reflects VINCI Autoroutes' ambition to constantly adapt its services to new usage patterns and the expectations of motorway users.

As part of its efforts to strengthen its offer of everyday mobility services, VINCI Autoroutes has also continued its actions to encourage carpooling. In 2017, five new parking facilities reserved for carpooling were opened, bringing the total capacity to over 2,200 spaces. In September 2017, the company published the results of its third survey of French carpooling practices. Publication was timed to coincide with European Mobility Week and the opening of the Assises de la Mobilité, a series of low-carbon transport workshops in France that involved the participation of VINCI Autoroutes alongside elected officials, industry associations, trade unions, NGOs, other industry players and members of the public. The new survey revealed that carpooling has become a fully fledged mode of transport for daily commuters in France. Lastly, VINCI Autoroutes sponsored tests in May 2017 of the new application BlaBlaLines, a carpooling service intended for daily commutes, on roundtrips between Montauban and Toulouse. In September, based on the success of the tests, BlaBlaLines added more routes around Toulouse and Montauban and now covers the entire area.

VINCI Immobilier has introduced two new digital tools to improve the customer experience. Pilot tests were carried out in 2017 for the first of these, a customer extranet, which is to be rolled out more widely in 2018. This service is a solution often requested by the company's customers. It allows for the continuous dissemination of information, from reservation to delivery: progress made at the development site, financial follow-up on the customer's project, a presentation of the key steps in the process, the characteristics of the home and its surroundings, etc. The other tool is the Configurateur, a service offering an immersive 3D walkthrough tour of a standard unit in the property along with an overview of available fixtures, fittings and services, and the ability to compare different floor plans. VINCI Immobilier is also a signatory to the French Ministry of Culture's "1 Building, 1 Work of Art" programme, which involves providing a prominent place for a work of art whenever a building is created or renovated. This commitment is now recognised for its ability to generate real added value. It reinforces the company's brand image and has proved highly meaningful for stakeholders, local authorities and buyers.

3.2.3 Initiatives, partnerships and sponsorships to protect the environment and cultural heritage

In the area of sponsorship and partnerships, VINCI companies focus their initiatives on three main fronts: (i) the environment and research, (ii) culture and heritage assets, and (iii) social integration through work/solidarity (see below pages 207 to 211). In accordance with the Group's decentralised administrative model, VINCI does not consolidate either its reporting on sponsorship actions or the total budget allocated. However, a low-range estimate suggests a total amount of about €13.5 million in 2017.

3.2.3.1 Partnerships and sponsorships that support scientific research and advance scientific knowledge

Ensuring access to reliable and scientifically validated information, and being able to interpret and use this data productively, are essential to VINCI's ongoing operations and the Group's performance. These imperatives also underpin the Group's approach emphasising openness and dialogue in its relations with stakeholders. Since 2008, VINCI has demonstrated its commitment to advance scientific knowledge by creating the VINCI-ParisTech Eco-design of Buildings and Infrastructure Chair. This partnership has resulted in the delivery of new tools and reference guides to aid in understanding and to support decision-making processes relating to energy, the environment and mobility (www.chaire-eco-conception.org). Its activities cover three areas: the eco-design of districts, the efficiency of infrastructure, and the intersection of these two aspects – with a view to the development of multi-industry regulatory tools able to reduce overall environmental impacts by bringing buildings, energy, biodiversity and mobility into the equation. Access was offered during the year to a wider range of expertise through collaboration with architects/urban planners, sociologists and big data specialists. International partnerships were also forged with about a dozen teams specialising in life cycle analysis (LCA) and simulation platforms. In 2017, the budget allocated for this Chair, whose work was focused on usage patterns, was €800,000.

The Fabrique de la Cité (www.lafabriquedelacite.com), a think tank set up in December 2010 at the Group's initiative to examine emerging urban issues, takes an interdisciplinary and international approach to studying trends in developments taking place in cities. It received funding from VINCI and its subsidiaries in the amount of €986,000 in 2017. Studies have focused on financial innovation to promote investment in infrastructure and urban regeneration, the resilience of European cities in the face of demographic changes, and the development of public spaces as a way to achieve social integration and protect public health, in partnership with the Amsterdam Institute for Advanced Metropolitan Solutions. Other recent areas of research for the think tank have included work on millennials and their role in the city and looking at possible actions to improve mobility for medium distances. The 2017 edition of its international seminar, held in Lyon in early July, examined the ways in which large cities might not only give fresh impetus to growth and innovation, but also extend this vitality beyond their borders. It highlighted the impediments to innovation – territorial, economic and financial, but also cultural boundaries – as well as the ways in which Lyon and other world metropolises have managed to meet the challenge of leaving behind outdated approaches, mobilising collective intelligence to create truly liveable cities. This seminar has served as the basis for an analysis of the major issues faced by today's large metropolitan areas in light of the new urban frontiers to be explored.

Also in 2017, VINCI's contributions to the search for socially responsible and innovative technical solutions continued through its research partnership with Solidarités International. A prototype for the thermal insulation of emergency shelters in Lebanon, conceived by a group of students mentored by employees of Solidarités International and VINCI, was rolled out in summer 2017 for a test phase, which will continue until the end of the winter.

3.2.3.2 Partnerships and sponsorships to protect the environment

Environmental protection organisations vary widely in their composition, governance, financing and expectations. VINCI's strategy with respect to these organisations is to build partnerships at local level, depending on where companies are operating, the specific characteristics of projects and the type of business being performed. For each project, VINCI companies select the most relevant partnerships with conservation organisations.

Many Group companies also support environmental and biodiversity initiatives. Since 2012, Eurovia has teamed up with France's Natural History Museum (MNHN) in a partnership to which the MNHN contributes its scientific expertise, assisting Eurovia in its ongoing efforts to further embed biodiversity management within its long-term business strategy. This partnership has established a solid, scientific foundation for Eurovia's approach, a move commended by stakeholders and that supplements the local partnerships still being developed by the company with environmental organisations. As part of this partnership, Eurovia has implemented a methodology designed by the museum's teams to assess the ecological potential of its sites. The method calculates a site's environmental quality indicator (IQE) and helps define the actions to be put in place to improve how biodiversity is taken into account in the operations phase and during site rehabilitation. Subsequently, a number of local partners, namely organisations accredited as permanent environmental initiative centres (CPIEs), have received authorisation to implement the MNHN methodology after completing training in its use.

Several Group entities have also forged partnerships with the Bird Protection League (LPO). VINCI Autoroutes promotes collaborative and sustainable management of biodiversity, in particular through its long-standing partnership with the LPO, in order to protect ecosystems near its motorway network during the construction and operation of motorway sections. With the renewal in early 2017 of this sponsorship agreement, VINCI Autoroutes will be funding a number of environmental protection initiatives carried out by LPO France and its network over the next three years. In addition, VINCI is a partner of the LPO's U2B programme focusing on urban planning and biodiversity for the 2016–2019 period. This programme's main focus is the preservation and rehabilitation of ecological continuity in urban settings.

Apart from their partnership or sponsorship initiatives in support of environmental protection organisations, Group companies also undertake user awareness campaigns focusing on environmental issues or the promotion of biodiversity with the assistance of partner organisations. Such campaigns include those conducted by VINCI Autoroutes at rest and service areas on its networks. In 2017, these campaigns provided an opportunity to share with customers the lessons of the third VINCI Autoroutes/Ipsos survey on the practices of French drivers in relation to the environment when taking to the road for their holidays. Published in July, the survey revealed that 35% of French people admit that they occasionally throw rubbish out of their car windows while driving. In another example, Eurovia partnered with the Tour de France and the MNHN in 2017 to raise awareness of the many exceptional natural sites in regions crossed by the cycling event, as part of "Le Tour de France de la biodiversité", a series of television spots aired during coverage of the event.

Other initiatives of Group companies to protect the environment include the creation of specific corporate foundations, such as the LISEA Biodiversity Foundation and the LISEA Carbon Foundation. The LISEA Biodiversity Foundation seeks to provide long-term support to local projects along the route crossed by the South Europe Atlantic high-speed rail line between Tours and Bordeaux that restore natural habitats, build knowledge of conservation actions and raise public awareness on these issues. Since 2012, 104 initiatives have been selected to receive funding, in the total amount of €4 million. More than 750 events have been held, attended by over 25,000 people and employing over 2,300 staff. During the same period, 230 training courses were delivered to more than 1,500 trainees. The LISEA Carbon Foundation, endowed with a budget of €5 million for 2012–2020, aims to support projects helping to reduce greenhouse gas emissions, divided into three categories: energy performance of buildings, promoting eco-mobility, and supporting the energy transition in rural communities, notably by promoting the use of locally produced feed grains.

Key figures for the LISEA Carbon Corporate Foundation from 2014 to 2017

	Number of projects submitted	Number of projects supported	Total amount paid
Reducing energy consumption by buildings	60	55	€1.74 million
Supporting the energy transition in rural communities	13	11	€0.56 million
Promoting eco-mobility	25	22	€0.37 million

3.2.3.3 Partnerships and sponsorships for cultural production and the preservation of world heritage

Across the Group, many companies are partners or sponsors of non-profit organisations protecting built heritage or supporting cultural institutions and events. Their initiatives take the form of skills sponsorship or financial assistance for projects aimed at restoring cultural heritage assets, improving the dissemination of culture and promoting debate, or support for specific exhibitions, museums or other cultural institutions.

For example, the Group was among the sponsors of the France-Colombia Year in 2017, officially launched in Bogotá in December 2016. The many events covered various topics across a wide range of fields, including culture, the economy, gastronomy, scientific research, higher education, sport and new technologies. VINCI was also an official partner of the 20th Cité de la Réussite (the successful city), held in November 2017 at the Sorbonne in Paris. Transmission was the theme selected for the 2017 edition of this international forum for debate. It brought together a panel of 150 economic, political, scientific and cultural opinion leaders, who discussed and exchanged views with students in around 50 debates. Lastly, as part of its support for the Institut Français and its initiatives to promote knowledge, VINCI was an official partner of the 69th Frankfurt Book Fair in 2017, where France was the guest of honour.

Group companies also take part in sponsorship actions. In 2017, VINCI Construction joined the group of Grand Paris Express endowment fund sponsors, entering into a commitment to support its programme of upcoming artistic and cultural events along the entire 200-km length of the system's new metro lines. Beginning in 2017 and until the opening of the first Grand Paris Express stations, the endowment fund will be especially interested in lending its support to projects that benefit young artists, organising events at the construction sites to bring together the public at large, and launching artistic and cultural actions to mobilise young people in the areas covered by the new network. Through the endowment fund, companies will also be able to encourage the creation or installation of original works of art within the stations. The aim of this programme is to build a new urban cultural heritage without equal anywhere in the world: the first collection of public art, architecture and urban innovation to span an entire metropolitan area.

In another example, in 2017 VINCI Autoroutes sponsored the installation of *Jardin monde,* an artificial garden created by the visual artist and landscape architect Bernard Lassus for the Centre Pompidou, inviting the museum's visitors to immerse themselves in his fascinating universe. In addition to the garden, an entire room within the museum's modern art galleries was also devoted to this artist's work. Lassus was the key advisor for the development of France's national motorway landscape policy and has worked closely with VINCI Autoroutes on a number of motorway projects. In collaborative projects with Lassus, engineers, construction companies and residents have worked to create a new landscape in which everyone finds their place, with the motorway blending into the surrounding countryside.

Lastly, at local level, many VINCI companies volunteer their assistance and technical expertise in connection with a large number of projects for the restoration, repair and refurbishment of historic buildings of high architectural quality and heritage value. Some of these initiatives are iconic, such as the large-scale skills-based sponsorship operation carried out between 2004 and 2007 to restore the renowned Hall of Mirrors at the Château de Versailles. More recent initiatives along these lines include that of Citeos (VINCI Energies) in 2017, when it not only took part in the restoration of the Neptune Fountain, but also became a partner to Les Grandes Eaux de Versailles, the night shows at the Château's fountains and groves.

3.2.4 Initiatives and sponsorships to combat social exclusion and reinforce relations with social integration organisations

VINCI encourages civic engagement on the part of its employees and companies, mainly through its corporate foundations and endowment funds. Local projects that help with the social and professional integration of the underprivileged are a key focus. In order to facilitate civic engagement by all Group employees around the world to address problems of general interest, 12 structures have been created since 2002.

In 2017, the foundations granted a total of €4.37 million to support 332 projects promoting the social, professional and economic integration of the most vulnerable people, with 462 employee volunteers across the Group acting as sponsors.

VINCI undertakes commitments to major structuring projects that provide lasting benefits for communities and regions and brings all its effort to bear so as to ensure that its actions have an overall positive impact. One such commitment is Sillon Solidaire, a sponsorship organisation that was founded at the start of works on the SEA high-speed rail line connecting Tours and Bordeaux. It has supported more than 150 projects in the regions crossed by the line since 2012. Drawing inspiration from Sillon Solidaire, Group companies have created an endowment fund dedicated to VINCI's Grand Paris projects. Established under the name Chantiers et Territoires Solidaires, this new fund is the driving force to promote a lasting partnership between VINCI's Grand Paris construction sites and all their local stakeholders. A first call for projects was launched in 2017 and resulted in the funding of 11 organisations working to create and maintain employment opportunities.

In 2017, the Fondation VINCI pour la Cité developed new ways for employees to demonstrate their civic engagement through its Parcours Citoyen (citizen leadership) programme, including occasional or regular coaching sessions, academic support, career assistance for the long-term unemployed and refugees, etc. The foundation's Cité Solidaire (solidarity in the community) programme, which targets very small non-profits in disadvantaged urban areas, further expanded its efforts, with the launch of new initiatives in Aubervilliers and Toulon in France, and Dresden in Germany. As an example, the Fondation VINCI pour la Cité awarded funding in the total amount of €93,000 to about a dozen Toulon-based non-profits, at a ceremony in July attended by employee sponsors from subsidiaries of VINCI Autoroutes, VINCI Energies and VINCI Airports. The Cité Solidaire programme in Toulon is thus taking part in efforts to improve the quality of life in disadvantaged neighbourhoods; it contributes to the development of very small non-profits in the region and helps give everyone a better chance for full integration in society. Since its launch in 2010, this exemplary programme has been conducted at 27 sites and has enabled the funding of 175 initiatives to strengthen social ties.

In October 2017, the Fondation VINCI pour la Cité and VINCI's international network of foundations and endowment funds invited regional stakeholders (non-profits, major national organisations, public officials, residents and Group companies) to come together for a third VINCI Foundations Rendezvous dedicated to civic initiatives in disadvantaged areas. The event provided an opportunity to showcase these 27 operations and review all of their accomplishments during the year. The 120 attendees at this day of collaborative dialogue also took part in workshops looking at digital solutions to further strengthen civic engagement. Spreading the word about innovative solutions, this event facilitates exchanges, debate and discussion between various players in the private and public sectors as well as the social and solidarity economy.

Actions of Group foundations in 2017 to combat exclusion and foster integration

	Number of projects supported	Number of employee sponsors	Amount distributed to foundations *(in €)*
France	*241*	*347*	*3,274,446*
of which Parcours Citoyen programme	*10*	*83*	*-*
of which Cité Solidaire programme	*27*	*25*	*-*
of which Sillon Solidaire programme	*18*	*28*	*225,000*
of which Chantiers et Territoires Solidaires programme	*11*	*-*	*272,578*
Germany	18	29	200,000
Belgium	14	17	234,500
Spain	4	4	68,000
Greece	1	1	55,000
Netherlands	4	5	89,000
Czech Republic	9	13	27,431
United Kingdom and Ireland	32	37	329,525
of which Isle of Wight Foundation	*8*	*8*	*89,798*
Slovakia	9	9	97,000
Total	**332**	**462**	**4,374,902**

VINCI is the main partner of the Paris Football Club (Paris FC) and its training centre, the Paris FC Academy, having entered into a five-year partnership in 2015. As part of this commitment, Group employees mentor young sportspeople and assist those having left the world of high-level competitive sports in planning their careers.

3.2.5 Partnerships and sponsorships to expand access to essential services and support social entrepreneurs

Wherever they operate, Group companies support solidarity and development initiatives. Tailored to address local challenges, these initiatives vary depending on the region and its socioeconomic circumstances. They are also tied to the nature of the work carried out by Group companies (large-scale projects completed in short time frames or recurring work), as well as to the presence or not of Group companies over the long term, etc. As these initiatives differ widely, this information is not consolidated at Group level.

Initiatives Sogea-Satom pour l'Afrique (Issa) celebrated its 10th anniversary in 2017 (*). Since its beginnings, Issa has demonstrated Sogea-Satom's leadership in civic engagement by supporting social entrepreneurship projects promoting access to essential services. The support provided is twofold: financial assistance and skills-based sponsorship by employees. It involves local projects initiated in various areas (education, health, energy, local crafts, food production self-sufficiency, etc.) with a special focus on female project initiators. To date, Issa has supported 208 projects in the total amount of more than €3 million, in some 19 countries and involving the participation of 215 employees. In 2017, Issa supported 25 new economic and social initiatives in eight countries.

Activities of Issa (Initiatives Sogea-Satom pour l'Afrique) in 2017

	Number of projects supported				
	Access to essential services	Social entrepreneurship	Total	Number of countries involved	Total amount paid *(in € thousands)*
2017	**4**	**21**	**25**	**8**	**479.8**
2016	8	15	**23**	8	**411.6**
2015	8	19	**27**	9	**414.0**

New initiatives supported by Issa in 2017 include the construction of a fish storage facility and smokehouse in Douala (Cameroon) on behalf of a local fishing cooperative, in order to improve working conditions for the fishermen and raise their income. In the region of Guéckédou (Guinea), Issa funded the construction of a cotton spinning plant, in order to increase production and income for the 64 women who have made their living from traditional cotton weaving for the past nine years. In Johannesburg (South Africa), thanks to the funding and assistance provided by Issa and teams from Sogea-Satom, the Mohau Community Centre was able to completely renovate five mobile homes that were then fitted out to offer long-term accommodation and support for disadvantaged young people and the homeless. Lastly, two female entrepreneurs in Cotonou (Benin), co-founders of Les Amoureux du Pagne, a fashion label that designs clothing and accessories (handbags, jewellery, cushions) made from pagne, a rectangular length of wax print cotton fabric, received a grant from Issa that has enabled them to open a new workshop and boutique in the city and to recruit more employees. Today, the label's designs have acquired a following in many African countries as well as in France and the United States.

The widespread commitment by Sogea-Satom (VINCI Construction) to the fight against HIV/AIDS, malaria and cholera is demonstrated by initiatives at all of the company's sub-Saharan agencies, including the organisation of information meetings and awareness campaigns targeting employees, but often reaching out to local residents as well. These meetings, held on a regular basis at worksites, are led by project supervisors together with the company's occupational health and safety specialists, who may be assisted by local associations, NGOs or doctors. They often take the form of 15-minute health sessions, on the model of the Group's similar sessions focusing on safety concerns, and are sometimes complemented by more in-depth presentations and exchanges. In Cambodia, Cambodia Airports (VINCI Airports) is providing financial assistance for the construction of a centre for research and community outreach on dengue and rabies. In collaboration with the Institut Pasteur du Cambodge (IPC), information sessions on these diseases were held for staff. In March 2017, Cambodia Airports' teams opened the new medical centre at Phnom Penh International Airport in partnership with International SOS. This centre improves access to quality healthcare for employees and their families, corresponding to a total of about 4,200 beneficiaries, and will be organising outreach and prevention activities as well.

(*) https://www.sogea-satom.com/sogea-satom/sogea-satomv2.nsf/web/issa_la_solidarite_en_actes.htm&lng=L2

Also in Cambodia, VINCI Airports is a long-standing partner and shareholder of Artisans Angkor, an organisation created to perpetuate and encourage the development of Khmer traditional crafts while offering career opportunities to the underprivileged populations of the Siem Reap region. The 700 craftspeople hired by the organisation each receive a contractual salary and a full benefits package. Artisans Angkor, a social enterprise with 2017 revenue of €8 million, supports some 2,000 families and promotes economic vitality in the local area.

3.3 Relations with suppliers and subcontractors

Group companies generally occupy positions in the value chain that foster balanced, long-term relationships with partners, both suppliers and subcontractors. For several years, the proportion of purchases has remained stable, representing 58% of the Group's revenue. In 2017, they were comprised, in particular, of €8.6 billion for materials, €5.3 billion for external services and €8.3 billion for subcontracting.

Percentage of revenue allocated to purchases

(in € billions)	2017	2016	Change
Total amount of purchases	**23.3**	**21.9**	+6.4%
Percentage of revenue allocated to purchases	**58%**	**58%**	+0.5%
Of which purchases consumed	**8.6**	**8.1**	+6.2%
Of which purchases of external services	**5.3**	**5.0**	+6.0%
Of which subcontracting (including concession companies' construction costs)	**8.3**	**7.9**	+5.1%

3.3.1 General policy to promote dialogue with suppliers and subcontractors

In 2017, the Group continued its efforts to measure and take into account workforce-related, social and environmental factors in the overall value chain. The Purchasing Coordination unit, which reports directly to VINCI's Executive Committee, works with the purchasing departments of business lines and subsidiaries through a central purchasing network as well as the eight regional purchasing committees across the Group. All of the Purchasing Coordination unit's buyers have an individual target for including sustainable development criteria in each contract they negotiate.

Tasked with rolling out the Group's international purchasing policy, the VINCI International Purchasing Committee comprises purchasing representatives from five countries (Germany and the United Kingdom, the two countries after France where the Group has the most extensive operations, together with the Czech Republic, Belgium and Poland); it also includes representatives from the international divisions of two Group business lines (VINCI Energies and Eurovia).

Introduced in 2012, the Group's Supplier Performance Charter explicitly specifies VINCI's expectations of its partners and reaffirms the Group's own commitments as a signatory to the UN Global Compact since 2003. Widely disseminated since 2013, this charter now forms an integral part of the framework agreements developed by the Group. To ensure the continuity of these actions, the Group's Purchasing Coordination unit established its Responsible Purchasing Committee, which brings together about 20 representatives of purchasing, human resources and sustainable development departments from the Group's business lines. After having communicated, in 2016, the priorities of VINCI's responsible purchasing policy and educated buyers in responsible purchasing procedures, this committee worked on drawing up an official statement of this policy and formed two working groups: one to consider approaches to the dissemination of practices and the other to train contract administrators and buyers.

3.3.2 Managing relations with suppliers

In 2017, the Group further reinforced its responsible purchasing process. Sustainable development criteria are now addressed both when selecting products and suppliers and when drafting framework agreements and specifications at Group level. These criteria take into account the environmental impact of products and services, the workforce-related arrangements for producing or providing them, and the social commitments made by suppliers. Specific criteria are used for evaluating suppliers in each purchasing category, depending on the issues faced by the sector in question.

The Purchasing Coordination unit issued a new invitation to tender in 2017 for the selection and approval of site equipment rental companies. A personalised questionnaire was developed to evaluate suppliers with respect to workforce-related and social performance, as was the case for the previous invitation to tender in 2013. Owing to their poor performance in relation to CSR issues, 63 suppliers were not retained. The selected suppliers all proposed progress plans to be audited during the contract period with a view to the acquisition of skills across each organisation. In 2017, 115 site equipment rental companies, assessed on the basis of overall performance criteria, signed a framework contract with the Group.

In recent years, the Purchasing Coordination unit has strengthened the integration of the Group's responsible purchasing policy in the selection of its suppliers. The Responsible Purchasing Committee, comprised of purchasing, human resources and sustainable development managers from all of the Group's business lines and divisions, has been working on the official statement of the responsible purchasing policy, which will be disseminated in 2018.

The due diligence process is under way at the level of the Purchasing Coordination unit. It involves identifying the risks specific to each purchase category and then implementing prevention procedures using appropriate criteria in the specifications for each category.

Key figures for the Group's responsible purchasing initiative within the Purchasing Coordination unit

	Total at 31/12/2017
Contracts including the Group's Supplier Performance Charter or the Global Compact's 10 principles	97%
Contracts including one or more clauses on workforce-related, environmental or social themes	77%
Contracts having involved the completion of a responsible purchasing questionnaire during the tender process	76%
Contracts integrating a progress plan for responsible purchasing	74%
Number of on-site responsible purchasing audits conducted over the last five years	682

At central level, and in each of its projects, VINCI develops partnership-based approaches with its suppliers and favours relationships at local level with small and medium-sized enterprises (SMEs). In its selection and bidding processes, the Group prefers suppliers with strong roots in their regions. This policy also involves expanding purchases from social integration structures and from social enterprises, sheltered workshops and other organisations that specifically employ people with disabilities. In 2017, the volume of purchases from these entities was €5.9 million.

3.3.3 Managing relations with subcontractors

The Group places a priority on retaining and expanding in-house expertise. However, the many public procurement contracts won by the Group, together with its growing presence in general contracting for projects demanding highly technical and specialised skill sets, require the use of a certain percentage of local subcontractors. These actions contribute to the development of local businesses and the local economy as a whole, over and above the other contributions made by the Group's business activities. Given a competitive landscape outside France that is frequently characterised by low standards in this area, VINCI pays attention to ensuring that its subcontractors comply with regulations in force in the countries where Group companies operate.

The Group's general policy is to build balanced relationships with its partners over the long term. This involves a commitment to cooperate with local companies, facilitating their integration in projects and encouraging the transfer of know-how to ensure the successful completion of projects. Rolled out in 2014, VINCI's Subcontractor Relations Guidelines sets out the implications of this commitment. In addition to cooperation with local companies, VINCI aims to guarantee safety conditions of subcontractors' employees that are comparable to those of the Group's personnel, and to ensure respectful business relationships, fair bidding processes, transparency in business dealings and compliance with VINCI's core values. To assess the acceptance and application of these principles, during the preparation of the Guidelines some 30 interviews were conducted with individuals likely to act as contracting authorities across all business lines, in France and abroad.

In some geographic regions, increased vigilance of recruitment agencies is required when outsourcing of the recruitment process can be considered as high risk. Workers in some countries are hired extraterritorially, entailing the use of intermediaries outside these countries. In these cases, it is important to ensure that the recruitment process is secure in order to avoid any risk of forced labour. The guidelines communicated in VINCI's Guide on Human Rights indicate the actions to be put in place and the fact that applicants must not bear any of the costs for the recruitment procedure. Furthermore, in June 2017 VINCI joined the Leadership Group for Responsible Recruitment, a collaborative initiative between leading companies and expert organisations to promote responsible recruitment practices.

3.4 Fair business practices

3.4.1 Prevention of corruption and fraud

The second commitment of the VINCI Manifesto states as follows: "Ethical behaviour is key to our contracts and our customer relations. Our companies apply our Code of Ethics and Conduct around the world. We commit to ensuring total transparency in our own practices and in those of our subcontractors."

VINCI's Code of Ethics and Conduct, which was released in an updated version at the end of 2017, sets out the rules of conduct that apply to all Group companies and employees. Since its first version, the code has included a section on the prevention of corruption, an issue brought to the fore in France by Law no. 2016-1691 of 9 December 2016 relating to transparency, anti-corruption measures and the modernisation of economic life (known as the "Sapin 2" Act). Further details on this subject are provided in a specific anti-corruption code of conduct used in connection with the Group's training sessions in this area. In 2017, the Group continued its efforts to disseminate and explain the related issues to managers, who then made similar efforts to cascade the information throughout their own organisations. The Group actively monitors this procedure, and an intranet tool enables Executive Management and the head of Internal Audit to check that it is being deployed correctly. Reports are drawn up on a regular basis, allowing remedial action to be taken quickly if required. Available both on the Group's main website (www.vinci.com) and on its intranet sites, the code is sent personally to employees authorised to enter into commitments on behalf of the Group; such employees totalled 7,293 individuals for 2017 (up 6% compared with 18 December 2016).

Any employee can contact the Ethics Officer, who is bound to observe certain guidelines, which include a guarantee of confidentiality, the commitment to respect the integrity and status of all employees, and the avoidance of discrimination. Several matters were referred to the Ethics Officer in 2017. In each case, the issues were investigated appropriately, in compliance with these principles, with the support of internal or external resources whenever necessary.

The Ethics and Compliance Club, which brings together the legal heads of the Group's business lines and the Ethics Officer, aims to keep abreast of changes in legislation relating to ethics and foster exchanges of best practices, in particular with respect to training tools. This Club thus works in the area of the prevention of corruption. In 2017, several actions to raise awareness of anti-corruption measures were carried out across the Group. Several presentations dealing with the aforementioned Sapin 2 Act were made by the Group's General Counsel to the various governance bodies (VINCI's Executive Committee, Management and Coordination Committee, Audit Committee, and Board of Directors) and at events bringing together the Group's financial management staff (CFO Convention, Treasurers' Seminar). In 2017, VINCI also organised a convention on business ethics bringing together the Group's 300 legal experts, which included discussions about ways to fight corruption, with a specific item devoted to the Sapin 2 Act. In addition, VINCI's Strategy and Investments Committee has been renamed as the Strategy and CSR Committee, as decided by VINCI's Board of Directors at its meeting of 15 December 2017. All VINCI companies have appointed ethics or compliance correspondents, managers or officers. The prevention of external fraud is discussed in chapter D, "Risk factors and management procedures", paragraph 2.4.6, page 176.

Regular training sessions are organised within VINCI's various business lines to clarify and delve further into potential ethical issues as they relate to the Group's principles and values. As an example, VINCI Energies has drawn up an Ethics and Compliance Guide for its purchasing function. Distribution of this guide began in 2017, to staff at VINCI Energies International & Systems on a priority basis, and has been accompanied by training courses. Sogea-Satom organised a plenary session on ethics at one of its seminars for its managers. In November 2017, the members of Sogea-Satom's management committee took part in a full-day training session on risk management delivered by a lawyer specialising in business criminal law. Entrepose has developed its own guide on the prevention of corruption, which is distributed to all employees. The guide summarises Entrepose's anti-corruption policy and procedures as well as the indicators and tools put in place to eliminate or reduce the risks to which its activities are exposed. The aim is to disseminate the guide widely within the company but also externally, to customers, partners, subcontractors, suppliers and other stakeholders.

3.4.2 Wellness, health and safety of customers and end users

The business activities of VINCI's companies have an impact on the areas where they take place. To limit the effects, research and development investments are stepped up annually in the aim of reducing impacts and pollution. The main efforts are in relation to environmental impacts such as exposure to noise, dust, vibrations, etc. that could have an effect on the health and safety of employees, customers and all stakeholders concerned. The winners of the 2017 VINCI Innovation Awards include a number of projects with an impact on safety.

Work is continuously carried out on improving the service quality of VINCI infrastructure for customers and satisfaction surveys are regularly conducted. These constant efforts to improve customer experience, well-being and safety have been recognised by awards. In March 2017, two airports in the VINCI Airports network (the Puerto Plata international airport in the Dominican Republic, and Porto airport in Portugal) received 2016 "service quality" awards from Airports Council International (ACI). The annual Airport Service Quality (ASQ) awards identify the world's best airports based on the ACI passenger satisfaction survey. The survey comprises 34 key indicators, including services provided, waiting times, courtesy, cleanliness and comfort.

In the Group's activities involving mobility, road risk is the main category of risk affecting users. VINCI employees drive more than 35,000 company vehicles and several thousand site machines. They are all exposed to road risk, as are the hundreds of millions of people using motorways, roads and other infrastructure operated under concession contracts every year (more than 2 million per day), as well as the airports operated by VINCI Airports (nearly 157 million in 2017). Campaigns are organised to raise awareness and specific training is provided for the employees most exposed. Moreover, in countries where road traffic injuries are a leading cause of death, Group companies conduct specific prevention campaigns targeting their employees. In 2017, Cambodia Airports launched an awareness programme in partnership with Asia Injury Prevention (AIP), combined with road safety training sessions, taking as its theme "One helmet saves one life". In Colombia, in connection with the works carried out on the Via 40 Express between Bogotá and Girardot, user safety campaigns were conducted in association with local traffic police. In France, as part of its ongoing efforts to promote road safety, the VINCI Autoroutes Foundation for Responsible Driving (www.fondation.vinci-autoroutes.com) published the findings of its 2017 barometer survey on responsible driving relating to the behaviours of French drivers on work-related journeys other than commuting, thus raising awareness of this issue to encourage greater responsibility for road safety. Publication of the survey was timed to coincide with the first edition of the Road Safety at Work Days, held from 9 to 12 May 2017 and organised by the Road Safety unit at the Ministry of Internal Affairs.

Accident figures for the VINCI Autoroutes network

	2017	2016
VINCI Autoroutes motorway networks operated *(in km)*	4,412	4,391
Traffic *(in billions of km travelled)*	51	50
Number of accidents per billion km travelled	232	230
Number of fatal accidents per billion km travelled	1.4	1.5
Number of deaths per billion km travelled	1.6	1.7

The VINCI Autoroutes Foundation for Responsible Driving is committed to the reduction of road risk, focusing in particular on drowsiness and inattentiveness at the wheel. It has played a leading role in making information on this issue available to drivers and the general public. For instance, Roulons-autrement.com (Let's drive differently), the first online information resource and community dedicated to road safety in France, continues to attract a large following among all segments of society five years after its launch; this resource was developed in partnership with the non-profit organisation Ferdinand. In addition, through its research programme, the Foundation has also taken part in the funding of several scientific studies and investigations looking at road user behaviours. In France, it is working in particular with the National Institute of Sleep and Alertness (INSV), the University of Strasbourg's Centre for Neurocognitive and Neurophysiological Investigation (CI2N), and the Armed Forces Biomedical Research Institute (IRBA). New studies in 2017 included an examination of the effects of sleep deprivation and fatigue on motorbike riders and an analysis of the potential for biological detection of drowsiness by testing saliva, based on research conducted by the Sleep Centre at Hôtel-Dieu hospital in Paris and at Paris-Descartes University. In addition, the fourth European barometer survey on responsible driving was published, which is useful for the identification of risky driving behaviours and best practices in order to adapt prevention messages in each country. Across the entire VINCI Autoroutes network, many awareness actions concerning road safety and the safety of personnel working on motorways were conducted over the course of the year, directed at different categories of road user.

3.5 Human rights

3.5.1 General policy in the area of human rights

VINCI has been a signatory to the UN Global Compact since 2003. It is thus committed to supporting and promoting respect for human rights within its sphere of influence, and to ensuring that Group companies are not complicit in human rights abuses. VINCI refers to the UN Guiding Principles on Business and Human Rights in defining its strategy. In this vein, VINCI has updated its analysis of the human rights risks associated with its business activities. The key issues identified, a total of 17 themes, have been grouped into five categories: recruitment practices and migrant workers, working conditions, conditions of accommodation, the practices of subcontractors in the area of human rights, and relations with local communities.

A new Group-wide reference guide, VINCI's Guide on Human Rights, has been prepared by an ad hoc steering committee, comprised of human resources managers of all Group business lines and divisions, who began meeting on a monthly basis at the end of 2015 to review these issues. The guide provides a detailed overview of all related issues and the implications of each theme for the Group's companies. The committee's cross-disciplinary and collaborative efforts have resulted in a shared set of guidelines, indicating the specific steps to be followed at each phase in the project life cycle, from the response to the call for tenders through to commissioning and operations. The rules thus laid down by VINCI for its own business activities constitute a benchmark for the management of human rights risks and impacts. The Group's guidelines are in keeping with the principles of the Universal Declaration of Human Rights, the eight fundamental conventions of the International Labour Organisation and the OECD's Guidelines for Multinational Enterprises. VINCI's Guide on Human Rights applies to all Group employees. Validated in April 2017 by VINCI's Executive Committee, the guide has since been translated into English, German and Spanish. New translations are under consideration to make this information available as widely as possible. An internal document appended to the guide, intended for operational managers and human resources professionals within the Group, has also been prepared. It lists the main issues, providing useful recommendations and best practices for each in order to avoid potential infringements of the human rights concerned.

The guide has been distributed to all of the Group's operating entities. It has been presented to the management committees of all Group business lines and divisions, who took responsibility for cascading the information to their teams. The guide is a public document and may be accessed by any interested parties via the VINCI website. It has also been printed by the Group in a run of more than 5,000 copies in French and 4,000 in English. Its broad distribution is also ensured via electronic means, in a format allowing it to be printed or reproduced locally by the Group's companies.

In order to supplement the standard contractual clauses on human rights, a comprehensive and gradual approach has been defined by the Group to disseminate these guidelines to staff likely to have to deal with these issues in the course of their projects. Various tools have been developed and are being tested prior to a wider rollout. As part of the preparations for this rollout, an e-learning module to raise awareness and provide information on specific human rights issues and the corresponding VINCI guidelines is currently in the design phase. Furthermore, following on from the identification of the risks associated with its activities and business lines, a second mapping procedure, relating to country risks, is in the process of being completed at Group level. Additionally, human rights are also a focus of the new version of Advance, VINCI's sustainable development self-assessment tool used by all management committees of Group companies.

At the same time, in order to address issues raised by the Group's decentralised management model and provide a response tailored to each environment, VINCI is developing self-assessment tools that may be used to carry out a specific analysis of performance against the guidelines at the level of a country, a project or a given entity, and produce, where applicable, a suitable action plan to mitigate or prevent adverse human rights impacts.

As is the case for the Guide, this comprehensive approach is supported by the human rights steering committee, comprised of the human resources managers of all Group business lines and divisions, one of whose responsibilities is to follow up on the rollout of this set of tools.

Lastly, in support of its policy and in order to be able to exert its influence on the value chain, VINCI actively participates in collaborative initiatives, in particular Building Responsibly, a global business initiative co-founded by the Group that serves the engineering and construction industry. Launched in February 2017, Building Responsibly aims to bring together companies in the sector in order to develop common approaches and standards, share best practices, tools and experiences, and engage stakeholders and all actors in the industry's value chain to find concrete and collective solutions to the challenges faced in the sector in looking after the rights and welfare of workers.

At the end of 2017, VINCI joined the Global Deal, a worldwide initiative that aims to foster and promote social dialogue as an important tool to generate decent work and quality jobs, thus leading to greater equality and inclusive growth. VINCI sees its declaration of support for this multi-stakeholder partnership, which brings together governments, businesses, trade unions and other organisations, as an additional opportunity to strengthen its efforts to disseminate and develop management-labour dialogue in all the countries where it operates and across its entire sphere of influence.

In 2017, VINCI continued to engage its stakeholders in these subjects. Ongoing dialogue was maintained with key civil society representatives, involving frequent exchanges through participation in forums, working groups and collaborative initiatives.

3.5.2 Prevention of human rights risks in Qatar

VINCI is present in Qatar via its joint venture QDVC. For a number of years, this company has striven to improve working and living conditions for its employees, and fights against all infringements of fundamental human rights. QDVC applies strict procedures to ensure that its employees enjoy freedom of movement: all are in possession of Qatari residence permits, which are essential for moving about within the country. In addition, they all have access to secure lockers where they may store personal documents, such as their passports and employment contracts. QDVC issues official no-objection certificates (NOCs) to employees wanting to leave the company, allowing them to seek employment elsewhere. Similarly, official exit permits are delivered to workers who wish to leave the country, whatever the reason (holidays, emergencies). To fight debt bondage, QDVC has put in place robust control processes for the monitoring of recruitment agencies in the countries of origin (Bangladesh, India, Nepal, etc.), involving precise rules about the expenses paid by QDVC (airfares, visas, medical visits, etc.), with the understanding that migrant workers must not bear any of these costs. Lastly, QDVC pays particular attention to the living conditions and conditions of accommodation of its migrant workers. Today, the accommodation sites, which are owned and managed by QDVC, meet the standards of the Qatar Foundation.

QDVC has continued its actions to improve working conditions, with the introduction, in March 2016, of a system for reporting complaints (for collective as well as individual complaints) that guarantees its employees complete confidentiality. In November 2016, QDVC also held an election for employee representatives (a first in the country), through which 27 employees were chosen by their peers to represent them on the company's works council. For a month, 75 candidates waged their campaigns. The election's participation rate was 72%, thus 2,894 voting employees out of a total workforce of 4,016.

In 2015, to verify the effectiveness of the measures put in place by QDVC, VINCI decided to undertake a human rights impact assessment (HRIA) at the company. The methodology used for this assessment derives from the UN Guiding Principles on Business and Human Rights. A committee of independent international experts from institutions widely known for their work in this area was formed to assist with methodological aspects of the approach and follow-up on recommendations. The institutions involved were the International Labour Organisation (ILO), Building and Wood Workers' International (BWI), the Danish Institute for Human Rights, the Qatar Foundation, and the French National Consultative Commission on Human Rights. VINCI commissioned an independent third party, Business for Social Responsibility (BSR), a global non-profit business network and consultancy, to conduct this study.
Lastly, VINCI and QDVC have been engaged in constructive dialogue with representatives of BWI since 2015. A delegation is invited to visit QDVC's worksites each year, which is also accompanied by the two employee Board members and the Secretary General of VINCI's

European Works Council. This dialogue with BWI resulted in the opening of negotiations in 2016 for the signing of a tripartite agreement between VINCI, QDVC and BWI. This project came to fruition in 2017. All of the efforts brought to bear by QDVC led to the official signing of an agreement on workers' rights by BWI, QDVC and VINCI on 20 November 2017 at the ILO's Geneva headquarters, during a ceremony attended by ILO Director-General Guy Ryder. The agreement covers human rights in the workplace, accommodation, and issues relating to the fair recruitment and the employment rights of workers. It applies to all workers employed by QDVC in Qatar, and stipulates a due diligence procedure for subcontractors. This agreement is the first of its kind in Qatar between a union federation and a Qatari company. The agreement also calls for an extensive verification system involving follow-up, reporting, monitoring, inspections and audits under the aegis of a reference group composed of representatives of the three parties. All aspects of the agreement's implementation will be reviewed by the parties. The agreement is a public document and may be accessed by any interested party via the QDVC website. It is also made available by the company to its own employees as well as those of its suppliers of labour and its subcontractors.

4. Duty of vigilance plan

The purpose of this section is to satisfy the reporting requirements set out in French law no. 2017-399 on the duty of vigilance of parent companies and subcontracting companies. It continues and complements the workforce-related, environmental and social information presented in the preceding sections and describes the Group's duty of vigilance plan. This plan consists of the various measures that VINCI has in place to specifically address each of the three duty of vigilance areas and which aim to identify and manage the risk of negative impacts on people or the environment that may result from the Group's activities.

VINCI's duty of vigilance plan is therefore based on the Group's sustainable development commitments, which are published in its Manifesto, and on the Group's policies regarding the three areas covered by the duty of vigilance law, so as to promote vigilance measures specific to each area. These policies and frameworks for action are part of a continuous improvement process and are completed by responsible purchasing and subcontracting initiatives in all three areas (see paragraph 3.3, "Relations with suppliers and subcontractors"). VINCI's duty of vigilance plan is also based on the Group's cross-activity sustainable development and ethics policies, especially the whistleblowing system that applies to all duty of vigilance issues.

The plan was presented to the members of the Board of Directors of VINCI on 15 December 2017.

4.1 Duty of vigilance with regard to health and safety

Due to the inherent risks of the Group's business activities, VINCI has made health and safety a main priority. The aim of the Group's health and safety approach is to achieve zero accidents. This objective applies to all employees and temporary staff but also anyone else on a VINCI worksite or on sites operated by VINCI. The health and safety policy is coordinated at Group level by a team made up of the health and safety directors for the Group's various business lines, in order to disseminate and promote a strong safety culture shared by all of VINCI.

The health and safety policy (pages 187 to 188) aims to anticipate and prevent occupational hazards, including psychosocial risks, to ensure hygiene, health, safety and quality of life in the workplace, and to provide for the redeployment of employees who have suffered a workplace accident or illness. The policy was bolstered in 2017 by the signing of a joint statement by VINCI's Chairman and CEO and by the European Works Council, providing a set of guidelines for the essential and fundamental steps to be taken in workplace health and safety. The statement reiterates the main thrusts of VINCI's health and safety policy, describes the initiatives and measures to be implemented at all the Group's sites, and provides for the monitoring of results.

At the operational level, each site must conduct a risk analysis at the earliest possible stage ahead of any work situation and, based on the findings of the analysis, incorporate preventive measures into operating procedures and methods. In addition to ensuring the supply of personal protective equipment adapted to each work situation, entities must have a full understanding of each risk associated with their situation and the measures to be taken to manage it. Furthermore, for every accident, an investigation must be undertaken together with the employee representatives and the causes must be analysed. Likewise, employee representatives should be involved in the implementation of initiatives and consulted for suggestions, notably for the prevention of work accidents and occupational hazards.

These local risk identification and management processes are accompanied by procedures to measure and review risk on a regular basis and to report data to the Group. They form part of the continuous improvement process implemented by the sites, including in their relations with subcontractors.

4.2 Duty of vigilance with regard to human rights

To ensure the protection of human rights, VINCI has set up a process to identify and manage the risk of negative impacts on people due to its business activities. Described in more detail in paragraph 3.5 (page 213), it is coordinated by the Group's human rights steering committee, whose members are the human resources directors of the Group's business lines and divisions.

Working together with VINCI's business lines, an analysis of risk associated with the Group's activities was conducted, resulting in the identification of the most significant operational issues for VINCI. They relate to recruitment practices, migrant workers, working conditions, conditions of accommodation, the protection of human rights in the value chain, and the impacts of activities on local communities. Based on this analysis, the Group defined a reference framework and set down guidelines for implementation, published in VINCI's Guide on Human Rights, in accordance with international standards to promote and protect human rights.

These guidelines form the basis of the Group's duty of vigilance approach with respect to the protection of human rights in its business activities. Because the Group believes in providing operational solutions that address local issues, it is developing assessment tools for operational teams to facilitate the application of the guidelines. These tools will contribute to a better understanding of human rights issues and associated risks and support training and awareness initiatives. All these measures aim to effectively help manage risks through the rollout of relevant risk prevention and mitigation programs.

The Group is also developing targeted measures to identify, prioritise and manage risks based on the activities and locations of the Group's companies (such as country risk maps, in-house task forces for a variety of subjects, participation in sector-wide collaborative initiatives, and specific procedures for countries like Qatar – see paragraph 3.5.2, "Prevention of human rights risk in Qatar").

The duty of vigilance approach and accompanying measures to implement it are all part of a continuous improvement policy. They are being deployed on an ongoing basis in the Group.

4.3 Duty of vigilance with regard to the environment

The Group's environmental policy aims to incorporate environmental protection into each stage of a project, from design to operation. Embedded in the "Acting for green growth" commitment in the Group's Manifesto, it is coordinated by the Sustainable Development Committee, made up mainly of directors and managers in charge of environmental issues in the Group's entities. Technical working groups, bringing together experts from each business line to work on cross-activity issues, have also been formed: the Biodiversity Task Force, the Circular Economy Group and the Energy Performance Group. The Group's environmental policy is described in detail in paragraph 2.1 of chapter E, "Workforce-related, environmental and social information".

Operational managers ensure proper implementation of the policy, assisted by more than 500 environmental correspondents based in Group companies. An environmental strategy committee will be created in 2018 to reinforce best-practice sharing and foresight on environmental issues associated with the Group's businesses. Its members will include environmental directors, communications managers and operational directors and will report on its work to the Group's Executive Committee.

The VINCI Group's construction and concession activities have significant impacts on natural environments if these effects are not considered right from the design phase for buildings and infrastructure. The Group's activities can impact the environment in four ways: pollution (including from noise, light and odours), the emission of greenhouse gases, the use of non-renewable raw materials, and long-term impact on species and natural habitats.

Entities respond to these risks by setting up environmental management systems adapted to their business activities. Environmental prevention plans help to reduce the risk of pollution from worksites and sites under operation. The eco-design of infrastructure and buildings also contributes to lessening the environmental impacts of business activities, for example by lowering their energy consumption or increasing the reuse and recycling of construction materials.

The measures implemented by the various entities are monitored through the environmental reporting system, which aggregates more than 60 quantitative indicators for the main environmental issues associated with the Group's activities.

5. Note on the methods used in workforce-related, environmental and social reporting

VINCI's workforce-related, environmental and social reporting framework complies with Articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code, as well as French Order no. 2017-1180 and Decree no. 2017-1265 and is based on the Global Reporting Initiative (GRI) standards – see the cross-reference table on page 331.

5.1 Methodological procedures

VINCI's procedures are specified in the following materials:

• for workforce-related indicators:
- a guidebook in four languages (French, English, German and Spanish) containing workforce-related indicator definitions;
- a methodological guide to VINCI's workforce data reporting system, including a reporting tool users' manual in four languages (French, English, German and Spanish);
- a guide to consistency checks in two languages (French and English);
- an audit guide helping entities to prepare for audits and make good use of their results (available in French, English, German and Spanish);
• for environmental indicators:
- a methodological guide to VINCI's environmental reporting system, including a guide to the definition of common indicators, which entities can use to set up their environmental reporting procedures. This guide is available in three languages (French, English and Spanish);
- a reporting tool users' manual in two languages (French and English);
- an audit guide helping entities to prepare for audits and make good use of their results (available in French and English).

All of the above materials are accessible on the Group's intranet site.

The Group's efforts to accelerate its workforce-related and environmental reporting process in 2010 resulted in:
• new methods for earlier preparation of workforce indicators, applicable to all entities since 2011;
• the shifting of the reference period for environmental reporting by one quarter (the reference period for year Y is now from 1 October Y-1 to 30 September Y). This change has applied to all entities since 2010.

5.2 Scope

The reporting scope is intended to be representative of all VINCI's business activities:
• workforce-related reporting has covered all Group entities by worldwide revenue since 2002;
19 companies acquired in 2017, did not provide full information in some areas:
- 13 companies with fewer than 100 employees;
- five companies with more than 100 and fewer than 500 employees;
- one company with more than 500 employees.
The indicators concerned are training, salaries, safety, labour-management relations and disability.
• in 2017, environmental reporting covered 97% of Group entities by worldwide revenue.
Excluded from environmental reporting in 2017 are entities whose environmental impacts are not material and which do not have an environmental correspondent. These exclusions must not exceed 5% of the environmental impact of each entity.

However, for certain specific environmental indicators, the reporting coverage of the indicators published may be more limited. Reporting on waste is now reliable for a scope covering 67% of the Group's activities (VINCI Autoroutes, VINCI Energies, VINCI Construction UK, half of VINCI Construction Grands Projets's activities, Eurovia, VINCI Airports, and other concessions). Reporting on raw materials covers the activities of VINCI Autoroutes and Eurovia, which, mainly due to the reporting of data on recycled mix, is also included in the waste reporting scope. VINCI is continuing its efforts to expand and improve the reliability of the reporting of these indicators for all the business activities where they are of relevance.

Since 2011, the consolidation rules used for these scopes have been the same as for financial consolidation, except for the entities listed below. These entities are still consolidated proportionally for environmental reporting, exceeding the scope of financial consolidation:
• VINCI Construction Grands Projets: all projects;
• Soletanche Freyssinet: Soletanche Bachy Cimas (Colombia), Geofundaciones (Colombia) and Zetas (Azerbaijan).
These consolidation rules apply to all reporting indicators, except the "number of environmental incidents" indicator, in which all incidents count for 1.

In the event of a change in scope:
• workforce-related reporting: changes in scope in year Y are taken into account in the same year;
• environmental reporting: changes in scope in year Y are taken into account in year Y+1.

Significant changes in scope during 2017:
• acquisition by VINCI Energies Europe of Axianseu Digital Solutions (Portugal), Acuntia (Spain), Infratek Finland OY (Finland), Infratek Norge AS (Norway), Infratek Sverige AB (Norway), Horlemann Elektrobau GmbH (Germany), Verkerk Groep B.V. (Netherlands);
• acquisition by VINCI Construction of Seymour Whyte Constructions (Australia) and Benedetti-Guelpa (France).

Furthermore, since the integration of the Stade de France stadium, the MMArena in Le Mans and the motorway concessions held by Granvia (Slovakia) and Gefyra (Greece), virtually all concessions are now covered by the environmental reporting system, following the reporting procedure that applies financial consolidation rules. The fully consolidated London Stadium was not included in the scope for 2017.

5.3 Indicator selection

Indicators are selected on the basis of the social and environmental impact of the Group's activities and the risks associated with those activities.

There are four levels of core social indicators:
• those specified in Articles R.225-104 and R.225-105 of the French Commercial Code;
• the GRI standards;
• those included in the social report, as required by French law; and
• specific indicators reflecting VINCI's human resources policy.
The complementary nature of these four levels of indicators makes it possible to measure the results of the Group's human resources policy and social commitments.

The core environmental indicators are made up of five types:
• resource consumption (energy/CO_2 and water);
• waste management and recycling;
• certifications and projects having received other types of label;
• environmental awareness and training;
• environmental incidents and provisions for environmental risks.
These five types of indicator were taken from the following sources:
• Articles R.225-104 and R.225-105 of the French Commercial Code;
• GRI standards.
Each business line continues to use its own additional indicators, which are based on its specific environmental challenges.

5.4 Methodological explanations and limitations

The methodologies used for some workforce-related and environmental indicators may be subject to limitations due to:
• differences between French and international definitions (which VINCI continually works on to harmonise);
• differences in labour and social laws in some countries;
• changes in indicator definitions that could affect their comparability;
• changes in business scope from one year to the next;
• the difficulty of collecting data from a subcontractor or joint venture with external partners;
• the procedures for collecting and entering this information.

Due to the presence of subcontractors at many sites, the question of whether to include their activities in the environmental reporting has been raised. Currently, their data is included whenever VINCI is directly responsible for it (i.e. services or resources provided by VINCI).

The methodological guide to VINCI's environmental reporting system allows for environmental data to be calculated based on spending and average unit prices for the base period, if source data is not available. This method is used in particular for VINCI Construction France worksites, Soletanche Freyssinet worksites in France and the French divisions as well as most of the international divisions of Eurovia. In France, average unit prices come from the following sources: the French Ministry for the Ecological and Inclusive Transition (for fuel consumption) and the Eaufrance internet portal, which is a public information service on water and aquatic environments (for water consumption).

Reporting of water consumption currently covers all water purchased. Water withdrawn directly from the environment is recorded for concession businesses and now included in consolidated reporting. VINCI is continuing its efforts to expand and improve the reliability of this reporting item over a broader scope.

The number of certified projects is limited to VINCI Construction and VINCI Immobilier. A project with several certifications will be counted several times. Only projects handed over during the year are taken into account.

Total energy consumption (excluding energy from heating networks, which is not material and therefore not included) is expressed in MWh higher calorific value (HCV). The conversion factors used are 0.0104 MWh/litre, 12.027 MWh/tonne and 4.839 MWh/tonne for motor fuel, heavy fuel oil and coal (lignite), respectively, and were taken from the Ademe Base Carbone database.
For greenhouse gas emissions, the conversion factors used were also taken from the current Ademe Base Carbone database (2012 data is used to track the Group's emissions-reduction commitments).

The fuel savings resulting from the use of electronic toll collection (ETC) lanes were validated in 2012 by an independent consultant and the data shared with the Association des Sociétés Françaises d'Autoroutes (Asfa, the association of French motorway companies):
• for light vehicles: 0.03 litres of fuel saved per toll use;
• for heavy vehicles: 0.3 litres of fuel saved per toll use.

The amount of CO_2 emissions prevented is calculated based on the assumption that all vehicles use diesel fuel. Only emissions from fuel combustion are taken into account; emissions from other processes (fuel production) are not included in the calculation.

The motorway users greenhouse gas emissions indicator is calculated using a tool developed by Asfa and takes into account all kilometres travelled by users (whether on toll or free roads) in the VINCI Autoroutes network during the financial year. The velocity profile per vehicle class used is the default 130 km/hour profile pre-configured in the tool. Traffic is assumed to be 100% fluid; the effect of inclines or radars is not included in the calculation. The influence zone of toll collection is assumed to be 0.1 km. The entire network is also assumed to be an intercity network.

The figures in the Annual Report are based on data known at the end of the financial year. They may, however, be adjusted the following year if a significant anomaly is observed and provided that the adjustment is substantiated in detail. None of the figures published in the 2016 Annual Report were adjusted in 2017.

Occupational illnesses are defined as illnesses contracted following prolonged exposure to a professional risk (noise, hazardous products, posture, etc.) and recognised as such by the regulations in force, where such regulations exist. The number of days of absenteeism for occupational illness includes days lost due to illnesses declared as occupational and recognised as such, where such regulations exist. The Group continues to educate subsidiaries about the need to harmonise reporting practices.

5.5 Consolidation and internal control

Workforce-related data is collected from each operational entity using a specific package of the Vision III data reporting system, including automatic controls. Data is checked and validated by the Group entities themselves. This data is then consolidated in two steps:
• Step 1: each business line consolidates all data within its scope. When consolidation takes place, data consistency checks are carried out. Having been consolidated and checked at the business-line level, data is then provided to the Group Human Resources Department;
• Step 2: the Group HR Department consolidates data across the whole scope and checks its consistency.

Environmental data is collected, checked, consolidated and validated by the environment managers in each business line and division using their own IT tools. The data is then consolidated centrally using Vision III. When consolidation takes place, data consistency checks are carried out at Group level by the Delegation for Sustainable Development. Comparisons are made with the previous year's data and any material discrepancies are analysed in detail.

5.6 External controls

Each year since 2002, VINCI has asked its Statutory Auditors to give their opinion on the quality of the procedures used to report social and environmental information. In 2017, a Statutory Auditor was appointed as the independent third-party body in charge of verifying the completeness and fair presentation of information published in the "Workforce-related, environmental and social information" chapter. The nature of the auditing work carried out and the findings are presented on pages 225 to 227.

F. General information about the Company and its share capital

1. Corporate identity

Corporate name: VINCI.
Registered office: 1 cours Ferdinand de Lesseps, 92500 Rueil Malmaison, France.
Telephone: +33 1 47 16 35 00; Fax: +33 1 47 51 91 02.
Type of company: French public limited company ("Société Anonyme") with a Board of Directors.
Applicable legislation: French.
Date of formation: 1 July 1908.
Legal term of existence: The legal term of existence was set on 21 December 1979 at 99 years. The date of expiry is thus 21 December 2078, unless the term of existence is extended once again or the Company is liquidated at an earlier date.
Financial year: From 1 January to 31 December.
Registration number: RCS 552 037 806 Nanterre – Siret no. 552 037 806 00585 – Code NAF: 7010Z.
Places where legal documents can be consulted: Legal documents relating to VINCI are available at its registered office, at the Clerk's Office of the Nanterre Commercial Court and on the Company's website (www.vinci.com).

Business purpose (Article 2 of the Articles of Association)

"The Company has the following purpose:
• the undertaking of any public and private works, in any form, and in particular the operation of the business originally conveyed by the Sainrapt et Brice company and the continuation of the activities carried on by that business, a specialist in all kinds of underground work, foundations, hydraulics and reinforced cement;
• and generally, all industrial, commercial and financial operations and operations relating to movables and immovables that are directly or indirectly connected with the purposes specified above.
"The Company shall be entitled to carry out the said operations in France, in the French overseas departments and territories, and abroad, either alone, or under a joint venture, or in negotiation in any form whatsoever, either directly, or by way of transfer, rental or subcontracting, or by way of brokerage and commission.
"In addition, it shall be entitled to carry out any type of exploitation, either by itself or by any other means without any exception, create any companies both private and commercial, make any conveyances to existing companies, merge or form an alliance with them, subscribe to, purchase and resell any securities and business interest, acquire any partnerships and make any loans, credits and advances."

Statutory appropriation of income (excerpt from Article 19 of the Articles of Association)

"From the profit, reduced by the prior losses if any, one deducts at least 5% to constitute the reserve fund prescribed by law. The said deduction ceases to be mandatory when the reserve fund has reached an amount equal to one-tenth of the share capital. It resumes if the reserve falls to a level below the said one-tenth.
"The distributable profit consists of the profit for the financial year reduced by the prior losses as well as by the amounts to be entered in the reserves pursuant to the law or the Articles of Association, and increased by the retained earnings.
"From the said distributable profit, the Shareholders' General Meeting deducts the following in succession:
• the amounts recognised as useful by the Board of Directors to constitute or supplement any ordinary or extraordinary reserves, or for carryover to the following financial year;
• the amount necessary in order to pay an initial dividend to the shareholders of 5% of the amounts in which their shares are paid up and unredeemed, but if the profit for a financial year does not allow such payment, the shareholders shall not be entitled to demand it from the profits recorded in later years;
• the available balance, after the said deductions, is divided among all of the shares in proportion to the amount of capital that they represent respectively.
"On the basis of a proposal made by the Board of Directors, the Shareholders' General Meeting may decide to pay out amounts deducted from the reserves available to it. In this case, the decision must explicitly indicate the reserve headings from which the deductions are made.
"Excluding the case of a capital reduction, no distribution may be made to the shareholders when the shareholders' equity is, or will become following such distribution, less than the amount of capital increased by the reserves that the law or the Articles of Association preclude from distribution.
"The procedures regarding payment of dividends voted by the Shareholders' General Meeting are laid down by that meeting, or failing this, by the Board of Directors. The dividends must be paid within a maximum of nine months following the end of the financial year, in the absence of an extension of the said period by a court decision.
"The Meeting has the option of granting, with respect to all or part of the dividends or of the interim dividends paid out, an option between payment in cash and payment in shares to each shareholder."

Shareholders' General Meetings (Article 17 and excerpt from Article 8 of the Articles of Association)

Article 17 of the Articles of Association is set out in section 8 of chapter C, "Report on corporate governance", on page 167 of this report.

Excerpt from Article 8 of the Articles of Association:
"Each share gives a right to only one vote at the Shareholders' General Meetings, regardless of the duration or form of share ownership. The double voting rights provided for under Article 7 of Law no. 2014-384 of 29 March 2014 are hereby expressly excluded. In addition, each share gives a right to a portion, proportional to the number and nominal value of the existing shares, of business assets, profits or any liquidation surplus."

Provisions on statutory thresholds (excerpt from Article 10a of the Articles of Association)

"In addition to the obligations laid down in the first paragraph of Article L.233-7 of the Commercial Code, any natural or legal person, acting alone or in concert, who comes to hold or ceases to hold a fraction of the capital, of the voting rights or of the securities providing eventual access to the Company's capital equal to or greater than 1%, or a multiple of that fraction, including beyond the reporting threshold provided for in legislative and regulatory provisions is required to notify the Company, within a period of five trading days starting with the date of crossing of one of the said thresholds or, when a Shareholders' General Meeting has been convened, no later than midnight (Paris time) of the third business day preceding the meeting, of the total number of shares, of voting rights or of securities offering eventual access to the capital that it possesses alone, directly or indirectly, or else in concert.

"Non-observance of the present obligation may be sanctioned by a loss of voting rights for the shares or rights attached thereto exceeding the unreported fraction, this at any Shareholders' General Meeting held until the expiration of a period of two years following the date of service of the notification provided for above.

"The sanction is applied if it is requested in an application entered in the meeting minutes by one or several shareholders holding at least 5% of the Company's capital."

Shareholder identification (excerpt from Article 10a of the Articles of Association)

"The Company is entitled to request the entity handling the clearing of securities, and under the conditions provided for in the regulations in force, to provide the name, nationality and address of the natural or legal persons holding securities that grant, immediately or eventually, a voting right at its own Shareholders' General Meetings, as well as the quantity of securities held by each of them and, if the case arises, the restrictions that may affect the said securities."

2. Relations between the parent company and its subsidiaries

2.1 Organisation chart (*)

VINCI

CONCESSIONS

- **VINCI Autoroutes**
  - ASF
  - Escota
  - Cofiroute
  - Arcour
  - Arcos
- **VINCI Airports**
  - ANA (Portugal)
  - Airports in France
  - Cambodia Airports
  - Aerodom (Dominican Republic)
  - Deputado Luís Eduardo Magalhães Airport (Brazil)
  - Nuevo Pudahuel (Chile)
  - Kansai Airports (Japan)
- **Other concessions**
  - VINCI Highways
  - VINCI Railways
  - VINCI Stadium
  - Other projects

VINCI Immobilier

CONTRACTING

- **VINCI Energies**
  - VINCI Energies France
  - VINCI Energies Europe
  - VINCI Energies International & Systems
- **Eurovia**
  - Subsidiaries in France
  - Subsidiaries in continental Europe
  - Rail and specialities subsidiaries
  - Subsidiaries in the Americas and the UK
- **VINCI Construction**
  - VINCI Construction France
  - VINCI Construction International Network
    - *Sogea-Satom (Africa)*
    - *Overseas France*
    - *Central Europe*
    - *Oceania*
  - VINCI Construction UK
  - Soletanche Freyssinet
  - Entrepose
  - Major Projects Division
    - *VINCI Construction Grands Projets*
    - *VINCI Construction Terrassement*
    - *Dodin Campenon Bernard*

(*) Simplified organisation chart of the Group at 31 December 2017.
The ownership ties between VINCI and its main direct subsidiaries are mentioned on page 318.
The various subsidiaries that comprise the Group and VINCI's equity interest (whether direct or indirect) in these entities are listed on the Group's website: www.vinci.com.

2.2 Role of the VINCI holding company towards its subsidiaries

The Group's operational activities are managed by its subsidiaries (there were 2,175 consolidated entities at 31 December 2017), which are organised into two core businesses (Concessions and Contracting). The principal business lines are, for Concessions, VINCI Autoroutes and VINCI Airports, and for Contracting, VINCI Energies, Eurovia and VINCI Construction. VINCI Immobilier, which is in charge of property development activities, reports directly to the VINCI holding company.
The holding company provides leadership, support and supervisory functions for the Group's subsidiaries. In this role, it supplies services and strategic and operational support in the following areas:
• development and implementation of strategy, execution of acquisitions and disposals, and the study and implementation of industrial and commercial synergies within the Group;
• high-level relations with government authorities, political leaders, elected officials, professional organisations, the media, the academic world, financial institutions and large companies, both nationally and internationally;
• provision of expertise in administrative, legal, financial, IT, insurance, purchasing, human resources, communication and sustainable development matters.

VINCI also shares with its subsidiaries the benefits associated with the Group's size and reputation, such as access to internationally recognised partners; optimisation of terms for financing, purchases and insurance; easier access to regulatory authorities; and public and institutional relations in France and abroad.

2.3 Movements of funds between the VINCI holding company and its subsidiaries

The main movements of funds between the VINCI holding company and its subsidiaries, other than the dividends that the holding company receives (the total amount of which is provided in Note D.18 to the parent company financial statements, page 318), are as follows:

Assistance to its subsidiaries

VINCI SA receives compensation in exchange for providing assistance to its subsidiaries and allowing them to use its intangible assets. In 2017, this compensation amounted to €124 million.

Centralised cash management

The available cash of the Group's French subsidiaries is invested with VINCI SA through a cash pooling system. In return, the holding company meets their financing needs. The holding company acts on the money and financial markets on its own behalf or on its subsidiaries' behalf, investing and borrowing funds as necessary. With some exceptions (the main one to date being ASF and its subsidiaries in accordance with the loan agreements entered into with the Caisse Nationale des Autoroutes), this system applies to all French subsidiaries directly or indirectly controlled by VINCI (subject to the condition, for subsidiaries not wholly owned by VINCI, that minority shareholders agree, if so required by a shareholders' agreement).
VINCI Finance International, a wholly owned subsidiary of VINCI SA, centralises all the cash flows of the Group's subsidiaries working outside France and carries out the corresponding market transactions.

VINCI and VINCI Finance International may make medium-term loans to the Group's subsidiaries to finance investments and working capital requirements and may receive funds from subsidiaries for term deposits. At 31 December 2017, these transactions represented outstandings for VINCI of €7,580 million for medium-term loans and €373 million for term deposits, and outstandings for VINCI Finance International of €6,903 million for medium-term loans and €70 million for term deposits.

Regulated agreements

Regulated agreements between VINCI and its subsidiaries are subject to prior authorisation by the Board of Directors. They are described in special reports by the Statutory Auditors, for approval by the Shareholders' General Meeting.

Shareholder agreements

Since the head companies of each business line and VINCI Immobilier are wholly owned by VINCI, they are not subject to any shareholder agreements. However, the formation of companies owned jointly with other parties, by VINCI or by its subsidiaries, may result in agreements being made. This is the case in particular for certain companies created specifically for the needs of securing and managing infrastructure concessions. The main purpose of these agreements is to organise the respective rights of shareholders in the event of the disposal of shares, and if applicable, to set certain operating principles for the corporate governing bodies.

3. General information about VINCI's share capital

All changes in share capital or in the rights attached to the shares are subject to general legal provisions. The Articles of Association do not provide for additional conditions (except as regards voting rights and statutory thresholds; see section 1 above, "Corporate identity").
At 31 December 2017, VINCI's share capital amounted to €1,478,042,370, represented by 591,216,948 shares, each with a nominal value of €2.50, fully paid-up and all of the same class. VINCI shares are registered or bearer shares, at the shareholder's choice, and may be traded freely.

3.1 Movements in share capital over five years

	Capital increase/ (reduction) *(in €)*	Share premium arising on contributions or mergers *(in €)*	Number of shares issued or cancelled	Number of shares outstanding	Share capital *(in €)*
Position at 31/12/2012				**577,347,352**	**1,443,368,380**
Group savings plan	19,881,448	239,242,492	7,952,579	585,299,931	1,463,249,828
Share subscription options exercised	7,100,445	78,306,449	2,840,178	588,140,109	1,470,350,273
Payment of dividend in shares	33,894,657	406,871,469	13,557,863	601,697,972	1,504,244,930
Position at 31/12/2013				**601,697,972**	**1,504,244,930**
Group savings plan	22,321,525	347,496,939	8,928,610	610,626,582	1,526,566,455
Share subscription options exercised	6,180,138	73,558,206	2,472,055	613,098,637	1,532,746,593
Cancellation of shares	(57,500,000)	-	(23,000,000)	590,098,637	1,475,246,593
Position at 31/12/2014				**590,098,637**	**1,475,246,593**
Group savings plan	17,675,140	292,190,175	7,070,056	597,168,693	1,492,921,733
Share subscription options exercised	8,210,955	118,724,967	3,284,382	600,453,075	1,501,132,688
Cancellation of shares	(30,000,000)	-	(12,000,000)	588,453,075	1,471,132,688
Position at 31/12/2015				**588,453,075**	**1,471,132,688**
Group savings plan	14,890,160	312,952,788	5,956,064	594,409,139	1,486,022,848
Share subscription options exercised	7,240,953	105,358,398	2,896,381	597,305,520	1,493,263,800
Cancellation of shares	(20,000,000)		(8,000,000)	589,305,520	1,473,263,800
Position at 31/12/2016				**589,305,520**	**1,473,263,800**
Group savings plan	14,623,400	358,172,600	5,849,360	595,154,880	1,487,887,200
Share subscription options exercised	4,497,640	65,231,102	1,799,056	596,953,936	1,492,384,840
Cancellation of shares	(14,342,470)	(138,935)	(5,736,988)	591,216,948	1,478,042,370
Position at 31/12/2017				**591,216,948**	**1,478,042,370**

3.2 Potential capital

The only existing financial instruments that could cause the creation of new shares are the share subscription options granted to VINCI officers and employees (see chapter C, "Report on corporate governance", paragraph 5.2, page 161, of the Report of the Board of Directors for details of these options). Share subscription options would become exercisable in the event of a public offer.

3.3 Changes in the breakdown of share capital and voting rights during the last three years

Breakdown of share capital [1]

	December 2017				December 2016				December 2015			
	Number of shares	% capital	Number of net voting rights [2]	% net voting rights [2]	Number of shares	% capital	Number of net voting rights [2]	% net voting rights [2]	Number of shares	% capital	Number of net voting rights [2]	% net voting rights [2]
Treasury shares [3]	**36,317,368**	**6.1%**	**-**	**-**	**34,685,354**	**5.9%**	**-**	**-**	**34,195,347**	**5.8%**	**-**	**-**
Employees (company mutual funds)	**52,064,915**	**8.8%**	**52,064,915**	**9.4%**	**54,395,224**	**9.2%**	**54,395,224**	**9.8%**	**55,029,505**	**9.4%**	**55,029,505**	**9.9%**
Company officers [4] and directors	2,959,968	0.5%	2,959,968	0.5%	2,900,907	0.5%	2,900,907	0.5%	2,798,817	0.5%	2,798,817	0.5%
Other individual shareholders	42,268,123	7.2%	42,268,123	7.6%	42,500,640	7.2%	42,500,640	7.7%	46,411,976	7.9%	46,411,976	8.4%
Total individual shareholders	**45,228,091**	**7.7%**	**45,228,091**	**8.1%**	**45,401,547**	**7.7%**	**45,401,547**	**8.2%**	**49,210,793**	**8.4%**	**49,210,793**	**8.9%**
Qatar Holding LLC	22,375,000	3.8%	22,375,000	4.0%	23,625,000	4.0%	23,625,000	4.3%	23,625,000	4.0%	23,625,000	4.3%
Other institutional investors	435,231,574	73.6%	435,231,574	78.4%	431,198,395	73.2%	431,198,395	77.7%	426,392,430	72.5%	426,392,430	76.9%
Total institutional investors	**457,606,574**	**77.4%**	**457,606,574**	**82.5%**	**454,823,395**	**77.2%**	**454,823,395**	**82.0%**	**450,017,430**	**76.5%**	**450,017,430**	**81.2%**
Total	**591,216,948**	**100%**	**554,899,580**	**100%**	**589,305,520**	**100%**	**554,620,166**	**100%**	**588,453,075**	**100%**	**554,257,728**	**100%**

(1) Estimate at end-December on the basis of registered named shareholders, a schedule of identifiable bearer shares and a shareholding survey conducted with institutional investors.
(2) Voting rights exercisable at a Shareholders' General Meeting.
(3) Treasury shares held by VINCI SA.
(4) Members of the Management and Coordination Committee at end-December.

To the best of the Company's knowledge, there is no individual or legal entity, whether acting alone, jointly or in concert, which directly or indirectly has control over VINCI's share capital, and there is no shareholder acting alone or in concert which directly or indirectly holds more than 5% of the capital or voting rights other than those mentioned in the table opposite and the company BlackRock, Inc. (see "Crossing of shareholding thresholds" below).

Employee shareholders

Details of the Group savings plan are given in chapter E, "Workforce-related, environmental and social information", of the Report of the Board of Directors on page 184, and in Notes I.21 and K.28.3 to the consolidated financial statements.
At 31 December 2017, to the best of the Company's knowledge, under the meaning of Article L.225-102 of the French Commercial Code, the number of shares in the Company held directly or indirectly by employees of the Company or related entities under the Group savings plan was 54,650,558. These shares represent 9.2% of the Company's share capital and encompass 52,064,915 shares held through company mutual funds, 871,299 shares held in registered form by salaried company officers and 1,714,344 shares held in registered form by non-executive employees.

Rights attached to all shares

The rights attached to shares are those defined by laws and regulations and include:
- the right to vote at meetings,
- the right to receive dividends,
- the right to be kept informed about the company and its results,
- the preferential right to subscribe for share issues to be paid for in cash and for issues of securities giving access to the share capital,
- the right to a share of the business assets and liquidation surplus.

There are no double voting rights or different voting rights. The difference between the breakdown of shareholdings and exercisable voting rights at a Shareholders' General Meeting is due to the absence of voting rights attached to treasury shares.
At the Shareholders' General Meeting of 14 April 2015, shareholders approved the amendment to Article 8 of the Articles of Association in order to set aside the provision of Law no. 2014-384 of 29 March 2014 pertaining to the acquisition of double voting rights for shares held in registered form in the name of the same shareholder for at least two years.

Crossing of shareholding thresholds

The shareholders identified at 31 December 2017 as holding more than 1% of the capital or voting rights and for whom the Company received a declaration in 2017 notifying the crossing of the thresholds provided for in the Articles of Association of 1% or a multiple thereof of the share capital or voting rights held, were as follows:
- AXA Investment Managers declared that on 18 April 2017 it crossed above the 1% threshold for capital, holding 6,221,640 shares, accounting for 1.05% of VINCI's capital. On 9 May 2017, AXA Investment Managers declared that it crossed below the 1% threshold for capital, holding 2,943,686 shares, accounting for 0.50% of VINCI's capital.
- Lyxor Asset Management declared that on 24 March 2017 it crossed above the 1% threshold for capital, holding 8,430,363 shares, accounting for 1.43% of VINCI's capital.
- Qatar Holding LLC, which is controlled by the Qatar Investment Authority (QIA), declared that on 12 June 2017 it crossed below the 4% threshold for capital, exclusively as a result of an increase in VINCI's share capital. At that time Qatar Holding LLC held 23,625,000 VINCI shares, accounting for a 3.99% stake. On 20 June 2017, Qatar Holding LLC declared the sale of 1,250,000 VINCI shares, following which Qatar Holding LLC has held 22,375,000 shares, accounting for 3.78% of the capital and 4.03% of voting rights at 31 December 2017.

VINCI did not receive any other declarations in 2017 notifying that the legal thresholds or the 1% thresholds provided for in the Articles of Association had been crossed.

In the course of a survey conducted with institutional investors, the Company learned the following:
- BlackRock Inc., which declared that it held, on behalf of its customers and funds under management, 5.07% of the capital and voting rights in the Company in December 2015, in all likelihood still held more than 5% of the Company's capital and voting rights at end-December 2017.
- Fidelity International Limited, which held more than 1% of the capital of VINCI at end-December 2016, in all likelihood held less than 1% of the capital of VINCI at end-December 2017.

Shareholder agreements and concerted actions

The stable shareholding agreement entered into by VINCI, Qatari Diar Real Estate Investment Company (Qatari Diar) and Comet Luxembourg Holding, a Qatari Diar subsidiary, in April 2010 when the Cegelec group was transferred to VINCI and Qatari Diar acquired a stake in VINCI, expired by its own terms in April 2013.
However, the agreement's provisions relating to the orderly disposal of VINCI shares on the market, VINCI's right of first offer and its pre-emptive right on any disposals of blocks of shares representing more than 1% of the share capital remained in force until April 2016.
Following the acquisition of 31,499,000 VINCI shares on 11 February 2015 from Comet Luxembourg Holding, Qatar Holding has assumed Comet Luxembourg Holding's rights and obligations with respect to orderly disposal, the right of first offer and pre-emptive rights.
To the best of the Company's knowledge, there are no other shareholder agreements or concerted actions.

Pledging of registered shares

At 31 December 2017, to the best of the Company's knowledge, a total of 23,458 shares whose registration is managed by the Company and 765,414 shares whose registration is managed by a financial institution were pledged, accounting for 0.13% of the capital.

3.4 Treasury shares

The disclosures required under Article L.225-211 of the French Commercial Code are made in Note B.3 to the parent company financial statements, page 311.

3.5 VINCI shares and the stock market

The VINCI share is traded on the regulated market of Euronext Paris (Compartment A) and may also be traded through several multilateral trading facilities (MTFs), the main ones being Chi-X, Turquoise, BATS and Equiduct, as well as over the counter (OTC), with trades mainly reported to BATS Chi-X and BOAT.

The VINCI share is included in particular in the CAC 40, Dow Jones Brookfield Global Infrastructure Index, Euronext 100, Euro Stoxx 50, Stoxx Europe 50, and Stoxx Europe 600 Construction & Materials.

VINCI is also included in three of the principal responsible investment indexes:

- Vigeo's Euronext Vigeo Europe 120;
- CDP's international CDLI (Carbon Disclosure Leadership Index), listing the companies that provide the most transparent information about their greenhouse gas emissions;
- Dow Jones Sustainability Index World, distinguishing the top 10% of the 2,500 largest companies in the S&P Global Broad Market Index in terms of sustainable development performance. At end-December 2017, there were 319 companies represented, including 28 French companies.

Changes in the VINCI share price and trading volumes over the last 18 months

Based on data from Euronext, the only marketplace from which reliable statistics could be retrieved.

		Highest during trading sessions *(in €)*	Lowest during trading sessions *(in €)*	Volume of transactions *(in millions of shares)*	Average daily transaction volume *(in millions of shares)*	Value of transactions *(in € millions)*	Average price *(in €)*
2016	July	68.3	61.7	28.0	1.3	1,829.5	65.4
	August	69.8	66.4	27.9	1.2	1,884.6	67.6
	September	69.7	65.7	27.3	1.2	1,850.6	67.7
	October	68.7	64.4	24.2	1.2	1,609.1	66.6
	November	66.4	49.9	42.3	1.9	2,590.3	61.3
	December	65.0	59.8	30.1	1.4	1,899.7	63.1
2017	January	67.5	64.5	26.2	1.2	1,717.4	65.6
	February	69.9	64.9	27.4	1.4	1,862.8	67.9
	March	75.0	68.5	32.6	1.4	2,334.4	71.7
	April	78.7	71.8	31.6	1.8	2,368.7	75.0
	May	79.8	75.1	30.0	1.4	2,328.4	77.7
	June	80.4	74.3	29.9	1.4	2,330.5	77.9
	July	79.6	72.8	27.5	1.3	2,100.9	76.3
	August	78.2	74.4	20.6	0.9	1,571.3	76.4
	September	80.9	77.7	24.7	1.2	1,968.3	79.8
	October	84.3	79.6	22.4	1.0	1,820.7	81.2
	November	87.5	83.0	28.9	1.3	2,458.4	85.2
	December	88.8	84.3	22.9	1.2	1,978.4	86.5

4. Other information on the Company forming an integral part of the Report of the Board of Directors

The "Stock market and shareholder base" chapter (pages 30 and 31), the parent company financial statements (page 305), and the consolidated financial statements (page 230) form an integral part of the Report of the Board of Directors, along with the five-year financial summary (page 319).

Report by the Statutory Auditor, appointed as independent third party, on the consolidated workforce-related, environmental and social information included in the management report of the Board of Directors

For the year ended 31 December 2017

To the Shareholders,

In our capacity as Statutory Auditor of VINCI SA (hereinafter "the Company"), appointed as independent third party and certified by COFRAC under number 3-1049[1], we hereby report to you on the consolidated workforce-related, environmental and social information (hereinafter named "CSR Information") for the year ended 31 December 2017, which is included in the management report of the Board of Directors pursuant to Article L.225-102-1 of the French Commercial Code.

The Company's responsibility

The Board of Directors is responsible for preparing a management report including the CSR Information required by Article R.225-105-1 of the French Commercial Code in accordance with the protocols used by the Company (hereinafter the "Guidelines"), which are summarised in the management report and available on request at the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the code of ethics governing the statutory audit profession in France and the requirements of Article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with ethical requirements and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report of the Board of Directors or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);
- at the request of the Company, express reasonable assurance that the information selected by the Group and identified by the symbol ☑ in chapter E of the management report of the Board of Directors is fairly presented, in all material respects, in accordance with the Guidelines (Reasonable assurance on a selection of CSR Information).

However, it is not our responsibility to issue an opinion on the Company's compliance with other legal provisions, including those set out in Article L.225-102-4 of the French Commercial Code relating to the requirement to establish a duty of vigilance plan and in Law no. 2016-1691 of 9 December 2016 (the Sapin 2 Act) relating to the prevention of corruption.

Our work involved 10 persons and was conducted between October 2017 and February 2018 during a 20-week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes (CNCC, the representative body of the statutory audit profession in France) relating to this engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information and the reasonable assurance report.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report of the Board of Directors with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e. the Company, its subsidiaries as defined by Article L.233-1 and the controlled entities as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note, presented in section 5, chapter E of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report of the Board of Directors.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about 50 interviews with the persons responsible for preparing the CSR Information and, where appropriate, responsible for internal control and risk management procedures, in order to:

• assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;

• verify the implementation of the data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[(3)]:

• at the parent company and business line levels, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions); performed analytical procedures on the quantitative information; and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;

• at the level of a representative sample of entities selected by us[(4)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 31% of headcount considered as material data of workforce-related issues and between 42% and 100% of environmental data considered as material data[(5)] of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

3. Reasonable assurance report on a selection of CSR Information

Nature and scope of our work

Regarding the information selected by the Company and identified by the symbol ☑, our audit consisted of work of the same nature as described in paragraph 2 above for CSR Information considered the most important, but in more depth, particularly regarding the number of tests. The selected sample represents 56% of headcount considered as material data of workforce-related issues and between 46% and 100% of quantitative environmental information considered as material data of environmental issues.
We consider that this work enables us to express a conclusion of reasonable assurance for the information selected by the Company and identified by the symbol ☑.

Conclusion

In our opinion, the information selected by the Company and identified by the symbol ☑ is fairly presented, in all material respects, in compliance with the Guidelines.

Paris La Défense, 9 February 2018
French original signed by

KPMG SA

Anne Garans Partner Sustainability Services	Philippe Bourhis Partner

(1) The scope of which is available at www.cofrac.fr (in French).

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

*(3) **Reasonable assurance***
Environmental indicators: Scope 1 and 2 greenhouse gas emissions; electricity consumption; total energy consumption; greenhouse gas emissions avoided through use of no-stop electronic toll collection; motorway users' greenhouse gas emissions.

Workforce-related indicators: lost-time workplace accident frequency rate for VINCI employees; lost-time workplace accident severity rate for VINCI employees.

Limited assurance
Environmental indicators: purchased water consumption; consumption of water withdrawn directly from the environment for VINCI Concessions; phytosanitary product consumption for VINCI Autoroutes; hazardous waste and non-hazardous waste produced for VINCI Concessions, VINCI Energies, VINCI Construction UK, VINCI Construction Grands Projets; percentage of revenue from ISO 14001-certified activities; percentage of ISO 14001-certified revenue (works agencies); ISO 140001-certified tonnage (quarries owned); ISO 14001-certified tonnage (coating plants owned); ISO 14001-certified tonnage (binder plants owned); percentage of asphalt mix made with reclaimed asphalt pavement; percentage of waste recycled by VINCI Construction UK; number (and revenue) of projects with green certifications; kilometres of ISO 14001-certified motorways.

Workforce-related indicators: period-end workforce by age, gender, geographical area and socio-professional category; number of temporary employees in full-time equivalent; total recruitment; total departures, of which number of redundancies or dismissals; total hours of training, of which safety training; number of employees trained; recognised occupational illness severity rate; total days of absenteeism; actual hours worked; number of employees with a disability; average VINCI salary; wages and social contributions, and average workforce; average VINCI salary for women, of which wages and social contributions for women and average number of women employees.

Qualitative information
Occupational health and safety conditions; policy against discriminations; measures implemented to promote gender equality; measures implemented to protect and conserve biodiversity; integration of social and environmental issues into the company purchasing policy; importance of subcontracting and consideration, in the relationship with subcontractors and suppliers, of their social and environmental responsibility; actions taken against corruption; actions taken in favour of human rights.

(4) Workforce-related information: VINCI Energies France; VINCI Energies Europe; Eurovia Europe, rail and specialist activities; Eurovia Americas – UK; Sogea-Satom Cameroon; VINCI Construction France; VINCI Construction Grands Projets; ASF; Escota; Cofiroute.

Environmental information: Cofiroute: Saint Romain, Orléans, Ponthévrard centres; ASF: Direction Régionale du Languedoc Roussillon, Direction Régionale Ouest Atlantique; Escota: Direction Régionale d'Exploitation Durance Provence; VINCI Construction France; VINCI Construction Grands Projets; Sogea-Satom Cameroon; CEM Nucléaire; Cimas (Soletanche Bachy); VINCI Construction UK; Eurovia France; Eurovia Béton; Carrières Kléber Moreau; Eurovia Czech Republic.

(5) Quantitative environmental information disclosed in footnote no. 3.

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Report of the Vice-Chairman and Lead Director of the Board of Directors

The Vice-Chairman and Lead Director of the VINCI Board of Directors hereby reports on the role and responsibilities that were assigned to him in this capacity during the 2017 financial year and under the terms of the agreement entered into by the Company and YTSeuropaconsultants, a company of which Mr de Silguy is the Managing Director and sole shareholder.

This report was prepared by the Vice-Chairman in liaison with the Company's legal department and was submitted to the Audit Committee and the Remuneration Committee before being presented to the VINCI Board of Directors at its meeting of 7 February 2018.

1. Terms of reference for the Vice-Chairman and Lead Director

The terms of reference for the Vice-Chairman and Lead Director are described as follows in Article 2.2 of the internal rules of the Board of Directors, which are also available on the Company's website (www.vinci.com):

"The Vice-Chairman and Lead Director assists the Chairman of the Board of Directors with his duties.

"He ensures that the Company's governing bodies function properly and provides:
- his insight to the Board on the transactions the Board is called upon to approve;
- assistance to Board members, at their request, in the exercise of their duties.

"He holds a meeting with the Directors once a year in the absence of the executive company officers, in particular with regard to the Board's self-assessment and the evaluation of the Executive Management's performance.

"The Chairman and Chief Executive Officer keeps the Vice-Chairman informed of material events or situations affecting the Group, notably relating to strategy, organisation, financial reporting, significant investment and divestment projects, major financial transactions, changes to the Company's share capital, and contacts with the Company's main current or potential shareholders.

"In order to carry out his role and responsibilities, the Vice-Chairman and Lead Director has direct access to the members of the Group's Executive Committee. In coordination with the Chairman and Chief Executive Officer, he may organise any meeting with executives and employees designated by them that he deems appropriate or useful to the performance of his duties. He may consult with the managers responsible for internal control, risk and compliance or the Statutory Auditors.

"He may access any document or information that he deems necessary for the performance of his duties.

"The Chairman and Chief Executive Officer facilitates the performance of these duties by providing the required instructions.

"When requested to do so, the Vice-Chairman and Lead Director offers advice on managing conflicts of interest involving executive company officers or members of the Board, in accordance with paragraph 4.6.2 of these rules.

"The Vice-Chairman and Lead Director is informed of comments and suggestions from shareholders about corporate governance and company officer remuneration. He ensures that these questions are answered, is available to communicate with them at the Chairman's request and informs the Board of these contacts.

"In addition, the Vice-Chairman and Lead Director may be asked to carry out various assignments. He may in particular represent the Group in high-level relations with investors, clients and government authorities, as well as at shareholders' meetings in France and other countries at the request of the Chairman and Chief Executive Officer or, in agreement with him, at the request of the executives of Group subsidiaries. In this event, these assignments are carried out under the terms of a services agreement that complies with the requirements of the law. This agreement can only be amended or cancelled by a decision of the Board.

"He reports to shareholders at their General Meeting on the performance of his duties."

Article 3.1 of the Board of Directors' internal rules also stipulates that the Vice-Chairman can call a meeting of the Board.

Lastly, Article 4.6.2 of the Board of Directors' internal rules specifies the terms of reference of the Vice-Chairman and Lead Director with respect to conflicts of interest:

"All Directors must inform the Board of any conflict of interest situation, including a future or potential situation, in which they find or might find themselves.

"As soon as they become aware of a situation that might give rise to or create the impression of giving rise to a conflict of interest involving them, they must immediately inform the Vice-Chairman and Lead Director thereof so as to implement measures that will prevent such a conflict.

"These measures might consist in refraining from attending part or all of any Board or Board Committee meeting during which a sensitive subject in this regard is to be discussed.

"They must refrain from taking part in any Board vote on which they would be subject to a conflict of interest and in any related discussions.

"At any moment, the Vice-Chairman and Lead Director may decide to investigate a current or potential conflict of interest that comes to his attention in order to identify, prevent or manage it."

2. Activities of the Vice-Chairman and Lead Director in the performance of the duties assigned to him by the Board of Directors

During the financial year 2017, the Vice-Chairman and Lead Director participated in all 11 Board meetings. He chaired all three meetings of the Appointments and Corporate Governance Committee and all seven meetings of the Strategy and Investments Committee, which was renamed the Strategy and CSR Committee on 15 December 2017.

In addition, the Vice-Chairman and Lead Director kept up to date on Group events by meeting very regularly with the Chairman and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, the heads of the business lines, the other members of the Executive Committee, a number of other Group managers and the Statutory Auditors. He attended around 180 such meetings in 2017.

He participated in VINCI's management convention in October 2017, visited numerous worksites in France and abroad, and represented VINCI in forums on corporate governance.

He also reviewed the documents produced for Audit Committee meetings as well as management reporting documents prepared regularly by the Finance Department.

The Vice-Chairman and Lead Director maintained frequent contact with all Board members, most of whom he met with individually during the course of 2017.

He called and chaired a meeting of Board members, without the Chairman and Chief Executive Officer being present, so as to evaluate the Executive Management.

He participated in looking for a new Board Director with the help of a specialist recruitment firm.

The Vice-Chairman and Lead Director devoted the equivalent of 38 full working days to these meetings in 2017.

He sent a detailed written report about the performance of his duties to the Chairman of the Remuneration Committee.

Lastly, the Vice-Chairman and Lead Director presented his report on financial year 2016 to shareholders at the Shareholders' General Meeting of 20 April 2017.

No potential conflicts of interest were brought to the attention of the Vice-Chairman and Lead Director.

As a result of his work, the Vice-Chairman concluded that the governing bodies functioned normally and in a satisfactory manner in 2017. Board meeting agendas were sent to the Vice-Chairman before meeting notifications were sent to Board members. Accordingly, he did not deem it necessary to call a Board meeting pursuant to Article 3.1 of the Board's internal rules.

3. Mr de Silguy's activities under the assistance agreement between the Company and YTSeuropaconsultants

On 5 February 2014, the Company entered into a services agreement with YTSeuropaconsultants, a French limited liability company ("Société à responsabilité limitée") of which Mr de Silguy is the Managing Director and sole shareholder, under the terms of which Mr de Silguy assists the Chairman and Chief Executive Officer in his role as representative of the VINCI Group, in particular in dealings with French or foreign public authorities, major clients, current or potential French or foreign shareholders and individual shareholders, at the regular meetings organised by the Company for that purpose.

This agreement, which was concluded for a period of four years with an option for the Board of Directors to terminate it at the end of each year of Mr de Silguy's term of office as a Director, has been in effect since it was approved by the shareholders at the Shareholders' General Meeting of 15 April 2014.

Remuneration for these services has been set at a non-adjustable lump sum of €27,500, excluding VAT, per month.

The performance of this agreement is audited every year by the Audit Committee, based on a detailed, written report of its performance.

Under this services agreement, Mr de Silguy carried out several assignments in coordination with the Chairman and Chief Executive Officer, either at the latter's request or at the request of a member of the Executive Committee, with the agreement of the Chairman and Chief Executive Officer.

These assignments come under business confidentiality rules and cannot therefore be detailed in this report. They are recorded in a register that is available at all times to the Audit Committee.

In 2017, these assignments represented more than 72 working days. They involved Group business activities in more than 60 countries and participation in many meetings and events where the Group must be represented at the highest level.

Mr de Silguy sent a detailed written report about the performance of his duties to the Chairman of the Audit Committee.

Consolidated financial statements

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Notes to the consolidated financial statements at 31 December 2017

Consolidated financial statements

Key figures

(in € millions)	2017	2016
Revenue (*)	**40,248**	**38,073**
Revenue generated in France (*)	23,680	22,418
% of revenue (*)	*58.8%*	*58.9%*
Revenue generated outside France (*)	16,568	15,654
% of revenue (*)	*41.2%*	*41.1%*
Operating income from ordinary activities	4,607	4,174
% of revenue (*)	*11.4%*	*11.0%*
Recurring operating income	4,592	4,167
Operating income	4,550	4,118
Net income attributable to owners of the parent	2,747	2,505
% of revenue (*)	*6.8%*	*6.6%*
Diluted earnings per share *(in €)*	4.91	4.48
Net income attributable to owners of the parent excluding non-recurring tax effects (**)	**2,737**	**2,376**
Diluted earnings per share excluding non-recurring tax effects *(in €)* (**)	4.89	4.24
Dividend per share *(in €)*	2.45 (***)	2.10
Cash flows from operations before tax and financing costs	**6,500**	**5,966**
Operating investments (net of disposals)	(745)	(558)
Growth investments in concessions and PPPs	(1,010)	(839)
Free cash flow (after investments and excluding non-recurring tax effects) (**)	**2,725**	**2,948**
Equity including non-controlling interests	18,383	17,006
Net financial debt	(14,001)	(13,938)

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) In 2017, net non-recurring tax effects on net income attributable to owners of the parent was limited (positive impact of €10 million). Those effects resulted from the following tax measures adopted in France's 2018 Finance Act and 2017 Amended Finance Act: the surtax equal to 30% of corporate income tax, the annulment of the 3% dividend tax and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax. In 2016, the revaluation of the Group's deferred tax after the adoption of the 2017 Finance Act had a positive effect of €129 million on the net income attributable to owners of the parent. Non-recurring tax effects had a €200 million negative impact on 2017 free cash flow.
(***) Dividend proposed to the Shareholders' General Meeting of 17 April 2018, including an interim dividend of €0.69 per share paid on 9 November 2017.

Consolidated income statement for the period

(in € millions)	Notes	2017	2016
Revenue (*)	**1-2**	**40,248**	**38,073**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		629	475
Total revenue		40,876	38,547
Revenue from ancillary activities	4	200	130
Operating expenses	4	(36,468)	(34,503)
Operating income from ordinary activities	**1-4**	**4,607**	**4,174**
Share-based payments (IFRS 2)	28	(163)	(118)
Profit/(loss) of companies accounted for under the equity method	4-10	146	69
Other recurring operating items		-	42
Recurring operating income	**4**	**4,592**	**4,167**
Non-recurring operating items	4	(41)	(49)
Operating income	**4**	**4,550**	**4,118**
Cost of gross financial debt		(537)	(551)
Financial income from cash investments		56	26
Cost of net financial debt	**5**	**(481)**	**(526)**
Other financial income and expense	6	40	(35)
Income tax expense	7	(1,271)	(1,013)
of which non-recurring tax effects (**)		*44*	*129*
Net income		**2,837**	**2,545**
Net income attributable to non-controlling interests		90	39
Net income attributable to owners of the parent (**)		**2,747**	**2,505**
Basic earnings per share *(in €)* (**)	8	4.95	4.52
Diluted earnings per share *(in €)* (**)	8	4.91	4.48

Net income attributable to owners of the parent excluding non-recurring tax effects (**)	**2,737**	**2,376**
Diluted earnings per share excluding non-recurring tax effects *(in €)* (**)	4.89	4.24

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) In 2017, the net impact of non-recurring tax effects was limited: a €44 million positive effect on the consolidated tax charge and a €10 million positive impact on net income attributable to owners of the parent. That impact resulted from the following tax measures adopted in France's 2018 Finance Act and 2017 Amended Finance Act: the surtax equal to 30% of corporate income tax, the annulment of the 3% dividend tax and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax. In 2016, the revaluation of the Group's deferred tax after the adoption of the 2017 Finance Act had a positive effect of €129 million on the net income attributable to owners of the parent.

Consolidated comprehensive income statement for the period

	2017			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
Net income	**2,747**	**90**	**2,837**	**2,505**	**39**	**2,545**
Changes in fair value of cash flow and net investment hedging instruments (*)	137	1	137	33	-	33
Tax (**)	(47)	-	(47)	(12)	-	(12)
Share in net income of companies accounted for under the equity method	57	-	57	26	-	26
Currency translation differences	(335)	(11)	(346)	52	4	56
Other comprehensive income that may be recycled subsequently to net income	**(188)**	**(11)**	**(199)**	**99**	**4**	**103**
Actuarial gains and losses on retirement benefit obligations	137	1	138	(149)	-	(149)
Tax	(31)	-	(31)	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	**105**	**1**	**106**	**(118)**	**-**	**(118)**
Total other comprehensive income recognised directly in equity	**(83)**	**(10)**	**(93)**	**(19)**	**4**	**(15)**
Total comprehensive income	**2,664**	**80**	**2,744**	**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	31/12/2017	31/12/2016
Non-current assets			
Concession intangible assets	12	26,539	26,691
Goodwill	9	8,600	8,113
Other intangible assets	16	417	409
Property, plant and equipment	16	4,421	4,468
Investments in companies accounted for under the equity method	10	1,573	1,505
Other non-current financial assets	11-13-17	1,102	881
Derivative financial instruments – non-current assets	25	621	721
Deferred tax assets	7	255	228
Total non-current assets		**43,527**	**43,016**
Current assets			
Inventories and work in progress	18	1,056	935
Trade and other receivables	18	12,432	11,422
Other current operating assets	18	5,035	5,099
Other current non-operating assets		58	55
Current tax assets		406	167
Other current financial assets		38	35
Derivative financial instruments – current assets	25	261	370
Cash management financial assets	24	184	154
Cash and cash equivalents	24	6,807	6,678
Total current assets		**26,276**	**24,915**
Total assets		**69,803**	**67,931**

Equity and liabilities

(in € millions)	Notes	31/12/2017	31/12/2016
Equity			
Share capital	21.1	1,478	1,473
Share premium	21.1	9,886	9,463
Treasury shares	21.2	(1,751)	(1,581)
Consolidated reserves		6,509	5,549
Currency translation reserves		(276)	88
Net income attributable to owners of the parent		2,747	2,505
Amounts recognised directly in equity	21.4	(782)	(1,032)
Equity attributable to owners of the parent		**17,812**	**16,465**
Non-controlling interests	21.5	572	541
Total equity		**18,383**	**17,006**
Non-current liabilities			
Non-current provisions	19	1,053	945
Provisions for employee benefits	27	1,481	1,653
Bonds	23	14,130	12,496
Other loans and borrowings	23	2,512	3,769
Derivative financial instruments - non-current liabilities	25	288	203
Other non-current liabilities		192	135
Deferred tax liabilities	7	1,735	1,910
Total non-current liabilities		**21,391**	**21,110**
Current liabilities			
Current provisions	18	4,322	4,172
Trade payables	18	8,198	7,740
Other current operating liabilities	18	11,852	11,838
Other current non-operating liabilities		487	480
Current tax liabilities		225	190
Derivative financial instruments - current liabilities	25	114	166
Current borrowings	23	4,830	5,229
Total current liabilities		**30,029**	**29,815**
Total equity and liabilities		**69,803**	**67,931**

Consolidated cash flow statement

(in € millions)	Notes	2017	2016
Consolidated net income for the period (including non-controlling interests)		**2,837**	**2,545**
Depreciation and amortisation	4.2	2,128	2,003
Net increase/(decrease) in provisions and impairment		(4)	52
Share-based payments (IFRS 2) and other restatements		53	15
Gain or loss on disposals		(44)	(80)
Change in fair value of financial instruments		15	6
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated companies		(152)	(76)
Capitalised borrowing costs		(86)	(36)
Cost of net financial debt recognised	5	481	526
Current and deferred tax expense recognised	7.1	1,271	1,013
Cash flows from operations before tax and financing costs	**1**	**6,500**	**5,966**
Changes in operating working capital requirement and current provisions	18.1	(286)	23
Income taxes paid [(1)]		(1,647)	(1,213)
Net interest paid		(470)	(525)
Dividends received from companies accounted for under the equity method		184	94
Cash flows (used in)/from operating activities [(1)]	**I**	**4,280**	**4,346**
Purchases of property, plant and equipment and intangible assets		*(865)*	*(706)*
Proceeds from sales of property, plant and equipment and intangible assets		*120*	*148*
Operating investments (net of disposals)	1	(745)	(558)
Operating cash flow [(1)]	**1**	**3,535**	**3,787**
Investments in concession fixed assets (net of grants received)		*(1,055)*	*(824)*
Financial receivables (PPP contracts and others)		*45*	*(15)*
Growth investments in concessions and PPPs	1	(1,010)	(839)
Free cash flow (after investments) [(1)]	**1**	**2,525**	**2,948**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*1-2*	*(946)*	*(2,579)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)[(2)]	*1-2*	*16*	*172*
Net effect of changes in scope of consolidation		*(7)*	*(1,039)*
Net financial investments [(3)]		(937)	(3,446)
Other [(4)]		(355)	67
Net cash flows (used in)/from investing activities	**II**	**(3,046)**	**(4,777)**
Share capital increases and decreases and repurchases of other equity instruments		443	440
Transactions on treasury shares	21.2	(647)	(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)		(22)	(7)
Dividends paid	22	(1,248)	(1,084)
- to shareholders of VINCI SA		*(1,197)*	*(1,052)*
- to non-controlling interests		*(51)*	*(32)*
Proceeds from new long-term borrowings	23.1	4,112	2,458
Repayments of long-term borrowings	23.1	(3,258)	(2,107)
Change in cash management assets and other current financial debts		(581)	484
Net cash flows (used in)/from financing activities	**III**	**(1,200)**	**(182)**
Other changes [(5)]	IV	42	1,164
Change in net cash	**I + II + III + IV**	**75**	**551**
Net cash and cash equivalents at beginning of period		**5,628**	**5,077**
Net cash and cash equivalents at end of period	**24.1**	**5,703**	**5,628**
Change in cash management assets and other current financial debts		581	(484)
(Proceeds from)/repayment of loans		(855)	(350)
Other changes [(5)]		136	(1,219)
Change in net financial debt		**(63)**	**(1,502)**
Net financial debt at beginning of period		**(13,938)**	**(12,436)**
Net financial debt at end of period	**23**	**(14,001)**	**(13,938)**

(1) Including in 2017, a net outflow of €200 million resulting from non-recurring tax effects.
(2) Including in 2016, the residual stake in Infra Foch Topco (ex-VINCI Park), sold in September 2016.
(3) Including in 2017, the investment made in connection with the concession for Salvador de Bahia airport in Brazil for €216 million, and approximately 30 acquisitions by VINCI Energies for €551 million.
Including in 2016, the acquisitions of Lamsac, Aerodom and Aéroports de Lyon for €1,273 million, €411 million and €535 million respectively, along with funding provided to the company holding the concessions for the Kansai airports (€149 million).
(4) Including in 2017, a €256 million shareholder loan granted to LISEA.
(5) Including the debts of companies integrated during the year on their respective acquisition dates.

Consolidated statement of changes in equity

(in € millions)	Equity attributable to owners of the parent									
	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	-	-	-	-	2,505	-	-	2,505	39	2,545
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	52	(96)	(44)	4	(41)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	3	23	26	-	26
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2,505**	**54**	**(73)**	**2,486**	**43**	**2,529**
Increase in share capital	22	418	-	-	-	-	-	440	197	637
Decrease in share capital	(20)	-	507	(487)	-	-	-	-	-	-
Transactions on treasury shares	-	-	(553)	(9)	-	-	-	(562)	-	(562)
Allocation of net income and dividend payments	-	-	-	993	(2,046)	-	-	(1,052)	(32)	(1,084)
Share-based payments (IFRS 2)	-	-	-	79	-	-	-	79	-	79
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(28)	-	-	-	(28)	(1)	(29)
Changes in consolidation scope	-	-	-	(4)	-	1	3	-	202	202
Other	-	-	-	(20)	-	1	1	(18)	(4)	(22)
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	-	-	-	-	2,747	-	-	2,747	90	2,837
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	(335)	197	(139)	(10)	(149)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(27)	82	55	-	55
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2,747**	**(362)**	**279**	**2,664**	**80**	**2,744**
Increase in share capital	19	423	-	-	-	-	-	443	1	443
Decrease in share capital	(14)	-	421	(407)	-	-	-	-	-	-
Transactions on treasury shares	-	-	(592)	(55)	-	-	-	(647)	-	(647)
Allocation of net income and dividend payments	-	-	-	1,308	(2,505)	-	-	(1,197)	(51)	(1,248)
Share-based payments (IFRS 2)	-	-	-	109	-	-	-	109	-	109
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	8	-	(2)	-	6	(5)	1
Changes in consolidation scope	-	-	-	(8)	-	2	6	-	6	6
Other	-	-	-	5	-	(1)	(35)	(32)	1	(30)
Balance at 31/12/2017	**1,478**	**9,886**	**(1,751)**	**6,509**	**2,747**	**(276)**	**(782)**	**17,812**	**572**	**18,383**

A. General policies and use of estimates

1. Basis for preparing the financial statements

Pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, VINCI's consolidated financial statements for the period ended 31 December 2017 have been prepared under the International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2017 (*).

The accounting policies used at 31 December 2017 are the same as those used in preparing the consolidated financial statements at 31 December 2016, except for the standards and/or amendments of standards described below, adopted by the European Union and mandatorily applicable as from 1 January 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.

The information relating to 2015, presented in the 2016 registration document D.17-0109 filed with the AMF on 24 February 2017, is deemed to be included herein.

The consolidated financial statements were adopted by the Board of Directors on 7 February 2018 and will be submitted to the Shareholders' General Meeting for approval on 17 April 2018.

New standards and interpretations applicable from 1 January 2017

No new standards applied for the first time from 1 January 2017 within the European Union. There were only a few amendments applying mandatorily to periods beginning in 2017:
- amendments to IAS 7 "Disclosure Initiative";
- amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses".

The implementation of these amendments has no material impact at Group level, except for the change in the presentation of information relating to liabilities arising from financing activities under the amendment to IAS 7. A table reconciling the opening and closing balances of the Group's main financing liabilities, distinguishing between changes arising from cash flow and non-cash flow items, is presented in Note 23 "Net financial debt".

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 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 28 "Investments in Associates and Joint Ventures";
- amendments to IFRS 2 "Classification and Measurement of Share-Based Payment Transactions";
- amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- Annual Improvements, 2014–2016;
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Uncertainty over Income Tax Treatments".

An analysis of the impacts and practical consequences of applying these standards is underway.

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. Provisions relating to hedge accounting are likely to bring into line the accounting methods and risk management policy used by the Group. IFRS 9 will come into force on 1 January 2018.
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. Initial analysis of historical losses on receivables does not show any material impact. Since almost all refinancing transactions taking place before 31 December 2017 were treated as extinguishments of debt, the Group does not expect any impact to arise from the retrospective application of IFRS 9 on this point.

IFRS 15 "Revenue from Contracts with Customers" is the new accounting standard governing revenue recognition. It will replace IAS 11 "Construction Contracts" and IAS 18 "Revenue" and the corresponding interpretations, particularly IFRIC 15 "Agreements for the Construction of Real Estate".
The Group has completed the main work required to identify the standard's potential impact on each of its business families, i.e. Concessions, Contracting and Property. The analysis results confirm that IFRS 15 does not call into question the Group's current model for recognising revenue. As a result, the impact expected to arise from the first-time adoption of IFRS 15 is unlikely to be material.

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

As regards the Contracting business lines (VINCI Construction, Eurovia, VINCI Energies) and VINCI Immobilier, the Group has carried out in-depth analysis of a set of contracts that represent material transactions and contract types in each business line, both in France and internationally. The analysis confirms the following conclusions:

• Revenue generated from most construction and service contracts is recognised as a single performance obligation involving the gradual transfer of control. This approach remains consistent with IFRS 15.

• To measure a contract's percentage of completion, the Group uses either a cost-based method or a method based on the physical percentage of completion (particularly at VINCI Construction). For contracts in which the measurement method corresponds to the physical percentage of completion, the introduction of IFRS 15 is unlikely to lead to the recognition of any material adjustments to opening equity.

• The latest industry conclusions as regards taking land into account when calculating the percentage of completion of off-plan sales contracts (known as "Vefa" contracts in France) support the current approach adopted by VINCI Immobilier for recognising its revenue, which includes the land component used in the percentage of completion calculation. As a result, no impact is expected.

• Contracting business lines may receive advances, which are mainly intended to secure and limit non-recovery risks in relation to work done for the customer, or are connected with legal obligations such as those arising from certain public-sector contracts in France. As a result, analysis has shown that the primary objective of these advances is not to meet the funding requirements of Group subsidiaries. Lastly, advances received are consumed over relatively short timeframes. In conclusion, the Group has taken the view that the IFRS 15 provisions relating to the identification of a financial activity are not met.

In the Concessions business, the Group has not identified any impact on the method for recognising revenue from concession contracts based on the current IFRIC 12 model. Analysis confirms that there is only one performance obligation during the construction phase of the Group's concession contracts. The provisions of concession contracts have not led to the identification of any distinct performance obligation relating to infrastructure maintenance and renewal works. Those works will continue to be subject to specific provisions measured and recognised in accordance with IAS 37.

IFRS 15 will come into force on 1 January 2018. As regards the non-material impacts expected to arise from its first-time adoption, the Group will opt for the "simplified retrospective" approach, with no adjustment of the comparative period in 2017. As a result, there may be a non-material adjustment of equity on the opening balance sheet at 1 January 2018 when IFRS 15 is adopted.

In the first half of 2018, the Group will complete work to meet all new IFRS 15 requirements regarding information to be disclosed in the notes.

IFRS 16 "Leases" is leading to major changes in the way that lessees recognise leases. It will replace IAS 17, IFRIC 4, SIC 15 and SIC 27. 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. It will come into force on 1 January 2019.

Because of the specific features of some leases (particularly regarding renewal arrangements), the timeframes used to measure leases under IFRS 16 could, in some cases, differ from those used to measure off-balance sheet commitments in which only the firm commitment period was taken into account. The obligations mentioned in Note 20.1 "Other contractual obligations of an operational nature" may therefore not be fully representative of the liabilities to be recognised when IFRS 16 is adopted. The potential impact on the Group's financial statements is still being assessed. This work is complex because of the volume of contracts to be reviewed and the decentralised nature of lease management.

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 operate/maintain contracts for 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 non-controlling interests, or any individually material joint ventures or associates. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flow. 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.

In accordance with Regulation no. 2016-09 of the Autorité des Normes Comptables (ANC, the French accounting standards setter), the list of companies included in the consolidation scope and equity interests in non-consolidated companies is available on VINCI's website (https://www.vinci.com/vinci.nsf/en/page/finance-regulatory-information.htm).

3. 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 consolidated financial statements for the period have been prepared with reference to the immediate environment, in particular as regards the estimates given below.

Measurement of construction contract profit or loss using the stage of completion method

For revenue and income or losses on construction contracts, the Group applies general revenue recognition rules based on the stage of completion.
The stage of completion and the revenue to be recognised are determined on the basis of a large number of estimates made by monitoring the work performed and taking into account unforeseen circumstances. Adjustments may therefore be made to initial estimates throughout contracts and may materially affect future results.

Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment relate in particular to the assessment of market prospects needed to estimate the cash flow, and the discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount. The main assumptions used by the Group are described in Note E.9 "Goodwill and goodwill impairment tests".

Measurement of provisions

The factors that may cause a material change in the amount of provisions are:
- the estimates made using statistical methods on the basis of expenses incurred in previous years, to determine after-sales-service provisions;
- the forecasts of expenditures on major maintenance over several years used as a basis for the provisions for obligations to maintain the condition of concession assets. These forecasts are estimated taking account of indexation clauses included in construction and civil engineering contracts (mainly the TP01, TP02 and TP09 indexes for France);
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion (see Note G.15 "Information on construction contracts");
- the discount rates used.

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 J.26 "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 flow 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.

Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations in connection with these defined benefit plans are measured using the actuarial projected unit credit method based on assumptions such as the discount rate, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses. Those obligations may therefore change if assumptions change, most of which are updated annually. Details of the assumptions used and how they are determined are given in Note K.27 "Provisions for employee benefits". The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions.

Measurement of share-based payment expense

The Group recognises a share-based payment expense relating to share subscription, performance share and Group savings plans offered to employees or some of its employees. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.
The main actuarial assumptions (volatility, return on shares, etc.) adopted by the Group are described for each plan in Note K.28 "Share-based payments".

B. Key events in the period and changes in consolidation scope

1. Key events

1.1 Growth of Concessions

VINCI Airports
VINCI Airports maintained its growth in 2017:
• Japan: In September 2017, the consortium consisting of VINCI Airports (40%), ORIX Corporation (40%) and Kansai Airports (20%) was awarded the concession for Kobe Airport (UKB) in Japan for a 42-year period starting on 1 April 2018.
Kansai Airports has owned the rights to operate Kansai International Airport (KIX) and Osaka International Airport (ITM) for a 44-year period since 1 April 2016.
• Brazil: VINCI Airports has been awarded the concession for Salvador de Bahia's airport.
In July 2017, VINCI Airports signed a concession contract with Brazil's National Civil Aviation Agency (Anac), to operate Deputado Luís Eduardo Magalhães Airport (SSA) in the city of Salvador de Bahia. The 30-year contract came into force on 2 January 2018 after a contractual transition period, and covers the extension, renovation, maintenance and operation of the existing terminal and runways.
Under the contract, the Group will pay fees to the concession grantor in return for the right to operate the concession. Payments will consist of a fixed fee and a variable portion.
• Portugal: in July 2017, VINCI Airports acquired a 51% stake in airport retail specialist Lojas Francas Portugal (see Note 2.3 "Acquisition of Lojas Francas Portugal").

1.2 Growth of Contracting

The Contracting business continued its international expansion, which included the following developments:

VINCI Energies
In 2017, VINCI Energies carried out around 30 acquisitions in France and abroad. Details of its main acquisitions can be found in Note 2.1 "Main acquisitions by VINCI Energies".

VINCI Construction
In October 2017, VINCI Construction completed the acquisition of all shares in Australian company Seymour Whyte (see Note 2.2 "Acquisition of Seymour Whyte").

2. Changes in consolidation scope

	31/12/2017			31/12/2016		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**1,969**	1,109	860	**1,891**	1,121	770
Joint ventures (*)	**165**	110	55	**167**	116	51
Associates (*)	**41**	20	21	**40**	21	19
Total	**2,175**	**1,239**	**936**	**2,098**	**1,258**	**840**

(*) Entities accounted for under the equity method.

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, such as Seymour Whyte in Australia at VINCI Construction, and Infratek, Horlemann and Acuntia in Europe at VINCI Energies.

Other changes relate mainly to legal restructuring within the Group.

2.1 Main acquisitions by VINCI Energies

Acquisition of Infratek
In December 2017, VINCI Energies completed the acquisition of Infratek.
Infratek is a major player in Norway, Sweden and Finland, operating in the fields of electrical grids, public lighting and railway systems. It is also a market leader in renewable energies and the connection of charging stations for electric cars.
The purchase price was €183 million, and goodwill was provisionally measured at €190 million on the date VINCI Energies took control.
Infratek has been fully consolidated in VINCI's consolidated financial statements since 31 December 2017.

Acquisition of Horlemann

In November 2017, VINCI Energies completed the acquisition of Horlemann.
Horlemann is based in the Ruhr region and in the Berlin area of Germany. It specialises in engineering, construction and maintenance of electrical grids, as well as lighting operations and electrical grid automation processes.
The purchase price was €109 million, and provisional goodwill was measured at €83 million on the date VINCI Energies took control.
Horlemann has been fully consolidated in VINCI's consolidated financial statements since 1 December 2017.

Provisional determination of acquired Infratek and Horlemann assets and liabilities at the date of acquiring control

(in € millions)	Infratek	Horlemann
Fair value of assets and liabilities acquired		
Intangible assets and property, plant and equipment	8	5
Other non-current financial assets	9	-
Deferred tax assets	4	-
Total non-current assets	**21**	**5**
Trade and other operating receivables, inventories and work in progress	89	27
Cash and cash equivalents	24	9
Total current assets	**112**	**36**
Bond debt and other financial debt	65	1
Deferred tax liabilities	4	-
Total non-current liabilities	**69**	**1**
Current borrowings	5	-
Trade payables and other current liabilities	67	14
Total current liabilities	**71**	**14**
Net assets acquired	**(7)**	**26**
Acquisition-date fair value of the total consideration transferred	**183**	**109**
Provisional goodwill	**190**	**83**

Provisional goodwill, as shown in the table above, represents the future economic benefits that VINCI expects to derive from the acquisition of these companies. It was allocated to the VINCI Energies Scandinavia operating segment for Infratek and the VINCI Energies Germany operating segment for Horlemann.

Because of Infratek's acquisition date, its contribution to VINCI's revenue, operating income from ordinary activities and net income in 2017 was not material.
For full-year 2017, Infratek's revenue, operating income from ordinary activities and net income, on the basis of the same assumptions as those retained at the acquisition date, would have been €341 million, €15 million and €8 million respectively (unaudited figures).

Horlemann made an €8 million contribution to VINCI's revenue, a €0.6 million contribution to its operating income from ordinary activities and a €0.4 million contribution to its net income in 2017.
For full-year 2017, Horlemann's revenue, operating income from ordinary activities and net income, on the basis of the same assumptions as those retained at the acquisition date, would have been €102 million, €10 million and €7 million respectively (unaudited figures).

Acquisition of Acuntia

In July 2017, VINCI Energies completed the acquisition of Acuntia.
Acuntia is a leading Spanish player in the information and communication technologies sector.
Most of its business is in Spain, but it is also developing its activities in several countries in the Americas, Europe, Asia and Africa.
The purchase price was €58 million, and goodwill was provisionally measured at €66 million on the date VINCI Energies took control.
Acuntia has been fully consolidated in VINCI's consolidated financial statements since 1 August 2017.

2.2 Acquisition of Seymour Whyte

On 23 October 2017, VINCI Construction International Network finalised the acquisition of all shares in Seymour Whyte, which is based in Queensland, Australia. Seymour Whyte operates in the civil engineering, earthworks and utility networks sectors.
Seymour Whyte has been fully consolidated in VINCI's consolidated financial statements since 1 November 2017.

The purchase price was €49 million, and provisional goodwill was measured at €56 million on the date control was obtained.
Provisional goodwill represents the future economic benefits that VINCI expects to derive from the acquisition of Seymour Whyte.

Seymour Whyte contributed €58 million to VINCI's revenue in 2017. Its contributions to the Group's 2017 operating income from ordinary activities and net income were not material.
Full-year 2017 revenue, on the basis of the same assumptions as those retained at the acquisition date, would have been €302 million (unaudited).

2.3 Acquisition of Lojas Francas Portugal

In July 2017, VINCI Airports strengthened its position in airport retail with the acquisition of a 51% stake in Lojas Francas Portugal from TAG GER, a subsidiary of Portugal's national airline TAP. Lojas Francas Portugal currently operates 31 stores located in seven of the 10 Portuguese airports operated by VINCI Airports, including Lisbon airport. VINCI Airports controls Lojas Francas Portugal jointly with Dufry Group, the world leader in airport retail. Lojas Francas Portugal has been accounted for under the equity method in the Group's consolidated financial statements since July 2017.

2.4 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 2017. At 31 December 2017, the allocation of acquisition prices resulted in the recognition of goodwill amounting to €253 million for Aerodom, €241 million for Lamsac, €234 million for Aéroports de Lyon and €54 million for J&P Richardson Industries Pty Limited.

In September 2016, VINCI also 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" of 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, and the stand-alone business line VINCI Immobilier.

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, Japan and Brazil.
- Other concessions VINCI Highways (motorway and road infrastructure, mainly outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (four stadiums in France, one in London).

Contracting

- VINCI Energies: industry, infrastructure, facilities management, information and communication technology.
- Eurovia: building and maintenance of roads, motorways and railways, urban infrastructure, production of materials (asphalt mixes), quarries, services.
- VINCI Construction: design and construction of buildings (residential and non-residential) and civil engineering infrastructure, specialised civil engineering, water and pipeline infrastructure, 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 Concessions business and each Contracting business line separately and is stated before elimination, at their own level, of transactions with the rest of the Group.

2017

(in € millions)	Concessions	Contracting				VINCI Immobilier and holding companies	Eliminations	Total
		VINCI Energies	Eurovia	VINCI Construction	Total			
Income statement								
Revenue [*]	**6,945**	**10,759**	**8,112**	**13,960**	**32,830**	**896**	**(423)**	**40,248**
Concession subsidiaries' works revenue	861	-	-	-	-	-	(232) [**]	629
Total revenue	7,805	10,759	8,112	13,960	32,830	896	(655)	40,876
Operating income from ordinary activities	**3,251**	**615**	**301**	**344**	**1,260**	**96**	**-**	**4,607**
% of revenue [*]	*46.8%*	*5.7%*	*3.7%*	*2.5%*	*3.8%*	*-*	*-*	*11.4%*
Recurring operating income	**3,270**	**566**	**287**	**356**	**1,208**	**113**	**-**	**4,592**
Operating income	**3,270**	**548**	**292**	**323**	**1,163**	**117**	**-**	**4,550**
Cash flow statement								
Cash flows from operations before tax and financing costs	**4,710**	**627**	**455**	**547**	**1,629**	**162**	**-**	**6,500**
% of revenue [*]	*67.8%*	*5.8%*	*5.6%*	*3.9%*	*5.0%*	*-*	*-*	*16.2%*
Depreciation and amortisation	*1,462*	*119*	*236*	*306*	*661*	*5*	*-*	*2,128*
Operating investments (net of disposals)	(47)	(127)	(251)	(320)	(697)	-	-	(745)
Operating cash flow	**3,013**	**373**	**109**	**(143)**	**339**	**182**	**-**	**3,535**
Growth investments in concessions and PPPs	(1,045)	2	-	33	35	-	-	(1,010)
Free cash flow (after investments and excluding non-recurring tax effects)	**2,093**	**375**	**109**	**(110)**	**374**	**257**	**-**	**2,725**
Balance sheet								
Capital employed at 31/12/2017	**29,605**	**3,083**	**877**	**387**	**4,348**	**1,122**	**-**	**35,075**
of which investments in companies accounted for under the equity method	*1,054*	*7*	*108*	*290*	*405*	*115*	*-*	*1,573*
Net financial surplus (debt)	**(27,145)**	**(700)**	**229**	**948**	**477**	**12,667**	**-**	**(14,001)**

(*) 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 flows 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*
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)**

(*) 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.

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1.2 Information relating to the Concessions business

2017

(in € millions)	Concessions: VINCI Autoroutes	Concessions: VINCI Airports	Concessions: VINCI Highways and other concessions	Total
Income statement				
Revenue (*)	**5,277**	**1,409**	**258**	**6,945**
Concession subsidiaries' works revenue	633	52	176	861
Total revenue	5,910	1,462	434	7,805
Operating income from ordinary activities	**2,685**	**563**	**3**	**3,251**
% of revenue (*)	*50.9%*	*39.9%*	*1.2%*	*46.8%*
Recurring operating income	**2,676**	**589**	**6**	**3,270**
Operating income	**2,676**	**589**	**6**	**3,270**
Cash flow statement				
Cash flows from operations before tax and financing costs	**3,850**	**808**	**51**	**4,710**
% of revenue (*)	*73.0%*	*57.3%*	*19.8%*	*67.8%*
Depreciation and amortisation	*1,184*	*235*	*44*	*1,462*
Operating investments (net of disposals)	(16)	(8)	(23)	(47)
Operating cash flow	**2,346**	**629**	**39**	**3,013**
Growth investments in concessions and PPPs	(702)	(169)	(175)	(1,045)
Free cash flow (after investments and excluding non-recurring tax effects)	**1,769**	**459**	**(135)**	**2,093**
Balance sheet				
Capital employed at 31/12/2017	**21,319**	**5,783**	**2,502**	**29,605**
of which investments in companies accounted for under the equity method	*14*	*923*	*117*	*1,054*
Net financial surplus (debt)	**(20,954)**	**(4,048)**	**(2,143)**	**(27,145)**

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

2016

(in € millions)	Concessions: VINCI Autoroutes	Concessions: VINCI Airports	Concessions: VINCI Highways and 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*
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)**

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

2. Breakdown of revenue by geographical area

Accounting policies

Consolidated revenue of the Concessions business is recognised in accordance with IAS 18 "Revenue" and IAS 11 "Construction Contracts". The method for recognising revenue under concession contracts is explained in Note F "Concession and PPP contracts". This revenue consists of:

- tolls for the use of motorway infrastructure operated under concession, revenue from airport service concessions, and ancillary income such as fees for the use of commercial installations, rental of telecommunications infrastructure and advertising space; and
- revenue in respect of the construction of new infrastructure under concession recognised on a stage of completion basis in accordance with IAS 11, corresponding to works carried out by companies outside the Group.

Consolidated revenue of the Contracting business (VINCI Energies, Eurovia and VINCI Construction) is recognised in accordance with IAS 11. It includes the total of the work, goods and services generated by the consolidated subsidiaries pursuing their main activity and the revenue for construction work on infrastructure under concession. The method for recognising revenue under construction contracts is explained in Note G.15 "Information on construction contracts".

In the French property sector, revenue arising on lots sold is recognised as the property development proceeds (in accordance with IFRIC 15 "Agreements for the Construction of Real Estate" and statutory provisions relating to off-plan sales).

(in € millions)	2017	%	2016	%
France	**23,680**	**58.8%**	**22,418**	**58.9%**
United Kingdom	2,269	5.6%	2,495	6.6%
Germany	2,726	6.8%	2,689	7.1%
Central and Eastern Europe (*)	1,849	4.6%	1,611	4.2%
Portugal	862	2.1%	701	1.8%
Other European countries	2,471	6.1%	2,176	5.7%
Europe (**)	**33,858**	**84.1%**	**32,089**	**84.3%**
of which European Union	*33,000*	*82.0%*	*31,291*	*82.2%*
North America	1,461	3.6%	1,471	3.9%
Central and South America	1,210	3.0%	1,020	2.7%
Africa	1,345	3.3%	1,319	3.5%
Russia, Asia Pacific and Middle East	2,373	5.9%	2,173	5.7%
International excluding Europe	**6,390**	**15.9%**	**5,983**	**15.7%**
International excluding France	**16,568**	**41.2%**	**15,654**	**41.1%**
Revenue (***)	**40,248**	**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.
(**) Including the eurozone for €29,011 million (72% of total revenue) in 2017 and for €27,218 million (71.5% of total revenue) in 2016.
(***) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies, which amounted to €629 million in 2017 (€475 million in 2016).

Revenue arising outside France amounted to €16,568 million in 2017, up 5.8% compared with 2016. It accounted for 41.2% of revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (41.1% in 2016).

3. Detail of capital employed and breakdown by geographical area

Reconciliation between capital employed and the balance sheet

(in € millions)	Note	31/12/2017	31/12/2016
Capital employed – Assets			
Concession intangible assets	12	26,539	26,691
- Deferred tax on business combination fair value adjustments		(1,697)	(1,975)
Goodwill, gross	9	8,818	8,346
Other intangible assets		417	409
Property, plant and equipment	16	4,421	4,468
Investments in companies accounted for under the equity method	10	1,573	1,505
Other non-current financial assets	11-13-17	1,723	1,602
- Derivative financial instruments (non-current assets)	23-25	(621)	(721)
Inventories and work in progress	18	1,056	935
Trade and other receivables	18	12,432	11,422
Other current operating assets	18	5,035	5,099
Other current non-operating assets		58	55
Current tax assets		406	167
Capital employed – Liabilities			
Current provisions	18	(4,322)	(4,172)
Trade payables	18	(8,198)	(7,740)
Other current operating liabilities	18	(11,852)	(11,838)
Other current non-operating liabilities		(487)	(480)
Current tax liabilities		(225)	(190)
Total capital employed		**35,075**	**33,583**

Capital employed by geographical area

(in € millions)	31/12/2017	31/12/2016
France	26,841	25,876
Germany	311	184
United Kingdom	140	202
Portugal	2,641	2,656
Other European countries	1,126	766
Total Europe	**31,058**	**29,685**
North America	474	441
Central and South America	3,116	3,072
Africa	(104)	(33)
Russia, Asia, Pacific and Middle East	530	419
Total capital employed	**35,075**	**33,583**

Capital employed in the eurozone at 31 December 2017 was €30,703 million and made up almost 88% of the total (€29,453 million and 88% of the total in 2016).

D. Main income statement items

4. Operating income

Accounting policies

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 and non-recurring items.

Recurring operating income is intended to present the Group's recurring operational performance excluding the impact of non-recurring transactions and events 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, including gains or losses on the disposal of shares and the impact of remeasuring equity interests at fair value when changes of control take place, are recognised under **operating income.** Operating income is therefore obtained by adding income and expenses regarded as non-recurring to recurring operating income.

(in € millions)	2017	2016
Revenue (*)	**40,248**	**38,073**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	629	475
Total revenue	40,876	38,547
Revenue from ancillary activities (**)	200	130
Purchases consumed	(8,626)	(8,074)
External services	(5,342)	(4,989)
Temporary staff	(1,039)	(999)
Subcontracting (including concession operating companies' construction costs)	(8,293)	(7,869)
Taxes and levies	(1,106)	(1,088)
Employment costs	(9,916)	(9,557)
Other operating income and expense on activity	72	59
Depreciation and amortisation	(2,128)	(2,003)
Net provision expense	(89)	15
Operating expenses	**(36,468)**	**(34,503)**
Operating income from ordinary activities	**4,607**	**4,174**
% of revenue (*)	*11.4%*	*11.0%*
Share-based payments (IFRS 2)	(163)	(118)
Profit/(loss) of companies accounted for under the equity method	146	69
Other recurring operating items	-	42
Recurring operating income	**4,592**	**4,167**
Goodwill impairment losses	(4)	(52)
Impact from changes in scope and gain/(loss) on disposals of shares	(12)	34
Other non-recurring operating items	(25)	(31)
Total non-recurring operating items	*(41)*	*(49)*
Operating income	**4,550**	**4,118**

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

Other recurring operating items include financial income from shareholder loans and advances granted by the Group to certain associates. In 2016, they included the impact of changes in indexation clauses used to measure provisions for obligations to maintain the condition of infrastructure under concession.

In 2017, non-recurring operating items mainly consisted of restructuring charges in France. In 2016, they 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 impairment of goodwill mainly concerning VINCI Energies' activities in Brazil.

4.1 Employment costs

(in € millions)		Note	2017	2016
Wages and salaries	**I**		**(9,723)**	**(9,391)**
Of which wages and salaries			*(7,172)*	*(6,907)*
Of which employer social contributions			*(2,000)*	*(1,964)*
Of which contributions to defined contribution plans		*27.1*	*(552)*	*(520)*
Profit-sharing and incentive plans	**II**		**(193)**	**(166)**
Total	**I + II**		**(9,916)**	**(9,557)**

In 2017, the average full-time equivalent headcount rose 4.8% compared with 2016.

	2017	2016
Average number of employees (in full-time equivalent)	**192,282**	**183,539**
of which managers	*37,620*	*35,731*
of which other employees	*154,662*	*147,808*

4.2 Other operating income and expense from ordinary activities

(in € millions)	2017	2016
Net gains or losses on disposal of property, plant and equipment and intangible assets	68	62
Share in operating income or loss of joint operations	24	22
Other	(20)	(25)
Total	**72**	**59**

4.3 Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2017	2016
Concession intangible assets	(1,095)	(1,088)
Intangible assets	(48)	(39)
Property, plant and equipment	(985)	(876)
Depreciation and amortisation	**(2,128)**	**(2,003)**

5. Cost of net financial debt

Accounting policies

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, and gains and losses on interest rate derivatives allocated to gross financial debt whether designated as hedges for accounting purposes or not; and
- financial income from investments, which comprises the return on investments of cash and cash equivalents measured at fair value through profit and loss.

The cost of net financial debt amounted to €481 million in 2017 compared with €526 million in 2016, a decrease of €45 million year-on-year.
The improvement resulted mainly from a lower average interest rate on long-term debt after refinancing took place at interest rates lower than those of the maturing borrowings. The lower interest rate widely offset the higher average outstanding amount of debt resulting from acquisitions carried out in 2016 and 2017, particularly Aerodom in the Dominican Republic and Lamsac in Peru.

The cost of net financial debt in 2017 can be analysed as follows:

(in € millions)	2017	2016
Financial liabilities at amortised cost	(653)	(676)
Financial assets and liabilities at fair value through profit and loss	56	25
Derivatives designated as hedges: assets and liabilities	114	132
Derivatives at fair value through profit and loss: assets and liabilities	1	(7)
Total cost of net financial debt	**(481)**	**(526)**

The “Derivatives designated as hedges: assets and liabilities” item breaks down as follows:

(in € millions)	2017	2016
Net interest on derivatives designated as fair value hedges	177	201
Change in value of derivatives designated as fair value hedges	(214)	(95)
Change in value of the adjustment to fair value hedged financial debt	214	95
Reserve recycled through profit or loss in respect of cash flow hedges	(63)	(69)
Ineffective portion of cash flow hedges	-	-
Gains and losses on derivative instruments allocated to net financial debt	**114**	**132**

6. Other financial income and expense

Accounting policies

Other financial income and expense comprises mainly discounting effects, the impact of capitalised borrowing costs, foreign exchange gains and losses relating to financial items and changes in the value of derivatives not allocated to hedging interest rate or exchange rate risk.

Capitalised borrowing costs relate to infrastructure under concession and are included during the construction period in the value of those assets. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

This does not relate to the construction of concession assets accounted for using the financial asset model (see Note F.13 “PPP financial receivables”).

Other financial income and expense break down as follows:

(in € millions)	2017	2016
Effect of discounting to present value	(35)	(66)
Borrowing costs capitalised	86	36
Foreign exchange gains and losses	(11)	(6)
Total other financial income and expense	**40**	**(35)**

The effect of discounting to present value relates to provisions for retirement benefit obligations for €23 million in 2017 (€33 million in 2016) and to provisions for the obligation to maintain the condition of concession assets for €6 million in 2017 (€21 million in 2016).

The increase in capitalised borrowing costs is mainly related to the concession company Lamsac in Peru (€56 million), which completed the second section of the Línea Amarilla expressway in Lima in 2017. These capitalised borrowing costs also related to the ASF group for €19 million (€27 million in 2016) and Arcos for €10 million (€7 million in 2016).

7. Income tax expense

Accounting policies

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantively enacted at the accounts closing date. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs, except where they relate to transactions recognised under other comprehensive income or directly in equity.

Deferred tax relating to share-based payments (IFRS 2) is taken to income to the extent that the deductible amount does not exceed the fair value of plans established according to IFRS 2.

Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and certain joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per tax jurisdiction. Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospect of recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

7.1 Breakdown of net tax expense

(in € millions)	2017	2016
Current tax	(1,537)	(1,312)
Deferred tax	265	299
of which temporary differences	*249*	*322*
of which losses carried forward	*17*	*(23)*
Total	**(1,271)**	**(1,013)**
of which non-recurring tax effects	*44*	*129*
Total excluding non-recurring tax effects	(1,315)	(1,142)

The net tax expense for the period, excluding non-recurring tax effects, comprises:
- a tax expense recognised by French subsidiaries for €972 million (€914 million in 2016), including €949 million at VINCI SA, the lead company in the tax consolidation group that comprises 961 subsidiaries (€884 million in 2016);
- a tax expense of €343 million for foreign subsidiaries (€228 million in 2016).

Non-recurring tax effects with a positive impact of €44 million in 2017 (€129 million in 2016) break down as follows:
- a €292 million charge with respect to the surtax equal to 30% of French corporate income tax for companies with revenue of more than €3 billion, taking the Group's corporate tax rate to 44.43% in 2017;
- the recognition of €164 million of receivables from the French government, consisting of expected rebates of payments made in respect of the 3% dividend tax that was declared unconstitutional and invalid by France's Constitutional Council in November 2017;
- €172 million of income in 2017 following the revaluation of deferred tax pursuant to France's 2018 Finance Act and 2017 Amended Finance Act, under which the corporate income tax rate is set to fall to 25% by 2022;
- in 2016, income of €129 million was recognised, in particular due to the revaluation of the Group's deferred tax position at 31 December 2016 following the adoption of the 2017 Finance Act in France, which provided for a reduction in the corporate income tax rate from 33.33% to 28% for all companies from 2020.

7.2 Effective tax rate

The Group's effective tax rate, excluding non-recurring tax effects, was 33.2% in 2017 compared with 32.7% in 2016.

The effective tax rate for 2017 is slightly lower than the theoretical tax rate of 34.43% in force in France, because of some foreign subsidiaries being taxed at rates lower than the French rate. The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the period can be analysed as follows:

(in € millions)	2017	2016
Income before tax and income/(loss) of companies accounted for under the equity method	3,962	3,489
Theoretical tax rate in France	34.4%	34.4%
Theoretical tax expense expected	**(1,364)**	**(1,201)**
Impact of taxes due on income taxed at a lower rate in France	8	8
Tax rate differential on foreign income	124	94
Impact of tax loss carryforwards and other temporary differences that are not recognised or that have previously been subject to limitation	(5)	(3)
Goodwill impairment losses	(1)	(17)
Permanent differences and other	(76)	(22)
Tax expense recognised excluding non-recurring tax effects	**(1,315)**	**(1,142)**
Effective tax rate excluding non-recurring tax effects (*)	**33.2%**	**32.7%**
Non-recurring tax effects	44	129
Effective tax rate (*)	**32.1%**	**29.0%**

(*) Excluding the Group's share of companies accounted for under the equity method.

7.3 Breakdown of deferred tax assets and liabilities

(in € millions)	31/12/2017	Changes: Profit or loss	Changes: Equity	Changes: Other	31/12/2016
Deferred tax assets					
Losses carried forward	371	20	(18)	-	368
Temporary differences on retirement benefit obligations	324	(26)	(38)	(6)	394
Temporary differences on provisions	602	26	(4)	9	572
Temporary differences on financial instruments	81	25	(32)	-	89
Temporary differences related to finance leases	23	3	-	-	20
Other	374	32	(28)	(55)	424
Netting of deferred tax assets and liabilities by tax jurisdiction	(1,054)	-	-	89	(1,144)
Total deferred tax assets before impairment	**721**	**80**	**(120)**	**37**	**724**
Impairment	(466)	2	22	6	(497)
Total deferred tax assets after impairment	**255**	**82**	**(99)**	**43**	**228**
Deferred tax liabilities					
Remeasurement of assets (*)	(2,196)	305	36	(23)	(2,514)
Temporary differences related to finance leases	(27)	(5)	-	-	(22)
Temporary differences on financial instruments	(46)	(19)	1	4	(33)
Other	(520)	(98)	10	53	(485)
Netting of deferred tax assets and liabilities by tax jurisdiction	1,054	-	-	(89)	1,144
Total deferred tax liabilities	**(1,735)**	**183**	**48**	**(55)**	**(1,910)**
Net deferred tax	**(1,480)**	**265**	**(51)**	**(12)**	**(1,683)**

(*) Including measurement at fair value of the assets and liabilities of ASF, Lamsac, Aéroports de Lyon and ANA at date of first consolidation: €1,050 million, €213 million, €161 million and €121 million respectively at 31 December 2017.

Deferred tax assets whose recovery is not probable are written down. They amounted to €466 million at 31 December 2017 (€497 million at 31 December 2016), including €414 million outside France (€441 million at 31 December 2016).

8. Earnings per share

Accounting policies

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 potentially dilutive effect of all equity instruments issued by the company, in particular 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 as necessary for changes in income and expenses taken directly to equity resulting from the conversion into shares of all potentially dilutive instruments.

The table below shows the reconciliation between basic and diluted earnings per share:

	2017			2016		
	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**592,838,481**			**593,324,563**		
Treasury shares	(38,254,966)			(38,549,755)		
Basic earnings per share	**554,583,515**	**2,747**	**4.95**	**554,774,808**	**2,505**	**4.52**
Subscription options	838,180			1,601,098		
Group savings plan	226,266			239,709		
Performance shares	3,988,482			3,121,007		
Diluted earnings per share	**559,636,443**	**2,747**	**4.91**	**559,736,622**	**2,505**	**4.48**

E. Investments in other companies

9. Goodwill and goodwill impairment tests

Accounting policies

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition, recognised on first consolidation.

Goodwill in fully consolidated subsidiaries is recognised under goodwill in consolidated assets. Goodwill relating to companies accounted for under the equity method is included in the line item "Investments in companies accounted for under the equity method".

Goodwill is not amortised but is tested for impairment at least annually and when there is an indication that an impairment loss has arisen. If a goodwill impairment loss is thus recognised, the difference between its carrying amount and its recoverable amount is charged irreversibly to operating income in the period.

Negative goodwill is recognised directly in profit or loss in the year of acquisition.

Following the adoption of IFRS 3 (amended), an option is available to measure non-controlling interests on the acquisition date either at fair value (the full goodwill method) or for the portion of the net assets acquired that they represent (the partial goodwill method). The choice can be made for each business combination.

9.1 Main goodwill items

Changes in the period were as follows:

(in € millions)	31/12/2017	31/12/2016
Net at beginning of period	**8,113**	**7,296**
Goodwill recognised during the period	608	870
Impairment losses	(4)	(52)
Entities no longer consolidated	-	(3)
Currency translation differences	(120)	(1)
Other movements	3	3
Net at end of period	**8,600**	**8,113**

The increase in goodwill in 2017 year was mainly due to the recognition of provisional goodwill related to acquisitions during the year, including:
- VINCI Energies: Infratek in Scandinavia (€190 million), Horlemann in Germany (€83 million), Acuntia in Spain (€66 million) and Novabase IMS in Portugal (€34 million);
- VINCI Construction: Seymour Whyte in Australia (€55 million).

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

The main items of goodwill at 31 December 2017 were as follows:

	31/12/2017			31/12/2016
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
VINCI Energies France	2,353	-	2,353	2,336
ASF and its subsidiaries	1,935	-	1,935	1,935
VINCI Airports	969	-	969	1,004
VINCI Energies Germany	625	-	625	537
VINCI Energies Benelux	312	-	312	264
VINCI Energies Scandinavia	268	-	268	81
VINCI Highways	246	-	246	265
Entrepose	201	-	201	201
Soletanche Bachy	171	-	171	171
VINCI Energies Switzerland	155	-	155	133
VINCI Energies Australia – New Zealand	147	-	147	158
Nuvia	128	-	128	133
ETF	108	-	108	108
VINCI Construction UK	148	(68)	80	83
Other goodwill	1,053	(151)	902	707
Total	**8,818**	**(219)**	**8,600**	**8,113**

9.2 Goodwill impairment tests

Accounting policies

In accordance with IAS 36 "Impairment of Assets", the goodwill and other non-financial assets of cash-generating units (CGUs) were tested for impairment losses at 31 December 2017.

CGUs are identified in line with operational reporting. Their recoverable amounts are based on a value in use calculation. Values in use are determined by discounting the forecast operating cash flow before tax (operating income plus depreciation and amortisation plus/minus the change in non-current provisions minus operating investments plus/minus the change in operating working capital requirement) at the rates below.

For concessions, forecast cash flow is determined across the length of contracts by applying a variable discount rate, determined for each period depending on the debt to equity ratio of the entity in question.

For the other CGUs, projected cash flow is generally established for a five-year period on the basis of management forecasts. At the end of that period, a terminal value is determined by capitalising the final year's projected cash flow to infinity, and that value is discounted to present value.

Goodwill was tested for impairment losses using the following assumptions:

(in € millions)	Carrying amount of goodwill 31/12/2017	Parameters of the model applied to cash flow forecasts: Growth rate (years n+1 to n+5)	Growth rate (terminal value)	Discount rates 31/12/2017	Discount rates 31/12/2016	Impairment losses recognised in the period: 2017	2016
VINCI Energies France	2,353	1.7%	1.0%	7.7%	8.7%	-	
ASF and its subsidiaries	1,935	(*)	(*)	8.1%	8.0%	-	-
VINCI Airports	969	(*)	(*)	9.3%	9.0%	-	-
VINCI Energies Germany	625	2.7%	1.0%	7.2%	6.4%	-	-
VINCI Energies Benelux	312	2.5%	1.0%	7.5%	7.8%	-	-
VINCI Highways	246	(*)	(*)	8.9%	NA	-	-
Entrepose	201	6.1%	1.5%	9.2%	9.3%	-	-
Soletanche Bachy	171	3.5%	1.5%	9.3%	9.5%	-	-
VINCI Energies Switzerland	155	2.0%	1.0%	5.0%	5.4%	-	-
Other goodwill	1,634	-7% - 10%	1% - 6%	6.8% - 17.2%	7.5% - 16.1%	(4)	(52)
Total	**8,600**					**(4)**	**(52)**

(*) For concessions, cash flow projections are determined over the length of concession contracts.
The average revenue growth rate for the ASF group (ASF and Escota), based on the residual periods of contracts, is 1.6%.
The overall average revenue growth used for VINCI Airports is 3.9%.
The overall average revenue growth used for VINCI Highways is 7.7%.

Sensitivity of the value in use of cash-generating units to the assumptions made

The following table shows the sensitivity of enterprise value to the assumptions made for the main goodwill items:

Sensitivity to discount and perpetual growth rates and to cash flows

(in € millions)	Sensitivity to rates: Discount rate for cash flows 0.5%	-0.5%	Perpetual growth rate for cash flows 0.5%	-0.5%	Sensitivity to cash flows: Change in forecast operating cash flows (before tax) 5.0%	-5.0%
VINCI Energies France	(391)	453	362	(312)	290	(290)
ASF and its subsidiaries	(1,006)	1,069	(*)	(*)	1,260	(1,260)
VINCI Airports	(580)	638	(*)	(*)	520	(520)
VINCI Energies Germany	(176)	207	169	(143)	120	(120)
VINCI Energies Benelux	(64)	75	60	(52)	46	(46)
VINCI Highways	(192)	211	(*)	(*)	140	(140)
Entrepose	(35)	40	31	(28)	27	(27)
Soletanche Bachy	(158)	179	138	(122)	133	(134)
VINCI Energies Switzerland	(90)	115	101	(78)	41	(41)

(*) Forecasts of cash flow are determined over the residual periods of the concession contracts.

These sensitivity calculations show that a change of 50 basis points in the assumptions for discount and perpetual growth rates or a ±5% change in projected operating cash flow would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements at 31 December 2017.

CONSOLIDATED FINANCIAL STATEMENTS

10. Investments in companies accounted for under the equity method: associates and joint ventures

Accounting policies

Investments in companies accounted for under the equity method are initially recognised at the cost of acquisition, including any goodwill arising, and acquisition costs. Their carrying amount is then increased or decreased to recognise the Group's share of the entity's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the equity-accounted company, those losses are not recognised unless the Group has entered into a commitment to recapitalise the company or provide it with funding. The share of the negative net equity of companies accounted for under the equity method arising from decreases in the fair value of financial hedging instruments may therefore be presented under provisions for financial risks.

If there is an indication that an impairment loss has arisen, the investment's recoverable amount is tested in a way similar to that described in Note E.9.2 "Goodwill impairment tests". Impairment losses shown by these impairment tests are recognised as a deduction from the carrying amount of the corresponding investments.

In order to present business lines' operational performance in the best way possible, the income or loss of companies accounted for under the equity method is reported on a specific line between the "Operating income from ordinary activities" and "Recurring operating income" lines.

10.1 Movements during the period

	2017			2016		
(in € millions)	Associates	Joint ventures	Total	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*	*88*	*508*
of which VINCI Immobilier	*4*	*20*	*24*	*4*	*20*	*25*
Increase in share capital of companies accounted for under the equity method	11	32	43	9	167	176
Group share of profit or loss for the period	118	29	146	55	14	69
Group share of other comprehensive income for the period	(7)	62	55	13	12	26
Dividends paid	(77)	(106)	(184)	(36)	(58)	(94)
Changes in consolidation scope and other	(4)	(43)	(47)	(118)	(10)	(127)
Reclassifications (*)	4	51	54	(27)	80	53
Value of shares at end of period	**1,127**	**446**	**1,573**	**1,083**	**423**	**1,505**
of which Concessions	*722*	*333*	*1,054*	*686*	*320*	*1,006*
of which Contracting	*403*	*87*	*490*	*393*	*83*	*476*
of which VINCI Immobilier	*2*	*27*	*29*	*4*	*20*	*24*

(*) Reclassifications of shares in the negative net equity of equity-accounted companies under provisions for financial risks.

At 31 December 2017, the Group's interests in associates included, for the Concessions business, the stake in the Aéroports de Paris group (€701 million) and, for the Contracting business, the stake in the CFE group (€221 million).
Changes in 2017 mainly related to VINCI Airports' acquisition of Lojas Francas de Portugal SA and VINCI Energies' disposal of Ceritex.

Impacts included 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 (PPP) projects.

10.2 Aggregated financial information

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

	2017			2016		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Net income	**118**	**29**	**146**	**55**	**14**	**69**
of which Concessions	*41*	*(7)*	*34*	*31*	*18*	*49*
of which Contracting	*77*	*17*	*94*	*24*	*(21)*	*3*
of which VINCI Immobilier	*-*	*19*	*19*	*-*	*16*	*16*
Other comprehensive income	(7)	62	55	13	12	26
of which Concessions	*6*	*56*	*62*	*7*	*20*	*26*
of which Contracting	*(13)*	*6*	*(7)*	*6*	*(7)*	*(1)*
Comprehensive income	**111**	**91**	**202**	**68**	**26**	**94**
of which Concessions	*47*	*49*	*96*	*38*	*38*	*76*
of which Contracting	*64*	*23*	*87*	*30*	*(28)*	*2*
of which VINCI Immobilier	*-*	*19*	*19*	*-*	*16*	*16*

The revenue of companies accounted for under the equity method breaks down as follows (data reflecting the Group's share):

	2017			2016		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue (*)	**1,376**	**2,019**	**3,395**	**1,302**	**1,711**	**3,012**
of which Concessions	*792*	*981*	*1,772*	*763*	*654*	*1,417*
of which Contracting	*583*	*808*	*1,391*	*536*	*897*	*1,433*
of which VINCI Immobilier	*2*	*231*	*232*	*3*	*160*	*163*

(*) Excluding works revenue related to concession activities.

In accordance with IAS 28, the Group's recognition of its share of losses at associates and joint ventures is limited to its liabilities. At 31 December 2017, losses thus unrecognised amounted to €125 million (€89 million at 31 December 2016).

The main features of concession and PPP contracts are given in Note F.14 "Concession and PPP contracts of companies accounted for under the equity method". The list of companies accounted for under the equity method is available on the Group's website (https://www.vinci.com/vinci.nsf/en/page/finance-regulatory-information.htm).

10.3 Commitments made in respect of associates and joint ventures

At 31 December 2017, Group funding commitments to equity-accounted companies (via capital or subordinated loans) amounted to €126 million (€333 million at 31 December 2016). They 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 €50 million at 31 December 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 31 December 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 €16 million and SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €10 million.

After the payment of shareholder contributions to LISEA in June 2017, real and personal security interests granted by the Group (in the form of €135 million of cash deposits and a €113 million bank investment guarantee) were released.

10.4 Investment commitments given by associates and joint ventures

At 31 December 2017, the Group's share of investment commitments given by these companies amounted to €1,004 million (€1,142 million at 31 December 2016).

These commitments relate mainly to projects involving infrastructure under construction in the Concessions business, the Via 40 Express motorway between the cities of Bogotá and Girardot in Colombia (€270 million), sections 7 and 8 of the M11 motorway between Moscow and St Petersburg (€209 million), Santiago airport in Chile (€200 million) and the new section of the A7 motorway in Germany (€145 million).

The €138 million decrease in these commitments during the year was due to progress with works carried out on projects, such as the Regina bypass and the completion of the SEA high-speed rail line, partly offset by new investment commitments on projects recently won by the Group, particularly in Germany and Colombia.

10.5 Controlled subsidiaries' transactions with associates and joint ventures

The financial statements include certain commercial transactions between controlled subsidiaries and associates and joint ventures. The main transactions are as follows:

	31/12/2017			31/12/2016		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue	386	759	**1,144**	410	838	**1,248**
Trade receivables	58	113	**170**	110	105	**215**
Purchases	3	33	**36**	4	27	**30**
Trade payables	1	5	**6**	1	8	**9**

11. Available-for-sale financial assets

Accounting policies

At the balance sheet date, available-for-sale securities are measured at their fair value. The fair value of shares in listed companies is determined on the basis of the stock market price at the relevant balance sheet date. For unlisted securities, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs. Changes in fair value are recognised in other comprehensive income.

Whenever there is an objective indication that such an asset is impaired, the corresponding loss is recognised in profit or loss and may not be reversed.

- For securities quoted on an active market, a long-lasting or material decline in fair value below their cost is an objective indication of their impairment. The factors considered by the Group in assessing the long-lasting or material nature of a decline in fair value are generally the following:

- the impairment loss is long-lasting whenever the closing stock market price has been lower than the cost of the security for more than 18 months;
- the impairment loss is material whenever, at the balance sheet date, there has been a 30% fall in the current market price compared with the cost of the financial asset.

- For unlisted securities, the factors considered are the decrease in value of the share of equity held and the absence of prospects for generating profits.

At 31 December 2017, available-for-sale assets included the unlisted shareholdings of subsidiaries that do not meet VINCI's minimum financial criteria for consolidation. They are presented on the asset side of the consolidated balance sheet under "Other non-current financial assets" along with "PPP financial receivables" and "Loans and receivables":

(in € millions)	31/12/2017	31/12/2016
Available-for-sale financial assets	95	134
PPP financial receivables (*)	177	215
Loans and receivables (*)	830	531
Other non-current financial assets	**1,102**	**881**

(*) Information relating to "PPP financial receivables" is provided in Note F.13 and information relating to "Loans and receivables" is provided in Note H.17.

During the period, the change in available-for-sale financial assets broke down as follows:

(in € millions)	2017	2016
Beginning of period	**134**	**96**
Acquisitions during period	16	54
Acquisitions as part of business combinations	-	1
Fair value adjustment recognised in equity	-	-
Impairment losses	(8)	(6)
Disposals during period	(3)	(1)
Other movements and currency translation differences	(45)	(10)
End of period	**95**	**134**

F. Concession and PPP contracts

Accounting policies

Under the terms of IFRIC 12 "Service Concession Arrangements", a concession operator has a twofold activity:

• a construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor: revenue is recognised on a stage of completion basis in accordance with IAS 11;

• an operating and maintenance activity in respect of concession assets: revenue is recognised in accordance with IAS 18.

In return for its activities, the operator receives remuneration from:

• **users: the intangible asset model applies.** The operator has a right to receive tolls (or other forms of payment) from users in consideration for the financing and construction of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator based on the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple "pass through" or "shadow toll" agreement).

Under this model, the right to receive toll payments (or other forms of payment) is recognised in the concession operator's balance sheet under "Concession intangible assets", net of any investment grants received. This right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the concession asset's economic benefits are consumed by the entity, starting from the entry into service of the asset.

This treatment applies to most of the infrastructure concessions, in particular VINCI Autoroutes' concessions in France, the main airports managed by VINCI Airports and certain bridges and tunnels.

The motorway concession companies ASF, Cofiroute, Escota, Arcour and Arcos, along with most of the Group's airport concession companies, use the straight-line method for amortising concession intangible assets.

• **the grantor: the financial asset model applies.** The operator has an unconditional contractual right to receive payments from the concession grantor, irrespective of the amount of use made of the infrastructure.

Under this model, the operator recognises a financial asset, attracting interest, in its balance sheet, in consideration for the services it provides (design, construction). Such financial assets are recognised in the balance sheet under "Other financial assets", in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortised cost. The receivable is settled by means of the grantor's payments received. The income calculated on the basis of the effective interest rate is recognised under operating income (revenue from ancillary activities).

In the case of **bifurcated models**, the operator is remunerated partly by users and partly by the grantor. The part of the investment that is covered by an unconditional contractual right to receive payments from the grantor (in the form of grants or rental) is recognised as a financial receivable up to the amount guaranteed. The unguaranteed balance, of which the amount is dependent on the extent of use of the infrastructure, is recognised under "Concession intangible assets".

12. Concession intangible assets

12.1 Breakdown of concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Gross				
01/01/2016	**31,020**	**2,695**	**206**	**33,921**
Acquisitions during period (*)	713	104	4	822
Disposals during period	(3)	(2)	(2)	(7)
Currency translation differences	-	58	(2)	55
Changes in scope and other	(58)	1,314	1,745	3,001
	31,673	**4,168**	**1,950**	**37,791**
Grants received	(48)	-	-	(48)
31/12/2016	**31,625**	**4,168**	**1,950**	**37,743**
Acquisitions during period (*)	661	381	235	1,277
Disposals during period	(2)	(2)	(1)	(5)
Currency translation differences	-	(152)	(167)	(319)
Changes in scope and other	15	(25)	-	(10)
	32,299	**4,370**	**2,017**	**38,686**
Grants received	(22)	-	-	(22)
31/12/2017	**32,278**	**4,370**	**2,017**	**38,665**
Amortisation and impairment losses				
01/01/2016	**(9,602)**	**(250)**	**(154)**	**(10,006)**
Amortisation during period	(980)	(101)	(7)	(1,088)
Impairment losses	-	(9)	-	(9)
Reversals of impairment losses	-	1	-	1
Disposals during period	-	-	2	2
Currency translation differences	-	(6)	-	(6)
Other	54	1	(2)	53
31/12/2016	**(10,529)**	**(365)**	**(160)**	**(11,053)**
Amortisation during period	(931)	(128)	(35)	(1,095)
Impairment losses	-	(2)	-	(2)
Reversals of impairment losses	-	1	-	1
Disposals during period	1	-	3	4
Currency translation differences	-	25	2	27
Other	(12)	12	(7)	(8)
31/12/2017	**(11,471)**	**(458)**	**(197)**	**(12,126)**
Net				
01/01/2016	**21,418**	**2,444**	**52**	**23,915**
31/12/2016	**21,096**	**3,804**	**1,791**	**26,691**
31/12/2017	**20,807**	**3,912**	**1,820**	**26,539**

(*) Including capitalised borrowing costs.

In 2017, acquisitions totalled €993 million (€822 million in 2016).
They include investments by the ASF group for €456 million (€489 million in 2016), by Cofiroute for €119 million (€94 million in 2016), by VINCI Highways for €177 million and by VINCI Airports for €97 million (€104 million in 2016). The ASF group's investments included work related to the motorway stimulus plan, work to widen the A63 motorway in the Basque Country and the completion of widening work on the A9 motorway near Montpellier, which came into service in April 2017. VINCI Highways' investments correspond to construction works on the second section of the Línea Amarilla expressway in Lima (Peru), carried out by Lamsac.

Concession intangible assets include assets under construction for €2,044 million at 31 December 2017 (€1,742 million at 31 December 2016). These relate to VINCI Autoroutes subsidiaries for €1,047 million (including ASF for €645 million, Escota for €129 million and Cofiroute for €180 million), VINCI Highways subsidiaries for €895 million and VINCI Airports subsidiaries for €102 million.

12.2 Main features of concession and PPP contracts – intangible asset model

The main features of contracts for concession and PPP contracts operated by controlled subsidiaries are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date
VINCI Autoroutes					
ASF group					
ASF 2,737 km of toll motorways (France)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract unless purchased before term by the grantor on the basis of the economic value	2036
Escota 471 km of toll motorways (France)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract unless purchased before term by the grantor on the basis of the economic value	2032
Cofiroute					
Intercity network 1,100 km of toll motorways (France)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract unless purchased before term by the grantor on the basis of the economic value	2034
A86 Duplex 11 km toll tunnel west of Paris (France)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract unless purchased before term by the grantor on the basis of the economic value	2086
Arcour					
A19 101 km of toll motorways (France)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2070
Arcos					
A355 24 km of toll motorways (France)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract unless purchased before term by the grantor on the basis of the economic value	2070
VINCI Highways					
Lamsac Línea Amarilla: 25 km toll expressway in Lima (Peru)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract	2049
VINCI Airports					
ANA Group 10 airports in Portugal	Regulated air tariffs; unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2063
Cambodia Airports Phnom Penh, Siem Reap and Sihanoukville airports (Cambodia)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2040
Société concessionnaire Aéroports du Grand Ouest Nantes Atlantique and Saint Nazaire airports in France	Regulated air tariffs. Unregulated non-air revenue	Users, airlines	Investment grant agreed under the concession contract for the construction of the new airport	Infrastructure returned to grantor for no consideration at end of contract	2065
Aerodom Six airports in the Dominican Republic	Regulated air tariffs. Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2030
Aéroports de Lyon Lyon-Saint Exupéry and Lyon-Bron airports	Regulated air tariffs. Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2047
Salvador de Bahia airport (Brazil) Deputado Luís Eduardo Magalhães Airport	Regulated air tariffs. Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2047
Other concessions					
Consortium Stade de France 80,000 seats	Nil	Ticketing, stadium rental and miscellaneous revenue	Investment grant + compensation for absence of resident club (currently suspended)	Infrastructure returned to grantor for no consideration at end of contract	2025

12.3 Commitments made under concession contracts – intangible asset model

Contractual investment, renewal or financing obligations

(in € millions)	31/12/2017	31/12/2016
ASF group	1,381	1,716
Cofiroute	882	985
Arcos – company holding the concession for the western Strasbourg bypass	452	523
Société concessionnaire Aéroports du Grand Ouest (Scago)	366	366
Salvador de Bahia airport in Brazil	224	-
Lamsac	167	136
ANA Group	113	166
Aéroports de Lyon (ADL)	14	85
Other	42	19
Total	**3,641**	**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.
Progress with works by VINCI Autoroutes companies in 2017 led to a €509 million reduction in their commitments.
Scago's investment commitments at 31 December 2017 related to the construction of a new airport at Notre Dame des Landes (see Note N.32.2 "Concession for the Grand Ouest airport").
The concession contract for Salvador de Bahia airport in Brazil includes renovation work on the existing airport terminal and runways, totalling €224 million.

The above amounts do not include obligations relating to maintenance expenditure on infrastructure under concession, for which provisions are set aside (see Note H.18.3 "Breakdown of current provisions").

Collateral security connected with the financing of concessions

Some concession operating companies have given collateral 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	705	2016	2037
Arcour	640	2008	2047
Aerodom	358	2016	2029
Aéroports de Lyon (ADL)	225	2016	2032
Other concession operating companies	11		

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.

Changes in PPP financial receivables during the period and their breakdown by maturity are as follows:

(in € millions)	2017	2016
Beginning of period	**215**	**202**
Acquisitions during period	11	35
Redemptions	(49)	(20)
Other movements and currency translation differences	-	(1)
End of period	**177**	**215**
Of which:		
Between 1 and 5 years	*36*	*76*
Over 5 years	*141*	*140*

In 2017, payments of 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 administrative department, 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 31 December 2017, it amounted to €10 million (€16 million at 31 December 2016).

13.2 Main features of concession and PPP contracts – financial asset and/or bifurcated model

The main features of concession and PPP contracts operated by controlled subsidiaries (financial asset and/or bifurcated model) are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date	IFRIC 12 accounting model
Caraibus: Bus rapid transit system (Martinique)	Annual fee paid by grantor (with no traffic risk)	Grantor	Nil	Infrastructure returned to grantor for no consideration at end of contract	2035	Financial asset
MMArena Le Mans stadium (France)	Pricing schedule approved by grantor	Ticketing + miscellaneous revenue	Investment grant and operating grant (in the absence of a resident club)	Infrastructure returned to grantor for no consideration at end of contract	2043	Bifurcated: intangible asset and financial asset
Park Azur Car rental firm business complex at Nice-Côte d'Azur airport (France)	Rent paid by car rental companies as set out in the concession contract and guaranteed by the grantor	Grantor and car rental companies Sale of photovoltaic electricity	Investment grant and operating grant	Infrastructure returned to grantor for no consideration at end of contract	2040	Bifurcated: intangible asset and financial asset

13.3 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, 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 31 December 2017, the Group's investment commitments with respect to concession and PPP contracts under the financial asset or bifurcated models amounted to €52 million (€4 million at 31 December 2016). The increase was mainly the result of the public-private partnership for the La Cotinière fishing port at 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 €156 million at 31 December 2017 (€71 million at 31 December 2016), including Caraibus in Martinique for €71 million, Park Azur in Nice for €36 million and MMArena (Le Mans stadium) for €33 million.

14. Concession and PPP contracts of companies accounted for under the equity method

14.1 Main features of concession and PPP contracts of companies accounted for under the equity method

The features of the main or new concession or public-private partnership contracts operated by companies accounted for under the equity method are shown below:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date	IFRIC 12 accounting model
Motorway and road infrastructure (including bridges and tunnels) outside France						
A5 Malsch–Offenburg A-Modell 60 km to be renovated, including 41.5 km to be widened to 2x3 lanes (Germany)	Inflation-linked price increases based on the 2009 toll level (excluding increases decided by the grantor). Effect of environmental regulations on prices (with traffic risk)	Heavy vehicle users through the tolls levied by the grantor	Nil	Infrastructure returned to grantor for no consideration at end of contract	2039	Intangible asset
A7 Göttingen–Bockenen A-Modell 60 km to be renovated, including 29 km to be widened to 2x3 lanes (Germany)	Annual fee paid by grantor (with no traffic risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2047	Financial asset
Moscow–St Petersburg motorway section 1 First section (43.2 km) of M11 motorway between Moscow and St Petersburg (Russia)	Pricing law as defined in the concession contract. Price increases possible subject to a price limit (with traffic risk)	Users	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2040	Intangible asset
Moscow–St Petersburg motorway sections 7 and 8 Sections 7 and 8 (138 km) of M11 motorway between Moscow and St Petersburg (Russia)	Annual fee paid by grantor (with no traffic risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2041	Financial asset
Olympia Odos Toll motorway connecting Elefsina, Corinth and Patras (Greece)	Pricing law as defined in the concession contract. Price increases possible subject to a price limit (with traffic risk)	Users	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2038	Intangible asset
Via Express 40 Toll motorway connecting Bogotá and Girardot (141 km including construction of a third lane over 65 km; Colombia)	Pricing law as defined in the concession contract. Price increases subject to a price limit (with traffic risk)	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract	2042	Intangible asset
Granvia (R1 Expressway) (Slovakia)	Annual fee paid by grantor (with no traffic risk)	Grantor	Nil	Infrastructure returned to grantor for no consideration at end of contract	2041	Financial asset
Ohio River Bridges East End Crossing Bridge over the Ohio River and access tunnel (USA)	Annual fee paid by grantor (with no traffic risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2051	Financial asset
Regina Bypass 61 km dual carriageway around Regina (Canada)	Annual fee paid by grantor (with no traffic risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2049	Financial asset
Hounslow Rehabilitation and maintenance of roadways, traffic signs and lighting (UK)	Fee paid by grantor (with no traffic risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2037	Financial asset
Isle of Wight Rehabilitation and maintenance of roadways, traffic signs and lighting (UK)	Annual fee paid by grantor (with no traffic risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2038	Financial asset
Airports						
Kansai Airports Kansai, Osaka and Kobe airports (Japan)	Regulated air tariffs; unregulated non-air revenue (with traffic risk)	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2060	Intangible asset
Santiago-Arturo Merino Benítez Airport (Chile)	Pricing law as defined in the concession contract. Price increases possible subject to a price limit (with traffic risk)	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2035	Intangible asset
Railway infrastructure						
South Europe Atlantic high-speed rail line (SEA HSL) High-speed rail link (302 km) between Tours and Bordeaux (France)	Inflation-linked price increases (with traffic risk)	Pricing law as defined in the concession contract (on the basis of train kilometre and slot kilometre)	Investment grant paid by the concession grantor and local authorities	Infrastructure returned to grantor for no consideration at end of contract	2061	Bifurcated model: intangible asset and financial asset

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

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

G. Construction contracts (VINCI Energies, Eurovia, VINCI Construction)

15. Information on construction contracts

Accounting policies

The Group recognises construction contract income and expenses using the stage of completion method defined by IAS 11. For VINCI Construction, the stage of completion is usually determined on a physical basis. For the other business lines (Eurovia and VINCI Energies), it is determined on the basis of the percentage of total costs incurred to date.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims if these are probable and can be reliably estimated. Provisions for losses on completion are shown under liabilities.

Part payments received under construction contracts before the corresponding work has been carried out are recognised under liabilities under advances and payments on account received.

15.1 Financial information on construction contracts

Costs incurred net of intermediate invoicing plus profits recognised less losses recognised are determined on a contract-by-contract basis. If for a given contract this amount is positive, it is shown on the line "Construction contracts in progress – assets". If negative, it is shown on the line "Construction contracts in progress – liabilities".

(in € millions)	31/12/2017	31/12/2016
Balance sheet data		
Advances and payments on account received	(729)	(797)
Construction contracts in progress – assets	2,617	2,474
Construction contracts in progress – liabilities	(2,724)	(2,819)
Construction contracts in progress – net	**(107)**	**(345)**
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognised less losses recognised to date	51,342	51,024
Less invoices issued	(51,449)	(51,369)
Construction contracts in progress – net	**(107)**	**(345)**

15.2 Commitments made and received in connection with construction contracts

The Group manages an order book. In accepting orders, it makes commitments to carry out work or render services. In connection with these contracts, the Group makes and receives guarantees (personal sureties).
The amount of the guarantees given below consists mainly of guarantees on works contracts, issued by financial institutions or insurers. Moreover, Group companies benefit from guarantees issued by financial institutions at the request of the joint contractors or subcontractors (guarantees received).

	31/12/2017		31/12/2016	
(in € millions)	Guarantees given	Guarantees received	Guarantees given	Guarantees received
Performance guarantees and performance bonds	5,441	839	5,051	772
Retentions	3,631	543	3,447	560
Deferred payments to subcontractors and suppliers	1,691	530	1,582	495
Bid bonds	186	-	212	-
Total	**10,949**	**1,912**	**10,292**	**1,828**

Whenever events such as late completion or disputes about the execution of a contract make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of that liability.

In general, under the rules in force, any risk of loss in connection with performance of a commitment given by VINCI or its subsidiaries would result in a provision being recognised in the Group's financial statements. VINCI therefore considers that the off-balance sheet commitments above are unlikely to have a material impact on the Group's financial position or net assets.

VINCI also grants after-sales service warranties covering several years in its normal course of business. These warranties lead to provisions estimated either on a statistical basis having regard to past experience or on an individual basis in the case of any major problems identified. These commitments are therefore not included in the above table.

Moreover, in connection with the construction of the South Europe Atlantic high-speed rail line between Tours and Bordeaux, the Group has provided a joint and several guarantee and an independent first demand guarantee in favour of concession company LISEA under which the Group guarantees contract performance by the design and construction joint venture (GIE COSEA). GIE COSEA has also provided retention money on behalf of LISEA: it remains in force until the end of a one-year period after acceptance of the infrastructure.

Joint and several guarantees covering unconsolidated partnerships (SNCs, economic interest groupings, etc.)
Part of VINCI's construction and roadworks business is conducted through unincorporated joint venture partnerships (SEPs), in line with industry practice. In partnerships, partners are legally jointly and severally liable for that entity's debts to non-Group companies, without limit. In this context, the Group may set up crossed counter guarantees with its partners.

Whenever the Group is aware of a particular risk relating to a joint venture partnership's activity, a provision is taken if this risk gives rise to an obligation for the Group that can only be extinguished through an outflow of resources.

The amount shown under off-balance sheet commitments in respect of joint and several guarantees is the Group's share of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners. That amount was €60 million at 31 December 2017 (€49 million at 31 December 2016), as opposed to total commitments of €141 million at 31 December 2017 (€129 million at 31 December 2016).

Given the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is negligible.

H. Other balance sheet items and business-related commitments

16. Property, plant and equipment and other intangible assets

16.1 Property, plant and equipment

Accounting policies
Items of property, plant and equipment are recorded at their acquisition or production cost net of investment grants received, less cumulative depreciation and any impairment losses. They are not revalued. They also include concession operating assets that are not controlled by the grantor but that are necessary for operation of the concession such as buildings intended for use in the operation, equipment for toll collection, signage, data transmission and video surveillance equipment, vehicles and other equipment.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may sometimes be used when it appears more appropriate to the conditions under which the asset is used.
For certain complex assets comprising several components, in particular buildings and constructions, each component of the asset is depreciated over its own period of use. To reflect the consumption of economic benefits associated with the asset, quarries are depreciated as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life).
Investment property is property held to earn rentals or for capital appreciation. It is recorded at its acquisition cost less cumulative depreciation and any impairment losses.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions:	
- Structure	Between 20 and 50 years
- General technical installations	Between 5 and 20 years
Site equipment and technical installations	Between 3 and 12 years
Vehicles	Between 3 and 5 years
Fixtures and fittings	Between 8 and 10 years
Office furniture and equipment	Between 3 and 10 years

Depreciation commences as from the date when the asset is ready to enter service.

Assets acquired under finance leases are recognised as non-current assets whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets, with recognition of a corresponding financial liability. Assets held under finance leases are depreciated over their period of use.

(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Total
Gross					
01/01/2016	**3,577**	**863**	**1,152**	**6,953**	**12,545**
Acquisitions as part of business combinations	352	2	8	48	411
Other acquisitions during period	138	16	154	508	816
Disposals during period	(31)	(15)	(59)	(647)	(751)
Currency translation differences	14	-	(3)	3	14
Changes in scope and other	2	6	(95)	18	(68)
31/12/2016	**4,052**	**873**	**1,158**	**6,883**	**12,966**
Acquisitions as part of business combinations	-	10	11	146	167
Other acquisitions during period	149	15	214	594	972
Disposals during period	(56)	(10)	(49)	(461)	(576)
Currency translation differences	(25)	4	(5)	(114)	(140)
Changes in scope and other	49	14	(128)	93	27
31/12/2017	**4,169**	**905**	**1,201**	**7,141**	**13,416**
Depreciation and impairment losses					
01/01/2016	**(2,291)**	**(291)**	**(617)**	**(5,105)**	**(8,304)**
Depreciation during period	(225)	(17)	(48)	(586)	(876)
Impairment losses	-	(12)	(3)	(2)	(17)
Reversals of impairment losses	-	2	13	3	17
Disposals during period	26	5	39	594	664
Currency translation differences	(1)	1	1	(5)	(4)
Other movements	(7)	(1)	(7)	38	23
31/12/2016	**(2,497)**	**(314)**	**(624)**	**(5,063)**	**(8,498)**
Depreciation during period	(339)	(18)	(49)	(579)	(985)
Impairment losses	-	(2)	(2)	(7)	(10)
Reversals of impairment losses	-	3	4	3	10
Disposals during period	54	5	30	432	521
Currency translation differences	5	(4)	1	77	79
Other movements	(27)	(3)	(6)	(77)	(113)
31/12/2017	**(2,804)**	**(333)**	**(645)**	**(5,213)**	**(8,996)**
Net					
01/01/2016	**1,286**	**572**	**534**	**1,849**	**4,241**
31/12/2016	**1,555**	**559**	**534**	**1,820**	**4,468**
31/12/2017	**1,365**	**572**	**556**	**1,928**	**4,421**

Property, plant and equipment includes assets under construction for €313 million at 31 December 2017 (€248 million at 31 December 2016).

At 31 December 2017, assets acquired under finance leases amounted to €127 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 J.23.1 "Detail of long-term financial debt".

At 31 December 2017, the breakdown of property, plant and equipment by business was as follows:

		Contracting					
(in € millions)	Concessions	VINCI Energies	Eurovia	VINCI Construction	Total	VINCI Immobilier and holding companies	Total
Concession operating fixed assets	1,363	-	-	2	2	-	1,365
Land	3	51	452	64	567	2	572
Constructions and investment property	9	130	209	200	539	8	556
Plant, equipment and fixtures	64	255	751	853	1,860	4	1,928
Total at 31 December 2017	**1,439**	**436**	**1,412**	**1,120**	**2,968**	**14**	**4,421**
Total at 31 December 2016	**1,620**	**410**	**1,340**	**1,086**	**2,836**	**12**	**4,468**

16.2 Other intangible assets

Accounting policies

Other purchased intangible assets are measured at cost less amortisation and any cumulative impairment losses. Quarrying rights are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life) in order to reflect the decline in value due to depletion. Other intangible assets are amortised on a straight-line basis over their useful life.

At 31 December 2017, other intangible assets amounted to €417 million (€409 million at 31 December 2016). They include patents and licences for €212 million (€215 million at 31 December 2016), software for €68 million (€69 million at 31 December 2016) and other intangible assets for €137 million (€125 million at 31 December 2016).

Amortisation recognised during the period totalled €48 million (€39 million in 2016).

16.3 Impairment losses on property, plant and equipment and intangible assets

Accounting policies

Impairment tests are performed on property, plant and equipment and intangible assets where evidence of an impairment loss arises. For intangible assets with an indefinite useful life and construction work in progress, a test is performed at least annually and whenever there is an indication of an impairment loss.

Assets to be tested for impairment losses are grouped within cash-generating units (CGUs) that correspond to homogeneous groups of assets that generate identifiable cash inflows from their use.
In accordance with IAS 36, the criteria adopted to assess indications that an impairment loss has arisen are either external (e.g. a material change in market conditions) or internal (e.g. a material reduction in revenue), without distinction.

The Group did not recognise any material impairment losses on property, plant and equipment or intangible assets in either 2017 or 2016.

17. Loans and receivables

Accounting policies

When first recognised, loans and receivables are recognised at their fair value less the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest method.

If there is an objective indication of an impairment loss affecting these loans and receivables, an impairment loss is recognised at the balance sheet date. That loss corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flow discounted using the original effective interest rate), and is recognised in profit or loss. It may be reversed if the recoverable amount increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

Loans and receivables at amortised cost mainly comprise receivables relating to shareholdings, including shareholders' advances to Concessions business or PPP project companies for €659 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 of loans and receivables is included under "Other current financial assets" for €28 million at 31 December 2017 (€19 million at 31 December 2016).

Changes in loans and receivables at amortised cost during the period and their breakdown by maturity are as follows:

(in € millions)	2017	2016
Beginning of period	**531**	**644**
Acquisitions during period	454	214
Acquisitions as part of business combinations	11	-
Impairment losses	(29)	(15)
Disposals during period	(81)	(215)
Other movements and currency translation differences	(56)	(97)
End of period	**830**	**531**
Of which:		
Between 1 and 5 years	*337*	*294*
Over 5 years	*494*	*238*

For 2017, the "Acquisitions during period" item includes the loan granted to LISEA, the concession company for the South Europe Atlantic high-speed rail line for €256 million (excluding accrued interest not matured).

18. Working capital requirement and current provisions

Accounting policies

Trade receivables are current financial assets and are initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, trade receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.
An estimate of the likelihood of non-recovery is made at each balance sheet date and an impairment loss is recognised if necessary. The likelihood of non-recovery is assessed in the light of payment delays and guarantees obtained.
Trade payables correspond to current financial liabilities and are initially measured at their fair value, which is usually their nominal value, unless the effect of discounting is material.

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

18.1 Change in working capital requirement

(in € millions)		31/12/2017	31/12/2016	Changes: Changes in operating WCR	Changes: Other changes [*]
Inventories and work in progress (net)		1,056	935	108	14
Trade and other receivables		12,432	11,422	794	215
Other current operating assets		5,035	5,099	(149)	84
Inventories and operating receivables	I	**18,523**	**17,456**	**754**	**313**
Trade payables		(8,198)	(7,740)	(402)	(56)
Other current operating liabilities		(11,852)	(11,838)	89	(104)
Trade and other operating payables	II	**(20,051)**	**(19,578)**	**(313)**	**(160)**
Working capital requirement (excluding current provisions)	I + II	**(1,528)**	**(2,122)**	**441**	**153**
Current provisions		**(4,322)**	**(4,172)**	**(155)**	**5**
of which part at less than one year of non-current provisions		*(208)*	*(241)*	*29*	*4*
Working capital requirement (including current provisions)		**(5,849)**	**(6,294)**	**286**	**158**

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

18.2 Current operating assets and liabilities

Current operating assets and liabilities break down as follows:

(in € millions)		31/12/2017	Maturity – Within 1 year: 1 to 3 months	3 to 6 months	6 to 12 months	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)		1,056	392	326	75	203	60
Trade and other receivables		12,432	10,430	853	727	366	56
Other current operating assets		5,035	4,150	480	213	182	10
Inventories and operating receivables	I	**18,523**	**14,972**	**1,659**	**1,015**	**751**	**126**
Trade payables		(8,198)	(7,258)	(602)	(144)	(193)	(2)
Other current operating liabilities		(11,852)	(10,009)	(716)	(472)	(515)	(140)
Trade and other operating payables	II	**(20,051)**	**(17,268)**	**(1,318)**	**(616)**	**(707)**	**(142)**
Working capital requirement connected with operations	I + II	**(1,528)**	**(2,295)**	**341**	**399**	**44**	**(16)**

(in € millions)		31/12/2016	Maturity – Within 1 year: 1 to 3 months	3 to 6 months	6 to 12 months	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)		935	404	65	87	377	2
Trade and other receivables		11,422	9,667	634	708	407	6
Other current operating assets		5,099	4,259	333	217	271	20
Inventories and operating receivables	I	**17,456**	**14,329**	**1,032**	**1,012**	**1,055**	**28**
Trade payables		(7,740)	(7,025)	(272)	(172)	(269)	(2)
Other current operating liabilities		(11,838)	(10,108)	(607)	(604)	(424)	(95)
Trade and other operating payables	II	**(19,578)**	**(17,133)**	**(879)**	**(776)**	**(693)**	**(97)**
Working capital requirement connected with operations	I + II	**(2,122)**	**(2,804)**	**153**	**236**	**362**	**(69)**

Breakdown of trade receivables

Trade receivables and allowances were as follows:

(in € millions)	31/12/2017	31/12/2016
Trade receivables invoiced	6,882	6,578
Allowances against trade receivables	(521)	(504)
Trade receivables, net	**6,361**	**6,074**

At 31 December 2017, trade receivables between six and 12 months past due amounted to €525 million (compared with €466 million at 31 December 2016). €58 million of impairment has been recognised in consequence (€62 million at 31 December 2016). Receivables more than one year past due amounted to €346 million (€406 million at 31 December 2016) and impairment of €239 million has been recognised in consequence (€271 million at 31 December 2016).

18.3 Breakdown of current provisions

Accounting policies

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation. They are recognised in accordance with IAS 37. They also include the part at less than one year of provisions not directly linked to the operating cycle.

These provisions are recognised at their present value. The effect of discounting provisions is recognised under "Other financial income and expense".

Provisions are taken for contractual obligations to maintain the condition of concession assets, principally by the motorway concession operating companies to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. They also include expenses to be incurred by airport concession companies (repairs to runways, traffic lanes and other paved surfaces). Provisions are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indexes (mainly the TP01, TP02 and TP09 indexes in France). Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructure.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular the 10-year warranty on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified events.

Provisions for losses on completion of contracts and construction project liabilities are set aside mainly when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, and those covering work yet to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations relate mainly to disputes with customers, subcontractors, joint contractors or suppliers.

Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the period end.

Provisions for other current liabilities comprise mainly provisions for other risks related to operations.

Changes in current provisions reported in the balance sheet were as follows in 2017 and 2016:

(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	128	(96)	(14)	4	-	(8)	827
After-sales service	386	192	(155)	(18)	3	-	(3)	406
Losses on completion and construction project liabilities	1,265	847	(740)	(47)	21	-	(10)	1,336
Disputes	505	202	(110)	(50)	(4)	-	(1)	541
Restructuring costs	42	11	(14)	(10)	1	-	-	30
Other current liabilities	920	362	(268)	(56)	27	-	(11)	974
Reclassification of the part at less than one year	241	-	-	-	(4)	(29)	-	208
31/12/2017	**4,172**	**1,741**	**(1,383)**	**(195)**	**48**	**(29)**	**(33)**	**4,322**

At 31 December 2017, contractual obligations to maintain the condition of concession assets mainly comprised €379 million for the ASF group (€368 million at 31 December 2016), €240 million for Cofiroute (€234 million at 31 December 2016), and €177 million for airport concessions (€189 million at 31 December 2016) including €69 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 €194 million (€163 million at 31 December 2016).

19. Non-current provisions

Accounting policies

Non-current provisions are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards non-Group companies arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the obligation.

The part at less than one year of other employee benefits is reported under "Other current non-operating liabilities". The part at less than one year of provisions not directly linked to the operating cycle is reported under "Current provisions".

Detail of non-current provisions

Changes in other non-current provisions reported in the balance sheet (excluding employee benefits) were as follows in 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	27	(34)	(2)	52	-	-	685
Other liabilities	543	174	(105)	(30)	-	-	(6)	576
Reclassification of the part at less than one year	(241)	-	-	-	4	29	-	(208)
31/12/2017	**945**	**201**	**(140)**	**(32)**	**56**	**29**	**(6)**	**1,053**

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 M "Note on litigation". These amounted to €576 million at 31 December 2017 (€543 million at 31 December 2016), including €384 million at more than one year (€352 million at 31 December 2016).

20. Other contractual obligations of an operational nature and other commitments given and received

Other contractual obligations of an operational nature and commitments given and received break down as follows:

20.1 Other contractual obligations of an operational nature

(in € millions)	31/12/2017	31/12/2016
Operating leases	1,237	1,230
Purchase and capital expenditure obligations (*)	387	459

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

Operating lease commitments amounted to €1,237 million at 31 December 2017 (€1,230 million at 31 December 2016). Of this, €807 million was for property (€778 million at 31 December 2016) and €430 million for movable items (€452 million at 31 December 2016).
Purchase and capital expenditure obligations, excluding those connected with concession contracts, relate mainly to Eurovia for its quarrying rights, VINCI Energies and VINCI Immobilier. The decline in 2017 was mainly due to funds advanced by VINCI Immobilier in relation to the Testimonio II project in Monaco.

The breakdown by maturity of contractual obligations is as follows:

		Payments due by period		
(in € millions)	Total	Within 1 year	Between 1 and 5 years	After 5 years
Operating leases	1,237	426	673	138
Purchase and capital expenditure obligations (*)	387	239	97	51

(*) Excluding capital investment obligations related to concession and PPP contracts.

20.2 Other commitments made and received

(in € millions)	31/12/2017	31/12/2016
Collateral security	44	31
Other commitments made (received)	277	394

Collateral security (mortgages, collateral for finance) may be given in addition to commitments in connection with concession and PPP contracts. This relates mainly to VINCI Energies and Eurovia.
The reduction in other commitments given relates in particular to the release of guarantees given for the Matmut Atlantique stadium in Bordeaux after final acceptance of the project took place.

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.12.3 "Commitments made under concession contracts – intangible asset model";
- F.13.3 "Commitments made under concession and PPP contracts – financial asset and/or bifurcated model";
- G.15.2 "Commitments made and received in connection with construction contracts";
- K.27.1 "Provisions for retirement benefit obligations".

I. Equity

21. Information on equity

Capital management policy

In 2017, VINCI continued its purchases of own shares under the programme approved by the Shareholders' General Meeting held on 19 April 2016, and under 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 2017, 8,573,859 shares were bought at an average price of €75.23, for a total of €645 million.

Treasury shares (see Note I.21.2 "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.

On 15 December 2017, VINCI SA cancelled 5,736,988 treasury shares for €421 million.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 31 December 2017, over 50% of the Group's employees were VINCI shareholders through unit funds invested in VINCI shares. Since those funds own 8.81% 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.

21.1 Share capital

At 31 December 2017, the parent company's share capital was represented by 591,216,948 ordinary shares of €2.5 nominal value each.

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

	31/12/2017	31/12/2016
Number of shares at beginning of period	**589,305,520**	**588,453,075**
Increases in share capital	7,648,416	8,852,445
Cancelled treasury shares	(5,736,988)	(8,000,000)
Number of shares at end of period	**591,216,948**	**589,305,520**
Number of shares issued and fully paid	591,216,948	589,305,520
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	36,317,368	34,685,354
of which shares allocated to covering performance share plans and employee share ownership plans	*7,154,413*	*5,522,399*

The changes in capital during 2016 and 2017 break down as follows:

	Increases (reductions) in share capital *(in €)*	Share premiums arising on contributions or mergers *(in €)*	Number of shares representing the share capital
01/01/2016	**1,471,132,688**	**9,147,651,909**	**588,453,075**
Group savings plan	14,890,160	312,952,787	5,956,064
Exercise of share subscription options	7,240,952	105,358,398	2,896,381
Cancelled treasury shares	(20,000,000)		(8,000,000)
31/12/2016	**1,473,263,800**	**9,565,963,094**	**589,305,520**
Group savings plan	14,623,400	358,172,600	5,849,360
Exercise of share subscription options	4,497,640	65,231,103	1,799,056
Cancelled treasury shares	(14,342,470)		(5,736,988)
Other operations		(138,935)	
31/12/2017	**1,478,042,370**	**9,989,227,862**	**591,216,948**

21.2 Treasury shares

Accounting policies

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

Changes in treasury shares were as follows:

	31/12/2017	31/12/2016
Number of shares at beginning of period	**34,685,354**	**34,195,347**
Purchases of shares	8,573,859	8,699,360
Allocation of 2014 performance shares to employees	(944,799)	
Allocation of 2015 performance shares to employees	(1,600)	
Allocation of 2016 performance shares to employees	(4,600)	
Allocation of 2017 performance shares to employees	(1,500)	
Employer contribution in connection with the Castor International plan	(252,358)	(209,353)
Cancelled treasury shares	(5,736,988)	(8,000,000)
Number of shares at end of period	**36,317,368**	**34,685,354**

At 31 December 2017, the total number of treasury shares held was 36,317,368. These were recognised as a deduction from consolidated equity for €1,751 million.
A total of 7,154,413 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 29,162,955 are intended to be used as payment in external growth transactions or to be sold.

21.3 Distributable reserves and statutory reserve

At 31 December 2017, VINCI SA's distributable reserves amounted to €28.7 billion (€29.4 billion at 31 December 2016) and its statutory reserve to €150 million (€150 million at 31 December 2016).

21.4 Amounts recognised directly in equity

(in € millions)		31/12/2017			31/12/2016		
		Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	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 and net investment hedges							
Reserve at beginning of period		**(847)**	**(1)**	**(848)**	**(916)**	**-**	**(916)**
Changes in fair value of companies accounted for under the equity method		115	-	115	36	-	36
Other changes in fair value in the period		74	1	75	(35)	-	(36)
Items recognised in profit or loss		63	-	63	69	-	69
Changes in consolidation scope and miscellaneous		-	-	-	(1)	-	(1)
Gross reserve before tax effect at balance sheet date	**II**	**(596)**	**-**	**(596)**	**(847)**	**(1)**	**(848)**
of which gross reserve relating to companies accounted for under the equity method		*(551)*	-	*(551)*	*(666)*	-	*(666)*
Total gross reserve before tax effects (items that may be recycled to income)	**I + II**	**(595)**	**-**	**(595)**	**(845)**	**(1)**	**(845)**
Associated tax effect		159	-	159	270	-	271
Reserve net of tax (items that may be recycled to income)	**III**	**(436)**	**-**	**(436)**	**(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		136	1	137	(149)	-	(149)
Associated tax effect		(31)	-	(31)	31	-	31
Changes in consolidation scope and miscellaneous		7	-	7	4	-	4
Reserve net of tax at end of period (items that may not be recycled to income)	**IV**	**(346)**	**-**	**(345)**	**(458)**	**-**	**(458)**
Total amounts recognised directly in equity	**III + IV**	**(782)**	**-**	**(782)**	**(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 (positive effect of €36 million) and cash flow hedging transactions (negative effect of €632 million).
Transactions relating to the hedging of interest rate risk have a negative effect of €637 million, comprising:
• a negative effect of €85 million concerning fully consolidated subsidiaries, including VINCI Autoroutes (negative effect of €106 million) and VINCI SA (positive effect of €50 million). The maturity schedule relating to the reclassification of these amounts in income is presented in Note J.25.1.2 "Interest rate risk management – cash flow hedges";
• a negative effect of €552 million relating to companies accounted for under the equity method, mainly relating to LISEA (negative effect of €336 million) and other companies handling infrastructure projects on a PPP or concession basis.

These transactions are described in Note J.25.1.2 "Cash flow hedges".

21.5 Non-controlling interests

At 31 December 2017, non-controlling interests amounted to €572 million (€541 million at 31 December 2016).

22. Dividends

The dividend paid by VINCI SA to its shareholders in respect of 2017 and 2016 breaks down as follows:

	2017	2016
Dividend per share *(in €)*		
Interim dividend	0.69	0.63
Final dividend	1.76	1.47
Net total dividend	**2.45**	**2.10**
Amount of dividend *(in € millions)*		
Interim dividend	383	350
Final dividend	977 (*)	813
Net total dividend	**1,360**	**1,163**

(*) Estimate based on the number of shares giving rights to a dividend at 28 January 2018, i.e. 555,027,161 shares.

VINCI paid the final dividend in respect of 2016 on 27 April 2017 and an interim dividend in respect of 2017 on 9 November 2017.

The Shareholders' Ordinary General Meeting of 17 April 2018 will be asked to approve the overall dividend that will be paid in respect of 2017 (see Note N.31 "Appropriation of 2017 net income").

J. Financing and financial risk management

23. Net financial debt

Accounting policies

Bonds, other loans and financial debt are recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.
The economic benefit of a loan at a significantly below-market rate of interest, which is the case in particular for project finance granted by public-sector organisations, is treated as a government grant and recognised as a reduction of the debt and the related investments, in accordance with IAS 20.
Certain financing contracts provide for early redemption options, for amounts that are always close to the amortised cost of the financial liabilities that are recognised as a result. Consequently, the Group does not recognise any derivative financial instrument separately from the original contracts.

The part at less than one year of borrowings is included in "Current borrowings".

At 31 December 2017, net financial debt, as defined by the Group, stood at €14.0 billion, up €63 million compared with 31 December 2016. It breaks down as follows:

				31/12/2017			31/12/2016	
Analysis by accounting heading	*(in € millions)*	**Note**	**Non-current**	**Current (*)**	**Total**	**Non-current**	**Current (*)**	**Total**
Financial liabilities at amortised cost	Bonds	23.1	(14,130)	(1,427)	(15,558)	(12,496)	(1,606)	(14,102)
	Other bank loans and other financial debt	23.1	(2,415)	(1,180)	(3,595)	(3,717)	(893)	(4,610)
	Finance lease debt	23.1	(97)	(33)	(130)	(52)	(26)	(78)
	Long-term financial debt (**)		**(16,642)**	**(2,641)**	**(19,282)**	**(16,264)**	**(2,526)**	**(18,790)**
	Commercial paper	24.2	-	(998)	(998)	-	(1,491)	(1,491)
	Other current financial liabilities	24.1	-	(30)	(30)	-	(79)	(79)
	Bank overdrafts	24.1	-	(1,105)	(1,105)	-	(1,051)	(1,051)
	Financial current accounts, liabilities	24.1	-	(58)	(58)	-	(83)	(83)
	Gross financial debt	**I**	**(16,642)**	**(4,830)**	**(21,472)**	**(16,264)**	**(5,229)**	**(21,494)**
	of which impact of fair value hedges		*(435)*	*(7)*	*(442)*	*(651)*	*(4)*	*(655)*
Loans and receivables	Loans and collateralised financial receivables		-	-	-	-	-	-
	Financial current accounts, assets	24.1	-	41	41	-	30	30
Financial assets at fair value through profit and loss	Cash management financial assets	24.1	-	142	142	-	124	124
	Cash equivalents	24.1	-	2,658	2,658	-	3,421	3,421
	Cash	24.1	-	4,150	4,150	-	3,257	3,257
	Financial assets	**II**	**-**	**6,991**	**6,991**	**-**	**6,832**	**6,832**
Derivatives	Derivative financial instruments – liabilities	25	(288)	(114)	(402)	(203)	(166)	(369)
	Derivative financial instruments – assets	25	621	261	882	721	370	1,091
	Derivative financial instruments	**III**	**334**	**146**	**480**	**519**	**204**	**723**
	Net financial debt	**I + II + III**	**(16,308)**	**2,307**	**(14,001)**	**(15,745)**	**1,807**	**(13,938)**
	Net financial debt breaks down by business as follows:							
	Concessions		*(25,474)*	*(1,671)*	*(27,145)*	*(26,749)*	*(1,766)*	*(28,515)*
	Contracting		*(3,219)*	*3,695*	*477*	*(2,696)*	*3,568*	*872*
	Holding companies and VINCI Immobilier		*12,384*	*282*	*12,667*	*13,700*	*5*	*13,704*

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

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Change in net financial debt

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Changes in consolidation scope	Exchange rate effect	Changes in fair value	Other changes	Total "non-cash"	Ref.	Closing
Bonds	(12,496)	(3,079)	(3)	(65)	161	212	1,136	1,444	(4)	(14,130)
Other loans and borrowings	(3,769)	252	(3)	(22)	36	-	992	1,006	(4)	(2,512)
Current borrowings	(5,229)	2,513		(101)	76	2	(2,090)	(2,114)		(4,830)
of which the part at less than one year of long-term debts	*(2,144)*	*1,952*	*(3)*	*(9)*	*28*	*2*	*(2,145)*	*(2,123)*	*(4)*	*(2,316)*
of which current financial debts at inception	*(1,653)*	*618*	*(2)*	*(81)*	*35*	*-*	*(4)*	*(50)*	*(4)*	*(1,085)*
of which accrued interest on bank debts	*(382)*	*56*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*(325)*
of which bank overdrafts	*(1,051)*	*(114)*	*(1)*	*(11)*	*12*	*-*	*58*	*60*	*(1)*	*(1,105)*
Cash management financial assets	154	(37)		73	(7)	-	-	66		184
of which cash management financial assets (excluding accrued interest)	*154*	*(37)*	*(2)*	*73*	*(7)*	*-*	*-*	*66*	*(4)*	*184*
of which accrued interest on cash management assets	*-*	*-*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*-*
Cash and cash equivalents	6,678	153	(1)	129	(92)	-	(60)	(23)	(1)	6,807
Derivative financial instruments	723	7		-	(54)	(196)	-	(250)		480
of which fair value of derivatives	*587*	*20*	*(3)*	*-*	*(54)*	*(196)*	*-*	*(250)*	*(4)*	*357*
of which accrued interest on derivatives	*135*	*(13)*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*123*
Net financial debt	**(13,938)**	**(192)**	**(5)**	**14**	**119**	**18**	**(22)**	**129**	**(5)**	**(14,001)**

Cash flow during the period related to net financial debt (negative effect of €192 million) resulted mainly from issues and redemptions of long-term debt (detailed in Note 23.1 "Detail of long-term financial debt by business") and the fall in commercial paper outstanding, offset by currency effects (positive effect of €119 million), particularly on unhedged debts. Other changes included the reclassification of the non-current portion of long-term financial debt as current debts.

The table below reconciles changes in net financial debt with the cash flow statement.

Reconciliation of net financial debt with financing flows shown in the cash flow statement

(in € millions)	Ref.	2017
Change in net cash	(1)	75
Change in cash management assets and other current financial debts	(2)	581
(Proceeds from)/repayment of loans	(3)	(855)
Other changes	(4)	136
Change in net financial debt	(5)	(63)

23.1 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 31 December 2017 was as follows:

	31/12/2017				31/12/2016			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Bonds	(13,669)	(66)	(1,823)	(15,558)	(11,470)	-	(2,632)	(14,102)
Other bank loans and other financial debt	(3,503)	(98)	6 (*)	(3,595)	(4,506)	(112)	8 (*)	(4,610)
Finance lease debt	(16)	(114)	-	(130)	(2)	(76)	-	(78)
Long-term financial debt	**(17,188)**	**(278)**	**(1,816)**	**(19,282)**	**(15,978)**	**(188)**	**(2,624)**	**(18,790)**

(*) Net of arrangement commissions relating to the undrawn VINCI syndicated credit facility, recognised as a reduction in debt.

At 31 December 2017, long-term financial debt amounted to €19.3 billion, up €492 million relative to 31 December 2016 (€18.8 billion). The increase was due mainly to the following transactions:

• In October 2017, Cofiroute carried out a €750 million bond issue as part of its EMTN (Euro Medium Term Notes) programme, maturing in October 2027 and with a coupon of 1.125%.

• ASF carried out two bond issues as part of its EMTN programme, i.e. 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%.

ASF repaid a €532 million CNA loan bearing interest at 5.25% in January 2017, and the €138 million CNA/EIB loan bearing interest at 6.15% in April 2017.

• In November 2017, Arcour issued €417 million of bonds repayable over 30 years, with a coupon of 2.817%, to refinance a €382 million bank loan.

• 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 a $216 million bank loan repayable over seven years, to refinance a $518 million bond issue paying a coupon of 9.75%.

• In February 2017, VINCI SA issued $450 million of five-year cash-settled convertible bonds, followed by a $125 million tap issue in May 2017 and a $150 million tap issue in November 2017. Those issues took place at 100%, 108.625% and 111.85% of par respectively. The bonds are redeemable at par (if not converted) and pay a coupon of 0.375%. Alongside these issues, VINCI acquired options of the same maturity in order to hedge all of the risk relating to the conversion option. Together, these transactions enabled the Group to benefit from US-dollar financing at yields to maturity of 2.11%, 1.58% and 1.91% respectively. The option components of convertible bonds and hedging instruments 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, VINCI redeemed a €100 million Euribor-linked private placement; in February 2017, it redeemed €1 billion of bonds paying a coupon of 4.125%; and in December 2017, it redeemed 200 million Swiss francs of bonds paying a coupon of 2.125%.

Details of the Group's main financial debts are given in the tables below:

Concessions

(in € millions)		Currency	Contractual interest rate	Maturity	31/12/2017 Capital remaining due	31/12/2017 Carrying amount	31/12/2017 of which accrued interest not matured	31/12/2016 Capital remaining due	31/12/2016 Carrying amount
Bonds	**I**				**13,061**	**13,669**	**262**	**10,653**	**11,470**
ASF group					**8,293**	**8,863**	**202**	**6,792**	**7,517**
of which:									
ASF 2011 bond issue		EUR	4.0%	September 2018	500	511	5	500	519
ASF 2009 bond issue and supplement		EUR	7.4%	March 2019	970	1,038	56	970	1,049
ASF 2010 bond issue and supplement		EUR	4.1%	April 2020	650	717	19	650	739
ASF 2007 bond issue		EUR	5.6%	July 2022	1,575	1,781	44	1,575	1,824
ASF 2013 bond issue		EUR	2.9%	January 2023	700	765	19	700	782
ASF 2014 bond issue		EUR	3.0%	January 2024	600	613	17	600	612
ASF 2016 bond issue		EUR	1.0%	May 2026	500	489	3	500	495
ASF 2017 bond issue		EUR	1.1%	April 2026	500	501	4	-	-
ASF 2017 bond issue		EUR	1.3%	January 2027	1,000	1,002	12	-	-
Cofiroute					**3,759**	**3,802**	**60**	**3,011**	**3,089**
of which:									
2003 bond issue		EUR	5.3%	April 2018	600	622	21	600	626
2006 bond issue and supplement in 2007		EUR	5.0%	May 2021	1100	1,177	33	1,100	1,194
2016 bond issue		EUR	0.4%	February 2025	650	645	2	650	645
2016 bond issue		EUR	0.8%	September 2028	650	607	2	650	614
2017 bond issue		EUR	1.1%	October 2027	750	742	2	-	-
Arcour					**417**	**414**	**-**		
of which Arcour 2017		EUR	2.8%	November 2047	417	414	-	-	-
VINCI Airports					**264**	**254**	**-**	**491**	**497**
of which Aerodom 2012		USD	9.8%	January 2017 (*)	-	-	-	491	497
of which Aerodom 2017		USD	6.8%	March 2029	264	254	-	-	-
Other concessions					**328**	**337**	**-**	**359**	**367**
of which Lamsac 2012		PEN	inflation	June 2037	234	244	-	256	264
of which Lamsac 2012		PEN	8.6%	June 2037	94	93	-	104	103
Other bank loans and other financial debt	**II**				**3,556**	**3,503**	**36**	**4,491**	**4,506**
ASF group					**1,593**	**1,575**	**27**	**2,290**	**2,321**
CNA loans					***750***	***770***	***26***	***1,282***	***1,339***
of which:									
ASF and Escota – CNA 2002		EUR	5.3%	January 2017	-	-	-	532	558
ASF – CNA 2004 to 2005		EUR	4.5%	March 2018	750	770	26	750	782
CNA/EIB loans					-	-	**-**	***138***	***129***
EIB loans					***743***	***708***	***1***	***771***	***757***
Credit facilities					***100***	***97***	***-***	***100***	***96***
Cofiroute					**844**	**844**	**7**	**897**	**900**
Arcour					**191**	**171**	**-**	**580**	**560**
of which Arcour 2008		EUR	E6M	November 2017 (**)	-	-	-	387	386
VINCI Airports					**747**	**733**	**2**	**599**	**598**
of which ADL group (Aéroports de Lyon)					324	323	1	321	319
of which Aerodom		USD	Lib3M	March 2024	177	164	-	-	-
Other concessions					**181**	**179**	**-**	**125**	**127**
Finance lease debt	**III**				**16**	**16**	**-**	**2**	**2**
Long-term financial debt	**I+II+III**				**16,633**	**17,188**	**299**	**15,146**	**15,978**

(*) Renegotiated in January 2017 – initial maturity date in November 2019.
(**) Renegotiated in November 2017 – initial maturity date in March 2018.

Holding companies

(in € millions)		Currency	Contractual interest rate	Maturity	31/12/2017 Capital remaining due	Carrying amount	of which accrued interest not matured	31/12/2016 Capital remaining due	Carrying amount
Bonds	**I**				**1,876**	**1,823**	**26**	**2,484**	**2,632**
VINCI SA					**1,876**	**1,823**	**26**	**2,484**	**2,632**
of which:									
2011 bond issue and supplement in 2012		EUR	4.1%	February 2017	-	-	-	1,000	1,038
2012 bond issue		EUR	3.4%	March 2020	750	794	19	750	806
Bond issue and supplement in 2017 (*)		USD	0.4%	February 2022	653	562	1	-	-
Other bank loans and other financial debt	**II**				**-**	**(6)**	**-**	**-**	**(8)**
VINCI SA (**)					**-**	**(6)**	**-**	**-**	**(8)**
Long-term financial debt	**I+II**				**1,876**	**1,816**	**26**	**2,484**	**2,624**

(*) Corresponding to non-dilutive convertible bonds.
(**) Net of arrangement commissions relating to the undrawn VINCI syndicated credit facility, recognised as a reduction in debt.

Breakdown of long-term financial debt by currency

At 31 December 2017, 89% of the Group's long-term financial debt was denominated in euros. Debts in foreign currency of companies of which the functional currency is the euro (mainly VINCI and ASF) have been hedged at their time of issue and do not generate any exposure to exchange rate risk. Generally, the Group's activities in foreign countries are financed in the local currency.

23.2 Net financial debt maturity schedule

On the basis of interest rates at 31 December 2017, the Group's debt and associated interest payments break down as follows, by maturity date:

(in € millions)		31/12/2017 Carrying amount	Capital and interest payments	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Bonds							
Capital		(15,558)	(15,012)	(1,132)	(1,317)	(5,102)	(7,461)
Interest payments		-	(2,759)	(508)	(455)	(941)	(855)
Other bank loans and other financial debt							
Capital		(3,595)	(3,654)	(1,142)	(408)	(606)	(1,498)
Interest payments		-	(299)	(82)	(40)	(95)	(83)
Finance lease debt				-			
Capital		(130)	(129)	(32)	(27)	(42)	(28)
Interest payments		-	(8)	(3)	(2)	(2)	(1)
Long-term financial debt		**(19,282)**	**(21,860)**	**(2,899)**	**(2,248)**	**(6,788)**	**(9,926)**
Commercial paper		(998)	(998)	(998)	-	-	-
Other current financial liabilities		(30)	(30)	(30)	-	-	-
Bank overdrafts		(1,105)	(1,105)	(1,105)	-	-	-
Financial current accounts, liabilities		(58)	(58)	(58)	-	-	-
Financial debt	**I**	**(21,472)**	**(24,050)**	**(5,088)**	**(2,248)**	**(6,788)**	**(9,926)**
Financial assets	**II**	**6,991(*)**					
Derivative financial instruments – liabilities		(402)	97	32	14	60	(9)
Derivative financial instruments – assets		882	915	218	179	374	144
Derivative financial instruments	**III**	**480**	**1,012**	**250**	**193**	**434**	**135**
Net financial debt	**I+II+III**	**(14,001)**					

(*) Of which €6.9 billion at less than three months, consisting mainly of €2.7 billion of cash equivalents and €4.1 billion of cash (see Note J.24.1 "Net cash managed").

At 31 December 2017, the average maturity of the Group's long-term financial debt was 5.7 years (5 years at 31 December 2016). The average maturity was 6.1 years in Concession subsidiaries, 2.3 years for the Contracting business and 3.2 years for holding companies and VINCI Immobilier.

23.3 Credit ratings and financial covenants

Credit ratings

At 31 December 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 include early repayment clauses applicable in the event of non-compliance with financial ratios. The main clauses are described below:

(in € millions)	Finance agreements	Ratios (*)	Thresholds	Ratios at 31/12/2017
ASF	CNA (Caisse Nationale des Autoroutes) loans	Consolidated net financial debt/ Consolidated Ebitda	≤ 7	3.7
		Consolidated Ebitda/Consolidated financing costs	> 2.2	9.4

(*) Ebitda = gross operating income defined as the difference between operating income and operating expenses excluding depreciation, amortisation and provisions.

The above ratios were all met at 31 December 2017.

Some finance agreements entered into by Group entities provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger a demand for early repayment.

24. Net cash managed and available resources

Accounting policies

Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Cash equivalents include money market UCITS and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities. Changes in the fair value of these instruments are recognised directly in profit or loss.

"Cash management financial assets" comprises investments in money market securities and bonds, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash. They are measured and recognised at their fair value. Changes in value are recognised in profit or loss.

Purchases and sales of cash management financial assets are recognised at their transaction date.

At 31 December 2017, the Group's available resources amounted to €10.8 billion, including €4.8 billion net cash managed and €6 billion of available, confirmed medium-term bank credit facilities expiring in May 2021.

24.1 Net cash managed

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

	31/12/2017			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**80**	**287**	**2,291**	**2,658**
Marketable securities and mutual funds (UCITS)	27	1	1,070	1,098
Negotiable debt securities with an original maturity of less than 3 months (*)	53	286	1,220	1,560
Cash	**728**	**2,235**	**1,186**	**4,150**
Bank overdrafts	**(1)**	**(1,011)**	**(93)**	**(1,105)**
Net cash and cash equivalents	**808**	**1,511**	**3,384**	**5,703**
Cash management financial assets	**67**	**75**	**-**	**142**
Marketable securities and mutual funds (UCITS) (**)	-	8	-	8
Negotiable debt securities and bonds with an original maturity of less than 3 months	5	50	-	55
Negotiable debt securities and bonds with an original maturity of more than 3 months	62	18	-	80
Commercial paper issued	**-**	**-**	**(998)**	**(998)**
Other current financial liabilities	**(9)**	**(20)**	**-**	**(30)**
Balance of cash management current accounts	**(96)**	**2,206**	**(2,126)**	**(17)**
Net cash managed	**770**	**3,772**	**260**	**4,801**

(*) 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.

	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 31 December 2017, net cash managed by VINCI SA amounted to €1.6 billion, 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 that centralises the cash surpluses of foreign subsidiaries, managed investments and cash of €0.8 billion at 31 December 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.

Other subsidiaries' cash investments 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 €2.5 billion at 31 December 2017, including €0.9 billion for the Concessions business and €1.6 billion for the Contracting business.

24.2 Other available resources

Revolving credit facilities

VINCI, ASF and Cofiroute each have a revolving credit facility due to expire in May 2021.
At 31 December 2017, none of those credit facilities was being used.

The amounts authorised and maturities of the credit facilities of VINCI and its subsidiaries are as follows:

(in € millions)	Amounts used at 31/12/2017	Amounts authorised at 31/12/2017	Maturity: Within 1 year	Maturity: Between 1 and 5 years	Maturity: 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**	**-**

The ASF syndicated credit facility includes an early repayment clause applicable in the event of non-compliance with the following financial ratios:

(in € millions)	Finance agreements	Ratios	Thresholds	Ratios at 31/12/2017
ASF	Syndicated credit facility	Consolidated net financial debt (*)/Consolidated cash flow from operations before tax and financing costs + dividends received from companies accounted for under the equity method	≤ 7	3.8
		Consolidated cash flow from operations before tax and financing costs + dividends received from companies accounted for under the equity method/Consolidated financing costs	≥ 2.2	9.3

(*) Excluding derivatives designated as cash flow hedges.

Commercial paper

At 31 December 2017, VINCI had a €3 billion commercial paper programme rated A2 by Standard & Poor's and P1 by Moody's.

At 31 December 2017, €1 billion had been issued under that programme.

25. Financial risk management

Accounting policies

The Group uses derivative financial instruments to hedge its exposure to market risks (mainly interest rates and foreign currency exchange rates). Most interest rate and foreign currency exchange rate derivatives used by VINCI are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IAS 39 are satisfied:

- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship must be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

Changes in fair value from one period to the next are recognised differently depending on whether they are designated as:

- a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
- a cash flow hedge; or
- a hedge of a net investment in a foreign entity.

A fair value hedge enables the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitment to be hedged.
Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in profit or loss for the period (and adjusts the carrying amount of the hedged item). Except for the ineffective portion of the hedge, these two revaluations offset each other within the same line items in the income statement.

A cash flow hedge allows exposure to variability in future cash flow associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.
Changes in the fair value of the derivative financial instrument are recognised as other comprehensive income, under equity for the effective portion and in profit or loss for the period for the ineffective portion. Cumulative gains or losses in equity are taken to profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise – when the hedged cash flow affects profit or loss.
If the hedging relationship is disqualified because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flow hedged. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are taken to profit or loss.

A hedge of a net investment denominated in a foreign currency hedges the exchange rate risk relating to the net investment in a consolidated foreign subsidiary. The effective portion of the changes in the value of the derivative instrument is recorded in equity under currency translation differences and the portion considered as ineffective is recognised in profit or loss.
The change in the value of the hedging instrument recognised in "Currency translation differences" is reversed through profit or loss when the foreign entity in which the initial investment was made leaves the Group.

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised in profit or loss.

Management rules

VINCI has implemented a system to manage and monitor the financial risks to which it is exposed, principally interest rate risk.

In accordance with the rules laid down by the Group's Finance Department, the responsibility for identifying, measuring and hedging financial risks lies with the operational entity in question. On the other hand, derivative financial instruments are normally managed by the Group Finance Department on behalf of the subsidiaries in question.

For the entities that have the most material exposure to financial risks (VINCI SA, ASF, Cofiroute, VINCI Finance International), treasury committees, in which the Finance departments of both VINCI SA and the concerned companies take part, regularly analyse the main exposures and decide on management strategies.

In order to manage its exposure to market risks, the Group uses derivative financial instruments, which are recognised in the balance sheet at their fair value.

At the balance sheet date, the fair value of derivative financial instruments breaks down as follows:

		31/12/2017	31/12/2016
(in € millions)	Note	Fair value (*)	Fair value (*)
Interest rate derivatives: fair value hedges	25.1.2	547	788
Interest rate derivatives: cash flow hedges	25.1.2	(63)	(116)
Interest rate derivatives not designated as hedges	25.1.3	39	39
Interest rate derivatives		**522**	**712**
Foreign currency exchange rate derivatives: fair value hedges	25.2	(40)	13
Foreign currency exchange rate derivatives: cash flow hedges	25.2	-	(1)
Foreign currency exchange rate derivatives: hedges of net foreign investments	25.2	2	(3)
Foreign currency exchange rate derivatives not designated as hedges	25.2	(4)	4
Foreign currency exchange rate derivatives		**(42)**	**13**
Other derivatives		**-**	**(1)**
Total derivative financial instruments		**480**	**723**

(*) Fair value includes interest accrued but not matured of €123 million at 31 December 2017 and €135 million at 31 December 2016.

25.1 Interest rate risk

Interest rate risk is managed within the Group, making a distinction between the Concessions business, the Contracting business and holding companies as their respective financial profiles are not the same.

For concession operating subsidiaries, interest rate risk is managed with two timescales: the long term, aiming to ensure and maintain the concession's economic equilibrium, and the short term, with an objective of limiting the earnings impact of the average cost of debt depending on the situation in financial markets.
Over the long term, the objective is to change over time the breakdown between fixed and floating rate debt depending on the debt level (measured by the ratio of net debt to cash flows from operations before tax and financing costs), with a greater proportion at fixed rate when the level of debt is high.
As regards Contracting activities and holding companies, they have a structural net cash surplus. For these activities, the objective is to ensure that the risks connected with financial assets and financial liabilities are well matched.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These derivatives may be designated as hedges for accounting purposes or not, in accordance with the IFRSs.

25.1.1 Long-term financial debt before and after interest rate hedging and sensitivity to interest rate risk

Long-term financial debt before and after interest rate hedging

The table below shows the breakdown at 31 December 2017 of long-term debt between fixed rate, capped floating rate or inflation-linked debt, and the part at floating rate before and after taking account of hedging derivative financial instruments:

Breakdown between fixed and floating rate before hedging											
	Fixed rate			Inflation-linked			Floating rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
Concessions	14,417	*87%*	3.61%	425	*3%*	7.56%	1,703	*10%*	1.29%	16,545	3.47%
Contracting	192	*69%*	2.71%	-	-	-	85	*31%*	4.96%	277	3.40%
Holding companies	1,594	*86%*	2.59%	-	-	-	250	*14%*	0.29%	1,844	2.27%
Total at 31/12/2017	**16,202**	***87%***	**3.50%**	**425**	***2%***	**7.56%**	**2,038**	***11%***	**1.32%**	**18,665**	**3.35%**
Total at 31/12/2016	**14,931**	***84%***	**4.17%**	**442**	***2%***	**8.36%**	**2,411**	***14%***	**0.66%**	**17,785**	**3.80%**

Breakdown between fixed and floating rate after hedging											
	Fixed rate			Inflation-linked			Floating rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
Concessions	7,959	*48%*	4.05%	225	*1%*	10.21%	8,361	*51%*	0.87%	16,545	2.79%
Contracting	192	*69%*	2.71%	-	-	-	85	*31%*	4.98%	277	3.40%
Holding companies	649	*35%*	1.84%	-	-	-	1,195	*65%*	1.06%	1,844	1.34%
Total at 31/12/2017	**8,799**	***47%***	**3.86%**	**225**	***1%***	**10.21%**	**9,641**	***52%***	**0.93%**	**18,665**	**2.65%**
Total at 31/12/2016	**9,188**	***52%***	**4.09%**	**243**	***1%***	**10.32%**	**8,354**	***47%***	**1.32%**	**17,785**	**3.00%**

Sensitivity to interest rate risk

VINCI is exposed to the risk of fluctuations in interest rates, given:
- the cash flow connected with net floating rate financial debt;
- fixed rate financial instruments, recognised on the balance sheet at fair value through profit and loss;
- derivative financial instruments that are not designated as hedges. These mainly comprise net call option positions of which the maximum loss over the life of the transaction is equal to the premium paid.

On the other hand, fluctuations in the value of derivatives designated as cash flow hedges are recognised directly in equity and have no effect on profit or loss (for the effective portion).

The analysis below has been prepared assuming that the amount of the financial debt and derivatives at 31 December 2017 remains constant over one year. The consequence of a variation in interest rates of 25 basis points at the balance sheet date would be an increase or decrease of equity and pre-tax income for the amounts shown below. For the purpose of this analysis, the other variables are assumed to remain constant.

	31/12/2017			
	Income		Equity	
(in € millions)	Impact of sensitivity calculation +25 bp	Impact of sensitivity calculation -25 bp	Impact of sensitivity calculation +25 bp	Impact of sensitivity calculation -25 bp
Floating rate debt after hedging (accounting basis)	(25)	25	-	-
Floating rate assets after hedging (accounting basis)	-	-	-	-
Derivatives not designated as hedges for accounting purposes	-	-	-	-
Derivatives designated as cash flow hedges	-	-	210	(210)
Total	**(25)**	**25**	**210**	**(210)**

25.1.2 Description of hedging transactions

Fair value hedges

At the balance sheet date, details of the instruments designated as fair value hedges (receive fixed/pay floating interest rate swaps only) were as follows:

	Receive fixed/pay floating interest rate swap					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
31/12/2017	547	9,036	444	1,352	2,605	4,636
31/12/2016	788	8,641	1,774	444	2,559	3,864

These transactions relate mainly to the fixed rate bond issues by ASF, VINCI SA and Cofiroute.

Cash flow hedges

The Group is exposed to fluctuations in interest rates on its floating rate debt and may set up receive floating/pay fixed interest rate swaps designated as cash flow hedges to hedge this risk.

The Group has thus set up interest rate swaps that serve to render interest payments on floating rate debt fixed ("certain" cash flow hedging). Contractual cash flow relating to swaps is paid symmetrically with the hedged interest payment flows. The amount deferred in equity is recognised in profit or loss in the period in which the interest payment cash flow affects profit or loss.

The Group has also set up swaps with a deferred start in 2020 at VINCI Finance International concerning the future financing of the concession company for the western Strasbourg bypass, with maturities of up to 2037. These serve to fix the interest payments on future issues of debt considered as highly probable. At 31 December 2017, the portfolio of these swaps had a negative fair value of €1 million.

At 31 December 2017, details of the instruments designated as cash flow hedges were as follows:

	31/12/2017					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Receive floating/pay fixed interest rate swaps	(63)	854	10	11	372	460
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(63)**	**854**	**10**	**11**	**372**	**460**
Of which hedging of contractual cash flows	*(62)*	*561*	*10*	*11*	*370*	*169*
Of which hedging of highly probable forecast cash flows(*)	*(1)*	*293*	*-*	*-*	*2*	*291*

(*) Receive floating/pay fixed interest rate swaps.

	31/12/2016					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Receive floating/pay fixed interest rate swaps	(116)	1,154	51	520	492	91
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(116)**	**1,154**	**51**	**520**	**492**	**91**
Of which hedging of contractual cash flows	*(108)*	*1,002*	*51*	*520*	*340*	*91*
Of which hedging of highly probable forecast cash flows(*)	*(8)*	*152*	*-*	*-*	*152*	*-*

(*) Receive floating/pay fixed interest rate swaps.

The following table shows the periods in which the Group expects the amounts recorded in equity at 31 December 2017 for the instruments designated as cash flow hedges to have an impact on profit or loss:

	31/12/2017				
		Amount recycled in profit or loss			
(in € millions)	Amount recorded in equity of controlled companies	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(86)**	**(35)**	**(17)**	**(7)**	**(26)**
Of which hedging of contractual cash flows	*(65)*	*(17)*	*(12)*	*(15)*	*(22)*
Of which hedging of highly probable forecast cash flows	*(20)*	*(18)*	*(5)*	*8*	*(5)*

25.1.3 Description of non-hedging transactions

(in € millions)	31/12/2017 Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps	39	1,000	-	1,000	-	-
Total	**39**	**1,000**	**-**	**1,000**	**-**	**-**

(in € millions)	31/12/2016 Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps	39	1,000	-	-	1,000	-
Total	**39**	**1,000**	**-**	**-**	**1,000**	**-**

These transactions are mainly swaps with short maturities and mirror swaps (symmetrical positions that generate no risk of fluctuation of fair value in the income statement).

25.2 Management of foreign currency exchange rate risk

Nature of the Group's risk exposure

VINCI's foreign currency risk management policy consists of hedging the transactional risk connected with operations.
72% of VINCI's revenue is generated in the eurozone. Contracts outside the eurozone are generally carried out in the local currency in respect of local subsidiaries' activities, and to a large extent in euros and dollars in the case of major export projects. The Group's exposure to currency risk is therefore limited.
VINCI's foreign currency risk management policy consists of hedging the transactional risk connected with subsidiaries' commercial flows denominated in currencies other than their functional currency. Such flows are small compared with the Group's consolidated revenue.
In some cases, the Group also hedges its asset-related exchange rate risk related to its foreign currency investments by matching the currency of part of its debt with the currency in which the assets generate cash flow. Asset-related exchange rate hedging decisions are taken by the subsidiaries concerned in conjunction with the Group's Finance Department depending on the value of the net asset in the Group's financial statements, the predictability of the volume and timeframe of the foreign currency cash flow generated, and the economic terms of the foreign currency borrowings concerned.

Analysis of foreign currency exchange rate risk

The principal foreign exchange risk exposure was as follows at 31 December 2017:

(in € millions)	31/12/2017				
Currency	**USD (US dollar)**	**GBP (Pound sterling)**	**EGP (Egyptian pound)**	**CAD (Canadian dollar)**	**UAH (Ukrainian hryvnia)**
Closing rate	1.1993	0.8872	21.3309	1.5039	33.7318
Exposure	67	51	9	16	(8)
Hedging	(25)	(42)	-	(10)	-
Net position	**42**	**9**	**9**	**6**	**(8)**

Given a residual exposure on some assets that have not been designated as hedges, a 10% appreciation of foreign currencies against the euro would have had a positive impact on pre-tax earnings of €3 million.

Detail of foreign currency exchange rate derivatives

Transactions in exchange rate derivatives carried out by the Group, partly to hedge its financial transactions, break down as follows:

(in € millions)	31/12/2017 Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Currency swaps (incl. cross currency swaps)	(40)	335	-	-	191	144
Fair value hedges	**(40)**	**335**	**-**	**-**	**191**	**144**
Currency swaps (incl. cross currency swaps)	-	14	14	-	-	-
Cash flow hedges	**-**	**14**	**14**	**-**	**-**	**-**
Currency swaps (incl. cross currency swaps)	2	684	293	57	296	37
Forward foreign exchange transactions	-	3	3	-	-	-
Hedges of net foreign investments	**2**	**687**	**297**	**57**	**296**	**37**
Currency swaps (incl. cross currency swaps)	(4)	365	365	-	-	-
Forward foreign exchange transactions	-	3	3	-	-	-
Foreign currency exchange rate derivatives not designated as hedges for accounting purposes	**(4)**	**368**	**368**	**-**	**-**	**-**
Total foreign currency exchange rate derivatives	**(42)**	**1,403**	**679**	**57**	**487**	**181**

(in € millions)	Fair value	Notional amount	31/12/2016 Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Currency swaps (incl. cross currency swaps)	13	388	162	-	-	226
Fair value hedges	**13**	**388**	**162**	**-**	**-**	**226**
Currency swaps (incl. cross currency swaps)	(1)	11	11	-	-	-
Cash flow hedges	**(1)**	**11**	**11**	**-**	**-**	**-**
Currency swaps (incl. cross currency swaps)	(3)	971	645	26	100	200
Forward foreign exchange transactions	-	2	2	-	-	-
Hedges of net foreign investments	**(3)**	**973**	**647**	**26**	**100**	**200**
Currency swaps (incl. cross currency swaps)	5	556	556	-	-	-
Forward foreign exchange transactions	(1)	25	25	-	-	-
Foreign currency exchange rate derivatives not designated as hedges for accounting purposes	**4**	**581**	**581**	**-**	**-**	**-**
Total foreign currency exchange rate derivatives	**13**	**1,953**	**1,400**	**26**	**100**	**426**

25.3 Management of credit and counterparty risk

VINCI is exposed to credit risk in the event of default by its customers and to counterparty risk in respect of its investments of cash (mainly credit balances at banks, negotiable debt securities, term deposits and marketable securities), subscription to derivatives, commitments received (sureties and guarantees received), unused authorised credit facilities, and financial receivables.

The Group has set up procedures to manage and limit credit risk and counterparty risk.

Trade receivables

Approximately a third of consolidated revenue is generated with public sector or quasi-public sector customers. Moreover, VINCI considers that the concentration of credit risk connected with trade receivables is limited because of the large number of customers and the fact that they are geographically dispersed. No customer accounts for more than 10% of VINCI's revenue. In export markets, the risk of non-payment is generally covered by appropriate insurance policies (Coface, documentary credits and other insurance). Trade receivables are broken down in Note E.18.2 "Breakdown of trade receivables".

Financial instruments (cash investments and derivatives)

Financial instruments (cash investments and derivatives) are set up with financial institutions that meet the Group's credit rating criteria. The Group has also set up a system of counterparty limits to manage its counterparty risk. Maximum risk amounts by counterparty are defined taking account of their credit ratings attributed by Standard & Poor's and Moody's. The limits are regularly monitored and updated on the basis of a consolidated quarterly reporting system.
The Group's Finance Department also distributes instructions to subsidiaries laying down the authorised limits by counterparty, the list of authorised UCITS (French subsidiaries) and the selection criteria for money market funds (foreign subsidiaries).

The measurement of the fair value of derivative financial instruments carried by the Group includes a "counterparty risk" component for derivatives carried as assets and a "credit risk" component for derivatives carried as liabilities. Credit risk is measured using standard mathematical models for market participants. At 31 December 2017, adjustments recognised with respect to counterparty risk and own credit risk were not material.

Netting agreements relating to derivative financial instruments

At 31 December 2017 and in accordance with IAS 32, the Group's financial assets and liabilities (including derivative financial instruments) are not netted on the balance sheet, except where the Group has netting agreements. In the event of default by the Group or the financial institutions with which it has contracted, these agreements provide for netting between the fair values of assets and liabilities arising from derivative financial instruments presented in the consolidated balance sheet.
The table below sets out the Group's net exposure arising from these netting agreements:

	31/12/2017			31/12/2016		
(in € millions)	Fair value of derivatives recognised on the balance sheet (*)	Impact of netting agreements	Total	Fair value of derivatives recognised on the balance sheet (*)	Impact of netting agreements	Total
Derivative financial instruments – assets	882	(277)	605	1,091	(211)	880
Derivative financial instruments – liabilities	(402)	277	(125)	(369)	211	(157)
Net derivative instruments	**480**		**480**	**723**		**723**

(*) Gross amounts as stated on the Group's consolidated balance sheet.

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25.4 Management of other risks

Equity risk

At 31 December 2017, the Group held 36,317,368 VINCI shares (representing 6.14% of the share capital) acquired at an average price of €48.21. Increases or decreases of the stock market price of these treasury shares have no impact on the Group's consolidated profit or loss or equity.

Regarding assets to cover retirement benefit obligations, a breakdown by asset type is given in Note K.27.1 "Provisions for retirement benefit obligations".

After issues of non-dilutive convertible bonds, VINCI is exposed to the risk of changes in their redemption value, which depends on VINCI's share price. To protect against an increase in the redemption value caused by a rise in the share price, the Group has taken out options with the same maturity. Together, all of these transactions mean that VINCI is not exposed to any risks in relation to treasury shares.

Commodity risks

Most of the Group's revenue arises either from contracts that include price revision clauses or under short-term contracts. The risks associated with an increase in commodity prices are therefore generally limited.
For major contracts with no price revision clauses, the commodity risks are analysed on a case-by-case basis and managed in particular by negotiating firm price agreements with suppliers and/or through cash-and-carry deals and/or hedging derivatives based on commodity indexes.
Eurovia has set up a policy to manage bitumen price risks through short-maturity hedging derivatives (swaps of less than three months on average). This policy applies to small contracts in France with an average length of less than three months and which do not include price revision clauses.
VINCI uses little unprocessed raw material, other than the aggregates produced and used by Eurovia. In 2017, approximately 32% of Eurovia's aggregates came from Group quarries.

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

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:

31/12/2017	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	-	-	-	95	-	-	95	1	-	94	95
Loans and financial receivables incl. PPP	-	-	-	-	1,007	-	1,007	-	1,007	-	1,007
I - Non-current financial assets [2]	**-**	**-**	**-**	**95**	**1,007**	**-**	**1,102**	**1**	**1,007**	**94**	**1,102**
II - Derivative financial instruments – assets	**235**	**647**	**-**	**-**	**-**	**-**	**882**	**-**	**882**	**-**	**882**
Cash management financial assets	-	-	142	-	-	-	142	8	135	-	142
Financial current accounts, assets	-	-	41	-	-	-	41	41	-	-	41
Cash equivalents	-	-	2,658	-	-	-	2,658	1,098	1,560 [3]	-	2,658
Cash	-	-	4,150	-	-	-	4,150	4,150	-	-	4,150
III - Current financial assets	**-**	**-**	**6,991**	**-**	**-**	**-**	**6,991**	**5,296**	**1,695**	**-**	**6,991**
Total assets	**235**	**647**	**6,991**	**95**	**1,007**	**-**	**8,975**	**5,297**	**3,584**	**94**	**8,975**
Bonds						(15,558)	(15,558)	(15,147)	(1,339)	-	(16,486)
Other bank loans and other financial debt						(3,595)	(3,595)	(785) [4]	(2,892)	-	(3,676)
Finance lease debt						(130)	(130)	-	(130)	-	(130)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(19,282)**	**(19,282)**	**(15,932)**	**(4,360)**	**-**	**(20,292)**
V - Derivative financial instruments – liabilities	**(201)**	**(201)**	**-**	**-**	**-**	**-**	**(402)**	**-**	**(402)**	**-**	**(402)**
Other current financial liabilities						(1,027)	(1,027)	-	(1,027)	-	(1,027)
Financial current accounts, liabilities						(58)	(58)	(58)	-	-	(58)
Bank overdrafts						(1,105)	(1,105)	(1,105)	-	-	(1,105)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(2,190)**	**(2,190)**	**(1,163)**	**(1,027)**	**-**	**(2,190)**
Total liabilities	**(201)**	**(201)**	**-**	**-**	**-**	**(21,472)**	**(21,874)**	**(17,095)**	**(5,790)**	**-**	**(22,884)**
Total	**34**	**446**	**6,991**	**95**	**1,007**	**(21,472)**	**(12,899)**	**(11,798)**	**(2,206)**	**94**	**(13,909)**

(1) The Group holds no held-to-maturity financial assets.
(2) See Notes E.11, F.13 and H.17.
(3) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.
(4) Listed price of loans issued by CNA.

The method of measuring the fair value of financial assets and liabilities was not altered in 2017.

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)**	**-**	**-**	**-**	**-**	**(368)**	**-**	**(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)**	**(13,057)**	**(10,984)**	**(3,109)**	**134**	**(13,959)**

(1) The Group holds no held-to-maturity financial assets.
(2) See Notes E.11, F.13 and H.17.
(3) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.
(4) Listed price of loans issued by CNA.

K. Employee benefits and share-based payments

27. Provisions for employee benefits

At 31 December 2017, the part at more than one year of provisions for employee benefits broke down as follows:

(in € millions)	Note	31/12/2017	31/12/2016
Provisions for retirement benefit obligations	27.1	1,391	1,558
Long-term employee benefits	27.2	91	96
Total provisions for employee benefits		**1,481**	**1,653**

27.1 Provisions for retirement benefit obligations

Accounting policies

Provisions are taken on the liabilities side of the consolidated balance sheet for obligations connected with defined benefit retirement plans for both current and former employees (people who have retired and those with deferred rights). These provisions are determined using the projected unit credit method on the basis of actuarial valuations made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country or monetary zone in which the plan is operated. Each plan's obligations are recognised separately.

Under IAS 19, for defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the consolidated balance sheet. That recognition is subject to asset ceiling rules and minimum funding requirements set out in IFRIC 14.

The expense recognised under operating income or loss in each period comprises the current service cost and the effects of any change, reduction or winding up of the plan. The accretion impact recognised on the actuarial liability and interest income on plan assets are recognised under other financial income and expenses. Interest income from plan assets is calculated using the discount rate used to calculate obligations with respect to defined benefit plans.

The impacts of remeasuring net liabilities (or assets as the case may be) relating to defined benefit pension plans are recorded under other comprehensive income. They comprise:

- actuarial gains and losses on obligations resulting from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and that which has actually occurred);
- plan asset outperformance/underperformance (i.e. the difference between the effective return on plan assets and the return calculated using the discount rate applied to the actuarial liability); and
- changes in the asset ceiling effect.

At 31 December 2017, provisions for retirement benefit obligations comprised provisions for lump sums on retirement and provisions with respect to obligations for supplementary retirement benefits.

(in € millions)	31/12/2017	31/12/2016
At more than one year	1,391	1,558
At less than one year (*)	48	50
Total provisions for retirement benefit obligations	**1,439**	**1,608**

(*) The part of provisions for retirement benefit obligations that matures within less than one year is shown under "Other current non-operating liabilities".

The VINCI Group's main supplementary retirement benefit obligations relate to defined benefit plans, which have the following characteristics:

- For French subsidiaries, these are contractual lump sums paid on retirement (generally based on a percentage of final salary, depending on the employee's length of service and applicable collective agreements), supplementary defined benefit retirement plans of which some of the Group's employees, retired employees and officers are members, and a specific obligation in respect of VINCI's Vice-Chairman and Lead Director.

Some plans, of which several Group executives are members, are pre-financed through two insurance policies taken out with Cardif (BNP Paribas group) and one policy taken out with Allianz. These policies involve active management with reference to composite indexes, and aim to achieve a good balance between the expected return on investments and the associated risks. Sufficient liquidity, in view of the timescale of plan liabilities, is maintained so that pensions and other one-off payments can be met.

- To cover the liabilities of VINCI's UK subsidiaries and those of Etavis in Switzerland, plans are funded through independent pension funds.

In the UK, defined benefit plans for certain Group employees and former employees give rise to benefits that are mainly based on final salaries. They also provide benefits in the event of death and disability.

At 31 December 2017, 4,537 people, including 2,285 retired people, were covered by the plans. Most plans are now closed to new members. The average duration of the plans is 18 years.

The investment strategy for plan assets is defined by the trustees representing the pension funds. Contribution schedules and the plan's level of funding are determined by the employer and the trustee, based on three-yearly actuarial valuations. Contribution schedules are intended to cover future service costs and any deficit arising from vested rights.

In Switzerland, plans for the Group's employees and former employees (2,248 people at 31 December 2017, of which over 90% are active) are "cash balance" pension plans that guarantee their members a minimum return on their contributions. They provide benefits in the event of death or disability, along with a pension when members stop working. Plans are open to new members. Their duration is around 18 years.

• For German subsidiaries, there are several internal plans within the Group, including so-called "direct promises" plans. These plans provide members with pensions along with death and disability benefits. At 31 December 2017, 9,861 individuals were covered by the plans, including 5,806 retired people, 2,359 people working for Group subsidiaries and 1,696 people who were generally still working but no longer working for the Group. Most of the plans were closed at 31 December 2017. Their average duration is 13 years.

Commitments relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside multi-employer insurance fund (CNPO), are considered as being under defined contribution plans and are therefore recognised as an expense as and when contributions are payable.

The retirement benefit obligations covered by provisions recognised in the balance sheet are calculated using the following assumptions:

	Eurozone		United Kingdom		Switzerland	
Assumptions	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Discount rate	1.75%	1.20% - 1.85%	2.60%	2.25% - 2.85%	0.75%	0.20%
Inflation rate	1.60%	1.60%	2.25% - 3.25%(*)	2.20% - 3.20%	1.30%	1.20%
Rate of salary increases	1.60% - 4.00%	1.60% - 4.00%	2.00% - 4.50%	2.00% - 4.10%	1.80%	1.70%
Rate of pension increases	0.80% - 1.60%	0.80% - 1.60%	2.50% - 5.00%	2.10% - 5.00%	NA	NA

(*) Inflation rates: CPI 2.25%; RPI 3.25%.

Discount rates have been determined by geographical area on the basis of the yields on private-sector bonds with a rating of AA and whose maturities correspond to the plans' expected cash flow.
The other local actuarial assumptions (economic and demographic assumptions) are set on the basis of the specific features of each of the countries in question.
Plan assets are valued at their fair value at 31 December 2017. The book value at 31 December 2017 is used for assets invested with insurance companies.
On the basis of the actuarial assumptions referred to above, details of the retirement benefit obligations, provisions recognised in the balance sheet, and the retirement benefit expenses recognised in 2017 are provided below.

Result of actuarial valuations in the period

Breakdown by type of obligation

		31/12/2017			31/12/2016		
(in € millions)		Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total	Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total
Actuarial liability from retirement benefit obligations		775	1,937	2,712	823	1,976	2,799
Plan assets at fair value		48	1,263	1,311	49	1,143	1,192
Deficit (or surplus)		**727**	**674**	**1,401**	**774**	**833**	**1,607**
Provision recognised under liabilities on the balance sheet	**I**	**727**	**712**	**1,439**	**774**	**834**	**1,608**
Overfunded plans recognised under assets on the balance sheet	II	-	14	14	-	-	-
Asset ceiling effect (IFRIC 14) (*)	III	-	24	24	-	1	1
Total	**I - II - III**	**727**	**674**	**1,401**	**774**	**834**	**1,607**

(*) Effect of asset ceiling rules and minimum funding requirements.

The proportion of obligations relating to retired beneficiaries was around 30% at 31 December 2017.

Breakdown by country

		31/12/2017					
(in € millions)		France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		1,014	442	764	336	155	2,712
Plan assets at fair value		165	7	640	360	140	1,311
Deficit (or surplus)		**850**	**435**	**124**	**(23)**	**16**	**1,401**
Provision recognised under liabilities on the balance sheet	**I**	**853**	**435**	**124**	**2**	**26**	**1,439**
Overfunded plans recognised under assets on the balance sheet	II	3	-	-	1	10	14
Asset ceiling effect (IFRIC 14) (*)	III	-	-	-	23	1	24
Total	**I - II - III**	**850**	**435**	**124**	**(23)**	**16**	**1,401**

(*) Effect of asset ceiling rules and minimum funding requirements.

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(in € millions)		31/12/2016 France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		1,069	493	781	364	92	2,799
Plan assets at fair value		155	7	638	328	64	1,192
Deficit (or surplus)		**914**	**486**	**143**	**37**	**27**	**1,607**
Provision recognised under liabilities on the balance sheet	**I**	**914**	**486**	**143**	**37**	**28**	**1,608**
Overfunded plans recognised under assets on the balance sheet	II	-	-	-	-	-	-
Asset ceiling effect (IFRIC 14) (*)	III	-	-	-	-	1	1
Total	**I - II - III**	**914**	**486**	**143**	**37**	**27**	**1,607**

(*) Effect of asset ceiling rules and minimum funding requirements.

Change in actuarial liability and plan assets

(in € millions)		2017	2016
Actuarial liability from retirement benefit obligations			
At beginning of period		**2,799**	**2,671**
of which obligations covered by plan assets		*1,648*	*1,617*
Current service cost		77	73
Actuarial liability discount cost		44	62
Past service cost (plan changes and curtailments)		(27)	(13)
Plan settlements		(2)	(1)
Actuarial gains and losses recognised in other comprehensive income		(106)	214
of which impact of changes in demographic assumptions		*(19)*	*(39)*
of which impact of changes in financial assumptions		*(95)*	*275*
of which experience gains and losses		*9*	*(22)*
Benefits paid to beneficiaries		(111)	(113)
Employee contributions		11	10
Business combinations		85	8
Disposals of companies and other assets		2	3
Currency translation differences		(60)	(116)
At end of period	**I**	**2,712**	**2,799**
of which obligations covered by plan assets		*1,649*	*1,648*
Plan assets			
At beginning of period		**1,192**	**1,197**
Interest income during period		22	30
Actuarial gains and losses recognised in other comprehensive income (*)		57	65
Plan settlements		(1)	-
Benefits paid to beneficiaries		(43)	(50)
Contributions paid to funds by the employer		40	38
Contributions paid to funds by employees		11	10
Business combinations		87	-
Disposals of companies and other assets		(1)	(1)
Currency translation differences		(54)	(97)
At end of period	**II**	**1,311**	**1,192**
Deficit (or surplus)	**I - II**	**1,401**	**1,607**

(*) Experience gains and losses corresponding to the observed difference between the actual return on plan assets and a nominal return based on the discount rate for the actuarial liability.

In 2017, the recognised past service cost includes positive impacts related to the alteration of pension conversion rates in Switzerland.

Actuarial gains recognised during the period were mainly due to the rise in discount rates in the eurozone and Switzerland. The good performance of plan assets, particularly in Switzerland, the UK and France, led to the recognition of an actuarial gain on assets in 2017.

In 2017, the amount stated in the "Business combinations" item concerned VINCI Energies' acquisitions of Infratek in Scandinavia and Redtoo in Switzerland.

VINCI estimates the payments to be made in 2018 in respect of retirement benefit obligations at €78 million, comprising €52 million of benefits to be paid to retired employees or beneficiaries (benefits not covered by plan assets), and €26 million of contributions to be paid to fund managing bodies.
Pension funds are also likely to pay €48 million of benefits to retired employees or their beneficiaries. Since those benefits are pre-funded, they will have no impact on the Group's cash position.

Change in provisions for retirement benefit obligations during the period

(in € millions)	2017	2016
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
At beginning of period	**1,608**	**1,475**
Total charge recognised with respect to retirement benefit obligations	72	96
Actuarial gains and losses recognised in other comprehensive income	(163)	149
Benefits paid to beneficiaries by the employer	(68)	(63)
Contributions paid to funds by the employer	(40)	(38)
Business combinations & disposals of companies	(2)	8
Plan assets and asset ceiling effect (IFRIC 14)	38	(1)
Currency translation differences	(6)	(19)
At end of period	**1,439**	**1,608**

Breakdown of expenses recognised in respect of defined benefit plans

(in € millions)	2017	2016
Current service cost	(77)	(73)
Actuarial liability discount cost	(44)	(62)
Interest income on plan assets	22	30
Past service cost (plan changes and curtailments)	27	13
Impact of plan settlements and other	(1)	(4)
Total	**(72)**	**(96)**

Breakdown of plan assets by country and type of investment

The breakdown of plan assets by type of investment is as follows:

	31/12/2017				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	34%	33%	23%	38%	32%
Bonds	35%	41%	33%	38%	37%
Property	6%	18%	2%	1%	9%
Money market securities	2%	8%	1%	0%	4%
Other	23%	0%	40%	23%	19%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**640**	**360**	**165**	**147**	**1,311**
Plan assets by country *(% of total)*	**49%**	**27%**	**13%**	**11%**	**100%**

	31/12/2016				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	30%	30%	28%	39%	30%
Bonds	43%	42%	61%	38%	45%
Property	13%	19%	4%	1%	13%
Money-market securities	2%	9%	1%	0%	4%
Other	12%	0%	6%	23%	9%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**638**	**328**	**155**	**71**	**1,192**
Plan assets by country *(% of total)*	**54%**	**27%**	**13%**	**6%**	**100%**

At 31 December 2017, the amount of plan assets listed on active markets (fair value level 1 as defined by IFRS 13) was €998 million (€994 million at 31 December 2016). During the period, the actual rate of return on plan assets was 7.5% in the UK, 8.3% in Switzerland and 4.5% in France.

Sensitivity analysis

For all post-employment benefit plans for Group employees (lump sums paid on retirement, pensions and supplementary pensions), a 0.5 point fall in the discount rate would increase the actuarial liability by around 8%.

For all pension and supplementary pension plans in force within the Group, a 0.5 point increase in long-term inflation rates would increase the value of obligations by some 5%.

For pension and supplementary pension plans in Switzerland and the UK, sensitivity to mortality rates is calculated based on a one-year reduction in the age of each beneficiary. Applying this assumption increases the corresponding obligation by around 3%.

Expenses recognised in respect of defined contribution plans

In some countries, and more especially in France and Spain, the Group contributes to basic state pension plans, for which the expense recognised is the amount of the contributions called by the state bodies. Basic state pension plans are considered as being defined contribution plans.

The amounts taken as an expense in the period in respect of defined contribution plans (excluding basic state plans) totalled €552 million in 2017 (€520 million in 2016). These amounts include the contributions paid in France to the external multi-employer fund (CNPO) in respect of obligations in regard to lump sums paid on retirement to construction workers.

27.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses.
At 31 December 2017, they amounted to €102 million, including €12 million for the part at less than one year (€110 million including €14 million for the part at less than one year at 31 December 2016).

Long-service bonuses and jubilee bonuses have been calculated using the following actuarial assumptions:

	31/12/2017	31/12/2016
Discount rate	1.75%	1.20%
Inflation rate	1.60%	1.60%
Rate of salary increases	1.60% - 2.60%	1.60% - 2.60%

28. Share-based payments

Accounting policies

The measurement and recognition methods for share subscription plans, the Plans d'Epargne Groupe (Group savings plans) and performance share plans, are defined by IFRS 2 "Share-based Payment". The granting of share options, performance shares and offers to subscribe to Group savings plans in France and abroad represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI.
Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured by an external actuary on the basis of the fair value, at the grant date, of the equity instruments granted.

Benefits granted under share option plans, performance share plans and Group savings plans are implemented as decided by VINCI's Board of Directors after approval by the Shareholders' General Meeting, and are not, in general, systematically renewed. As their measurement is not directly linked to the business lines' operations, VINCI has considered it appropriate not to include the corresponding expense in operating income from ordinary activities, which is an indicator of business lines' performance, but to report it on a separate line, labelled "Share-based payment expense (IFRS 2)", in recurring operating income.

28.1 Share subscription options

Options to subscribe to shares have been granted to certain Group employees and senior executives. For some of these plans, definitive vesting of those options was conditional on performance conditions (stock market performance or financial criteria) being met. The fair value of options, calculated by an external actuary, is determined at the grant date using the Monte Carlo valuation model. That model takes account of the impact of the market performance condition if applicable. It allows a large number of scenarios to be modelled, by including in particular the valuation of assumptions about beneficiaries' behaviour on the basis of historical observations.

No new share subscription option plans were set up in 2017 or 2016.

No expense relating to share subscription option plans was recognised in 2017 or 2016.

Movements in the number and weighted average exercise prices of share subscription options were as follows in 2017:

	31/12/2017		31/12/2016	
	Options	Average exercise price *(in €)*	Options	Average exercise price *(in €)*
Options in circulation at beginning of period	**2,780,519**	**39.15**	**5,704,701**	**39.00**
Options exercised	(1,799,056)		(2,896,381)	
Options cancelled	(26,805)		(27,801)	
Options in circulation at end of period	**954,658**	**39.94**	**2,780,519**	**39.15**
of which exercisable options	*954,658*		*2,780,519*	

Options exercised in 2017 and remaining to be exercised at 31 December 2017

Share subscription option plans	Number of options exercised in 2017	Number of options remaining to be exercised at 31/12/2017	Exercise price *(in €)*
VINCI 2010	917,710	-	36.70
VINCI 2011	352,154	185,296	43.70
VINCI 2012	529,192	769,362	39.04
Total	**1,799,056**	**954,658**	**39.94** (*)

(*) Based on the number of options remaining to be exercised at 31/12/2017.

28.2 Performance shares

Performance shares subject to vesting conditions have been granted to certain Group employees and senior executives. As these are plans under which the final vesting of the shares may be dependent on the realisation of financial criteria, the number of performance shares measured at fair value in the calculation of the IFRS 2 expense is adjusted for the impact of the change in the likelihood of the financial criteria being met.

Information on changes in performance share plans currently in force

	31/12/2017	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	(952,499)	-
Shares cancelled	(201,801)	(44,721)
Number of shares granted subject to performance conditions not vested at end of period	**5,407,402**	**4,236,319**

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

	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
Number of shares granted subject to performance conditions	**2,325,383**	**2,249,676**	**1,036,658**	**1,027,651**
Shares cancelled	(38,550)	(89,590)	(67,975)	(81,177)
Shares acquired by beneficiaries	(1,500)	(4,600)	(2,100)	(946,474)
Number of shares granted subject to performance conditions at end of period	**2,285,333**	**2,155,486**	**966,583**	**-**

On 7 February 2017, VINCI's Board of Directors decided to grant definitively to beneficiaries of the 15 April 2014 long-term incentive plan 100% of the performance shares originally allotted, i.e. 946,474 shares, after the performance and presence conditions were met (1,661 employees).

On 20 April 2017, VINCI's Board of Directors decided to set up a new long-term performance share plan involving conditionally allotting performance shares (2,325,383 shares) to 2,537 employees. The shares granted will only vest definitively 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 in respect of the performance shares.

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 over a three-year period (2017, 2018 and 2019), and
– the average total return for a shareholder investing in the CAC 40 index over a three-year period (2017, 2018 and 2019).

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.

An expense of €90 million was recognised in 2017 in respect of performance share and long-term incentive plans for which vesting is in progress (April 2017, April 2016 and April 2015 plans), compared with €62 million in 2016 (April 2016, April 2015 and April 2014 plans).

28.3 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 until 31 December 2017. After 1 January 2018, the maximum employer contribution enjoyed by employees when subscribing to the Group savings plans in France will be increased to €3,500. 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.

	2017		
Group savings plan – France	**First four-month period of 2018 (1 January – 30 April 2018)**	**Third four-month period of 2017 (1 September – 31 December 2017)**	**Second four-month period of 2017 (1 May – 31 August 2017)**
Anticipated return from VINCI shares	4.44%	4.27%	4.90%
Subscription price *(in €)*	76.42	73.34	62.46
Share price at date of Board of Directors' meeting *(in €)*	80.61	78.01	65.22
Historical volatility of the VINCI share price	19.87%	20.14%	22.24%
Estimated number of shares subscribed	1,433,895	387,665	408,186
Estimated number of shares issued (subscriptions plus employer contribution)	2,003,215	517,924	532,480

	2016		
Group savings plan – France	**First four-month period of 2017 (1 January – 30 April 2017)**	**Third four-month period of 2016 (1 September – 31 December 2016)**	**Second four-month period of 2016 (1 May – 31 August 2016)**
Anticipated return from VINCI shares	4.53%	4.63%	4.92%
Subscription price *(in €)*	63.92	60.86	56.62
Share price at date of Board of Directors' meeting *(in €)*	66.88	63.69	60.29
Historical volatility of the VINCI share price	23.32%	25.01%	24.95%
Estimated number of shares subscribed	1,751,230	431,588	508,309
Estimated number of shares issued (subscriptions plus employer contribution)	2,267,875	572,903	662,327

Group savings plan – international

In 2017, in accordance with authorisations given to the Board of Directors by the Shareholders' General Meeting, VINCI initiated a new savings plan for the employees of certain foreign subsidiaries. Known as Castor International, the plan covered 30 countries in 2017: Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, the Czech Republic, the Dominican Republic, Germany, Hong Kong, Indonesia, Luxembourg, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

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 immediate delivery but a three-year vesting period;
- no lock-up period beyond the three-year vesting period for bonus shares.

Castor International plan (excluding the UK)	2017	2016	2015	2014
Subscription price *(in €)*	77.67	64.90	55.65	54.16
Closing share price on the last day of the subscription period *(in €)*	78.01	64.67	55.47	56.38
Anticipated dividend pay-out rate	2.32%	2.55%	3.35%	3.40%
Fair value of bonus shares on the last day of the subscription period *(in €)*	72.83	59.97	50.24	51.00

The aggregate expense recognised in 2017 for the Group as a whole in respect of employee savings plans inside and outside France amounted to €72 million versus €56 million in 2016.

L. Other notes

29. 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.

29.1 Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of the Group's company officers is determined by the Board of Directors following proposals from the Remuneration Committee.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by VINCI SA and the companies that it controls to persons who, at the balance sheet date are (or, during the period, have been), members of the Group's governing bodies and Executive Committee. The corresponding amounts have been recognised and expensed in 2017 and 2016 as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	2017	2016
Remuneration	12,189	12,091
Employer social contributions	8,885	8,086
Post-employment benefits	2,114	2,486
Termination benefits	688	-
Share-based payments (*)	9,763	7,884
Directors' fees	1,250	1,080

(*) This amount is determined in accordance with IFRS 2 and as described in Note K.28 "Share-based payments".

The variable portion of remuneration and similar benefits relating to 2017 is an estimate, for which a provision has been taken in the period.

The aggregate amount of retirement benefit obligations (contractual lump sums payable on retirement and supplementary defined benefit plans) in favour of members of the Group's governing bodies and Executive Committee amounted to €79 million at 31 December 2017 (€75 million at 31 December 2016).

29.2 Other related parties

Financial information on companies accounted for under the equity method is given in Note E.10.2 "Aggregated financial information".

Qatar Holding LLC owned 3.8% of VINCI at 31 December 2017. VINCI Construction Grands Projets (49%) and Qatari Diar Real Estate Investment Company (QD, 51%) jointly own Qatari Diar VINCI Construction (QDVC), which is accounted for under the equity method. This company's corporate object is the development of construction activities in Qatar and international markets. It generated revenue of €775 million in 2017.
Group companies can also carry out work for principals in which QD may have a shareholding.
Lastly, the Group has normal but non-material business relations with companies in which members of the VINCI Board of Directors are senior executives or directors.

30. Statutory Auditors' fees

As recommended by the AMF, this table includes only fully consolidated companies.

	Deloitte & Associés 2017				KPMG 2017			
(in € millions)	Statutory Auditor (Deloitte & Associés)	Network	Total Deloitte	%	Statutory Auditor (KPMG Audit IS)	Network	Total KPMG	%
Certification, half-year limited review of statutory and consolidated financial information								
VINCI SA	0.4	-	0.4	4%	0.4	-	0.4	4%
Fully consolidated subsidiaries	4.5	3.3	7.8	82%	4.9	3.2	8.1	78%
Subtotal	**4.9**	**3.3**	**8.2**	**86%**	**5.2**	**3.2**	**8.4**	**81%**
Services other than certification of accounts (*)								
VINCI SA	0.1	-	0.1	1%	0.5	-	0.5	4%
Fully consolidated subsidiaries	0.3	0.9	1.2	13%	0.6	0.8	1.5	14%
Subtotal	**0.4**	**0.9**	**1.3**	**14%**	**1.1**	**0.8**	**1.9**	**19%**
Total	**5.3**	**4.3**	**9.5**	**100%**	**6.3**	**4.0**	**10.3**	**100%**

(*) Services other than certification of accounts include services required by regulations and those provided at the request of controlled entities (contractual audits, comfort letters, audit certificates, agreed procedures, consulting and assignments relating to changes in accounting standards, due diligence procedures for acquisitions, audits of procedures and information systems, and tax services that do not impair auditor independence).

M. 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 31 December 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(*) (the 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, and dismissed SNCF's claim in respect of the other companies concerned. After SNCF appealed against that decision, the proceedings continued between SNCF and the companies outside the Group, which had nevertheless had recourse to the Group companies concerned as guarantors. In a decision on 29 December 2017, the Paris Administrative Appeal Court dismissed SNCF's claim and SNCF appealed against that decision to the Conseil d'Etat. In view of the current situation, the VINCI group considers that this dispute will not have a material effect on its financial situation.

• In a judgment handed down on 17 December 2013, the Paris Regional Court declared time-barred and inadmissible a claim by the Région Île de France (the Paris region) for compensation for the harm it purportedly suffered because of the anti-competitive practices penalised by the Conseil de la Concurrence(*) on 9 May 2007 in relation to the programme to refurbish schools in the Paris region between 1989 and 1996. After that judgment, on 16 November 2015, the *tribunal des conflits* (jurisdiction court) declared the ordinary courts not competent to decide the dispute between the region and various construction companies. More than two years after the jurisdiction court's decision, the region made 88 applications to the Paris Administrative Court relating to 88 school refurbishment contracts, claiming €293 million of damages from 14 companies – including several Group companies – and 11 individuals. The Group takes the view that these proceedings, whose origin dates back more than 20 years and which concerns a claim that was already found to be time-barred in 2013, represent a contingent liability whose impact it is unable to measure.

• 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

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

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 3.22 billion Czech korunas, 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.

• Soletanche Bachy France had 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 was disputing the grounds for terminating the contract, and was claiming $10 million in damages. ACT contended that it had valid grounds for terminating the contract and that it had incurred additional costs in completing the works, and was counter-claiming $44 million in damages. The arbitration tribunal, in an arbitration award dated 30 August 2017, dismissed Soletanche Bachy's claim and ordered it to pay ACT $41.8 million plus $9.1 million of legal expenses. Soletanche Bachy has appealed against that decision in the English courts. Given the provisions it has set aside, the Group considers, in view of the current situation, that this dispute will not have any 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 C$11 million for wrongful termination and PIC is claiming C$193 million from Freyssinet Canada and several Soletanche Freyssinet group companies for the replacement of the beams and losses 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 claim, corresponding to the amount it claims was wrongly received by CSDF. A hearing relating to the dispute took place on 23 November 2017. The FFR is also claiming, in separate proceedings before the Bobigny regional court, €2.3 million in damages for various types of purported commercial harm arising in particular from the cancellation of a match. A hearing relating to the dispute took place on 5 December 2017 and judgment was reserved until 27 March 2018.
– The French Football Federation (Fédération Française de Football or FFF) also 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. After the FFF failed to make submissions, the claim was struck out on 12 September 2017, and so the dispute lapsed on that date.
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. Through an order made in December 2016, the administrative court noted that FFF had discontinued its claim, and so that dispute also lapsed on that date.
In view of the current situation, the Group considers that these disputes should not have a material effect on its financial situation.

There are no other governmental, judicial or arbitration proceedings, including any proceedings known to the Company, pending or with which it is threatened, that are likely to have, or have had in the last 12 months, a material effect on the financial situation or profitability of the Company and/or Group.

N. Post-balance sheet events

31. Appropriation of 2017 net income

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2017 on 7 February 2018. These financial statements will only become definitive when approved by the Shareholders' General Meeting. A resolution will be put to the Shareholders' Ordinary General Meeting of 17 April 2018 for the payment of a dividend of €2.45 per share in respect of 2017. Taking account of the interim dividend already paid on 9 November 2017 (€0.69 per share), this would result in a final dividend of €1.76 per share to be paid on 26 April 2018 (ex-date: 24 April 2018).

32. Other post-balance sheet events

32.1 ASF bond issue as part of its EMTN programme

On 10 January 2018, as part of its EMTN programme, ASF issued €1 billion of bonds due to mature in January 2030 paying a coupon of 1.375%.

32.2 Concession for the Grand Ouest airport

On 17 January 2018, the French prime minister announced the government's decision not to proceed with plans to build the proposed Notre Dame des Landes airport. Discussions have now begun with the government, as concession grantor, in order to determine and value the contractual and financial consequences of the announcement. VINCI is not currently able to make a reliable estimate of its impact on the Group's financial statements.

O. 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 (amended), 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.

Put options granted to non-controlling shareholders

Put options (options to sell) granted to the non-controlling shareholders of certain Group subsidiaries are recognised under other non-current liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (non-controlling interest and equity attributable to equity holders of the parent for the surplus, if any).

Report of the Statutory Auditors on the consolidated financial statements

Year ended 31 December 2017

To VINCI's Shareholders' General Meeting,

1. Opinion

In accordance with our appointment as Statutory Auditors by your Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of VINCI for the year ended 31 December 2017.
In our opinion, the consolidated financial statements for the year give a true and fair view of the financial position, the assets and liabilities, and the results of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.
The opinion formulated above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.
Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules applicable to us between 1 January 2017 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the Statutory Auditors' profession in France.

3. Justification of our assessments – Key audit matters

As required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.
Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

Long-term construction contracts and measurement of losses on completion and provisions for project risks

Notes A.3, G.15 and H.18.3 to the consolidated financial statements

Description of the risk

VINCI's Contracting business accounts for more than 80% of VINCI's consolidated revenue, and most of the revenue in that business comes from long-term construction contracts.
Construction contract income and expenses are recognised using the stage-of-completion method defined by the appropriate accounting standard.
If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims if these are probable and can be reliably estimated. Provisions for losses on completion and project risks are shown under liabilities in an amount of €1,336 million at 31 December 2017.
The stage of completion and the revenue to be recognised are calculated on the basis of a large number of completion estimates made by monitoring the work performed and taking into account unforeseen circumstances. Adjustments may therefore be made to initial estimates throughout the life of the contracts and may materially affect results.
Determining these completion estimates and any adjustments that may become necessary during the performance of projects and operations is a key audit matter, given the amounts involved and the high level of judgment required on the part of the entities' operational departments.

Audit work performed

We selected projects on the basis of their size, technical complexity and geographical location, and for each selected project, we:

- checked that the estimated revenue on completion was consistent with contracts and supplementary agreements signed;
- checked that the risks of delays and cost overruns related to the performance of works were properly taken into account, along with estimates of completion costs, and reviewed the contingencies included in the budget and the extent to which disputes were covered;
- checked that, if a project is expected to be loss-making on completion, a provision is set aside for the loss on completion including, if need be, any rights to additional revenue or claims if these are probable and can be reliably estimated.

Measurement of goodwill and concession intangible assets, along with interests in concession companies accounted for under the equity method

Notes A.3, E.9, E.10 and H.16.3 to the consolidated financial statements

Description of the risk

Goodwill and concession intangible assets had material net carrying amounts at 31 December 2017, i.e. €8,600 million and €26,539 million respectively, together equal to 50% of total assets. Those assets may present a risk of impairment losses arising from internal or external factors, such as a deterioration in performance, changes in the economic environment, adverse market conditions, movements in traffic levels and changes in legislation or regulations.

The Group is also exposed to a risk of impairment losses in respect of infrastructure operated by concession companies over which the Group has joint control or significant influence. Interests in those concession companies amounted to €1,054 million at 31 December 2017.

The Group carries out impairment tests on goodwill, concession intangible assets and interests in concession companies accounted for under the equity method where there is an indication that an impairment loss has arisen. The recoverable amount is based on a value in use calculation, which is itself based on discounted future cash flow forecasts.

Determining the recoverable amount of these assets and any impairment losses to be recognised is a key audit matter, given the importance of estimates and the level of judgment required by Management regarding the operational performance and future traffic assumptions, long-term growth rates and discount rates used, and the sensitivity of the measurement to certain assumptions.

Audit work performed

For cash-generating units and concession intangible assets that are material or present what we regard as a substantial specific risk of impairment losses, we:

- checked the relevance of the approach used to determine the cash-generating units on which the asset value tests were carried out;
- familiarised ourselves with the way in which those value tests were carried out;
- assessed whether the main assumptions were reasonable, particularly regarding changes in operational performance and traffic levels, long-term growth rates and discount rates used, including by comparing those rates with our internal databases.

As regards goodwill, we assessed the appropriateness of information provided in the notes to the consolidated financial statements on the determination of underlying assumptions and sensitivity analyses in view of the appropriate accounting standard.

Provisions for liabilities and litigation

Notes H.18.3, H.19 and M to the consolidated financial statements

Description of the risk

The Group's companies are sometimes involved in litigation arising from their activities.

Provisions may, as the case may be, be set aside for these liabilities and litigation in accordance with the appropriate accounting standard, and the liabilities and litigation are assessed by VINCI and the subsidiaries concerned based on their knowledge of the matters.

Provisions for litigation (€541 million at 31 December 2017), other current liabilities (€974 million at 31 December 2017) and other non-current liabilities (€576 million at 31 December 2017) represented a total amount of €2,091 million at 31 December 2017.

Determining and measuring the recognised provisions for liabilities and litigation is a key audit matter given the amounts involved, the importance of estimates and the level of judgment required by management in determining those provisions, as regards the likely outcome of the corresponding liabilities and litigation.

Audit work performed
To obtain an understanding of existing liabilities and litigation and the related matters of judgment, we held discussions with the Group's departments, business lines and main subsidiaries. For each of the main liabilities and items of litigation identified, we:
• familiarised ourselves with the procedures used by the Group when measuring the corresponding provisions;
• corroborated the amount of provisions recognised with the lawyers' replies to our requests for information;
• carried out a critical review of internal analyses relating to the probability and possible impact of each liability and item of litigation, examining the available information relating to the proceedings (correspondence, claims, judgments, notifications etc.). In particular, we used our professional judgment to assess the positions adopted by Management, to see where they fell within risk assessment ranges, and the consistency of those positions over time.
We assessed the appropriateness of information provided in the notes to the consolidated financial statements regarding the main items of litigation identified.

4. Verification of information relating to the Group provided in the management report

We also verified, in accordance with the professional standards applicable in France and as required by law, the information concerning the Group presented in the management report by the Board of Directors.
We have no comments to make as to its fair presentation and its consistency with the consolidated financial statements.

5. Information resulting from other statutory and regulatory obligations

Appointment of the Statutory Auditors
We were appointed as Statutory Auditors of VINCI by shareholders in the Shareholders' General Meeting of 23 June 1989, taking into account mergers and acquisitions of firms since that date.
At 31 December 2017, KPMG Audit IS and Deloitte et Associés were in their 29th consecutive year as the company's Statutory Auditors.

6. Responsibilities of management and persons involved in corporate governance in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.
When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.
The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.
The consolidated financial statements have been approved by the Board of Directors.

7. Responsibilities of the Statutory Auditors as regards auditing the consolidated financial statements

Audit objective and procedure
Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.
As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.
When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:
• they identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;

• they familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
• they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the consolidated financial statements;
• they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
• they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view;
• regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.
The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's consolidated financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.
We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

The Statutory Auditors
Paris La Défense and Neuilly sur Seine, 9 February 2018
French original signed by

KPMG Audit IS
Jay Nirsimloo   Philippe Bourhis

Deloitte & Associés
Sami Rahal   Marc de Villartay

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Parent company financial statements

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Notes to the parent company financial statements

Income statement

(in € millions)	Notes	2017	2016
Revenue		12	13
Reversals of provisions and transfers of expenses		7	4
Other operating income		124	118
Revenue and other income		**143**	**135**
Other purchases and external charges		(74)	(58)
Taxes and levies		(10)	(5)
Wages, salaries and social benefit charges		(46)	(44)
Depreciation and amortisation		(4)	(4)
Provision charges		-	(1)
Other operating expenses		(2)	(1)
Operating expenses		**(135)**	**(112)**
Share in profit or loss of joint operations		-	-
Operating income		**8**	**22**
Income from investments in subsidiaries and affiliates		141	4,505
Income from other securities and fixed asset receivables		40	50
Other interest and similar income		268	173
Net income from disposals of marketable securities and treasury shares		-	1
Foreign exchange gains		64	55
Reversals of provisions and transfers of expenses		59	7
Financial income		**573**	**4,790**
Expenses related to investments in subsidiaries and affiliates		(1)	(1)
Interest paid and similar expenses		(117)	(106)
Net expense on disposal of marketable securities and treasury shares		(1)	(8)
Foreign exchange losses		(64)	(55)
Depreciation, amortisation and provisions		(149)	(79)
Financial expense		**(332)**	**(248)**
Net financial income/(expense)	**12**	**241**	**4,542**
Income from ordinary activities		**249**	**4,564**
Relating to operating transactions		5	11
Relating to capital transactions		-	-
Reversals of provisions and transfers of expenses		35	2
Exceptional income		**40**	**13**
Relating to operating transactions		(21)	(17)
Relating to capital transactions		(13)	(1)
Depreciation, amortisation and provisions		(1)	(1)
Exceptional expense		**(34)**	**(20)**
Net exceptional income/(expense)	**13**	**6**	**(7)**
Income tax expense	**14**	**214**	**187**
Net income for the period		**469**	**4,745**

Balance sheet

Assets

(in € millions)	Notes	31/12/2017	31/12/2016
Intangible assets	1	-	1
Property, plant and equipment	1	5	4
Financial assets	2	29,250	29,458
Treasury shares	3	1,282	1,282
Deferred expenses	4	10	11
Total non-current assets		**30,548**	**30,756**
Trade receivables and related accounts		225	160
Other receivables		366	276
Treasury shares	3	469	298
Other marketable securities	7	1,133	1,998
Cash management current accounts of related companies	7	1,667	2,522
Cash	7	1,534	1,328
Prepaid expenses	9	8	2
Total current assets		**5,402**	**6,584**
Translation differences, assets		120	85
Total assets		**36,070**	**37,425**

Equity and liabilities

(in € millions)	Notes	31/12/2017	31/12/2016
Capital	5	1,478	1,473
Premiums on share issues, mergers, asset contributions	5	9,989	9,566
Statutory reserve		150	150
Other reserves		46	46
Retained earnings		18,562	15,388
Net income for the period		469	4,745
Interim dividends		(383)	(349)
Equity	**5**	**30,311**	**31,019**
Other equity			-
Provisions	**6**	**278**	**200**
Financial debt	7	5,030	5,903
Other payables		247	254
Deferred income	9	28	1
Total liabilities		**5,306**	**6,158**
Translation differences, liabilities		175	49
Total equity and liabilities		**36,070**	**37,425**

Cash flow statement

(in € millions)		2017	2016
Operating activities			
Gross operating income		7	25
Financial and exceptional items		387	4,618
Tax		215	190
Cash flows from operations before tax and financing costs		**609**	**4,833**
Net change in working capital requirement		(164)	(96)
Total	**I**	**445**	**4,737**
Investing activities			
Operating investments		(2)	(1)
Disposal of non-current assets			-
Net operating investments			**(1)**
Acquisition of investments and securities		(509)	(1)
Proceeds from disposal of securities		20	-
Net financial investments			**(1)**
Change in other non-current financial assets and treasury shares		(716)	(561)
Total	**II**	**(1,207)**	**(563)**
Financing activities			
Increases in share capital		443	440
Dividends paid		(814)	(703)
Interim dividends		(383)	(349)
Total	**III**	**(754)**	**(612)**
Cash flow for the period	**I + II + III**	**(1,516)**	**3,562**
Net financial surplus/(debt) at 1 January		**9,018**	**5,456**
Net financial surplus/(debt) at 31 December		**7,502**	**9,018**

Notes to the parent company financial statements

The financial statements at 31 December 2017 have been prepared in accordance with the general conventions required by France's General Accounting Plan, in accordance with Regulation no. 2016-07 issued by the Autorité des Normes Comptables (ANC, the French accounting standards setter).

However, in a departure from the French General Accounting Plan and in order to improve the presentation of its financial statements, VINCI reports changes in provisions relating to a given income or expense item on the same line of the income statement as determined by its nature, which may be operating, financial, exceptional or tax.

A. Key events in the period

1. Financing activities

VINCI redeemed two bond issues and a private placement with an initial maturity of five years, totalling €1,100 million, when they matured in January and February 2017, along with 200 million Swiss francs (€162 million) of six-year bonds when they matured in December 2017.

In February 2017, VINCI carried out a placement of $450 million (€420 million) of five-year non-dilutive cash-settled convertible bonds maturing in 2022, with a coupon of 0.375%. At the same time, VINCI purchased cash-settled call options to hedge its economic exposure in the event that the conversion rights embedded in the bonds were exercised.

In May and November 2017, VINCI carried out two additional placements on the same terms (except for the issue price), in amounts of $125 million and $150 million respectively (€242 million).

2. Treasury shares

Under its share buy-back programme, VINCI purchased 8,573,859 shares in 2017 for €645 million, at an average price of €75.23 per share.

On 15 December 2017, VINCI cancelled 5,736,988 million treasury shares representing a purchase price of €421 million, at an average price of €73.46 per share.

The gross carrying amount of treasury shares thus increased from €1,580 million at 31 December 2016 to €1,751 million at 31 December 2017 at an average price of €48.21 per share.

At 31 December 2017, VINCI held 36,317,368 of its own shares (i.e. 6.14% of its capital) in treasury. Those shares are either allocated to covering long-term incentive plans and employer contributions to international employee share ownership plans, or intended to be used as payment for acquisitions, sold or cancelled.

3. Subsidiaries and affiliates

VINCI increased the share capital of its subsidiary VINCI Finance International by €500 million. That amount was fully paid up during the first half of the year.

VINCI also reduced the share capital of its SOC 55 subsidiary by €32 million.

Finally, after the transfer of all assets and liabilities by its Gecom subsidiary in November 2017, VINCI now owns 100% of its subsidiary VINCI Deutschland GmbH.

B. Notes to the balance sheet

1. Intangible assets and property, plant and equipment

Accounting policies and methods

As a general rule, software recorded under "Concessions, patents and licences" is amortised over two or three years on a straight-line basis.

Property, plant and equipment is recognised at acquisition cost, including acquisition and installation costs. The Company applies Opinion no. 2004-06, issued by the Conseil National de la Comptabilité (CNC, the French national accounting board and former accounting standards authority), on the definition, recognition and measurement of assets.

Depreciation is calculated on a straight-line basis over an asset's estimated useful life:

Constructions	10 to 40 years
Other property, plant and equipment	3 to 10 years

Gross values

(in € millions)	31/12/2016	Acquisitions	Disposals	31/12/2017
Concessions, patents and licences	9	-	-	9
Total intangible assets	**9**	**-**	**-**	**9**
Land	3	-	-	3
Constructions	2	-	-	2
Other property, plant and equipment and assets under construction	7	-	-	7
Total property, plant and equipment	**12**	**-**	**-**	**12**

Property, plant and equipment is used mainly for the Company's operations or those of its subsidiaries. However, some properties may be rented to third parties.

Depreciation, amortisation and impairment

(in € millions)	31/12/2016	Expense	Reversals	31/12/2017
Concessions, patents and licences	8	-		9
Total intangible assets	**8**	**-**	**-**	**9**
Constructions	2	-	-	2
Other property, plant and equipment	6	1	-	7
Total property, plant and equipment	**8**	**1**	**-**	**9**

2. Financial assets

Accounting policies and methods

Investments in subsidiaries and affiliates are measured at their cost of acquisition. In accordance with Regulation no. 2004-06, issued by the Comité de la Règlementation Comptable (CRC, the French accounting regulations committee), on the definition and recognition of assets, VINCI includes the associated acquisition expenses in the cost of shares. If this cost is greater than the asset's value in use, an impairment allowance is taken equal to the difference, as an exceptional item.

Value in use is determined on the basis of the portion of the equity represented by the shares. This portion is adjusted if necessary to take account of the cash flow prospects for the companies in question.

Capital gains or losses on disposal of shareholdings are recorded under exceptional income and expense.

Gross values

(in € millions)	31/12/2016	Acquisitions	Disposals	Contributions	31/12/2017
Investments in subsidiaries and affiliates	20,454	41	(28)	468	20,934
Receivables connected with investments in subsidiaries and affiliates	9,043	1,177	(1,876)		8,344
Other fixed asset securities	5	-	(2)		4
Other non-current financial assets	3	1	-		4
Total	**29,506**	**1,219**	**(1,906)**	**468**	**29,286**

The decrease in receivables connected with investments in subsidiaries and affiliates relates mainly to the loan granted by VINCI SA to ASF.

Impairment allowances

(in € millions)	31/12/2016	Expense	Reversals	31/12/2017
Investments in subsidiaries and affiliates	35	-	(10)	25
Receivables connected with investments in subsidiaries and affiliates	6	-	(1)	5
Other fixed asset securities	4	-	(2)	2
Other non-current financial assets	3	-	-	3
Total	**48**	**-**	**(13)**	**35**

3. Treasury shares

Accounting policies and methods

Treasury shares allocated to share purchase option and performance share plans are recognised under marketable securities.
In accordance with CRC Regulation no. 2008-15, a provision is taken as a financial expense during the period in which the beneficiaries' rights vest, whenever an expense becomes probable.

Treasury shares not allocated to plans are recorded under other non-current financial assets at their acquisition cost.
An impairment allowance is recognised as a financial expense if the average stock market price of these shares during the last month of the period is lower than their unit cost. However, shares intended for cancellation are not written down.

Whenever plans are hedged by call options, the premiums paid are recorded under marketable securities when the options hedge share purchase option plans or performance share plans, and under other non-current financial assets when these options hedge share subscription option plans.

In both cases, a provision is recognised whenever an expense becomes probable. Income and expense relating to treasury shares (provisions and gains or losses on disposal) are recognised under financial income/(expense).

Transactions under the 2016/2017 and 2017/2018 share buy-back programmes:

Gross values

	31/12/2016		Increases: buy-backs		Decreases: disposals and transfers		Reclassifications: transfers between accounts		31/12/2017	
	Unit value in €	Value in €m	Unit value in €	Value in €m	Unit value in €	Value in €m	Unit value in €	Value in €m	Unit value in €	Value in €m
Shares bought back to use in payment or exchange	43.97	1,282							43.97	1,282
Shares bought back to be cancelled			73.89	417	73.46	(421)	46.54	4		-
Subtotal directly held treasury shares		**1,282**		**417**		**(421)**		**4**		**1,282**
Liquidity account										
Subtotal non-current financial assets		**1,282**		**417**		**(421)**		**4**		**1,282**
Shares intended to be transferred to the beneficiaries of performance share and employee share ownership plans	53.98	298	77.81	228	44.13	(53)	46.54	(4)	65.48	469
Subtotal current assets		298		**228**		**(53)**		**(4)**		**469**
Total cash transactions on VINCI shares		**1,580**		**645**		**(474)**		**-**		**1,751**

During 2017:
• VINCI acquired 8,573,859 shares on the market for a total of €645 million, at an average price of €75.23 per share.
• 1 204 857 treasury shares were transferred to beneficiaries of employee share ownership plans, notably in respect of the 2014 Castor International plan and the long-term performance share incentive plan adopted by the Board of Directors on 15 April 2014. These share transfers generated an expense of €53 million, covered by a release for the same amount of provisions previously taken in this respect.

Impairment allowances

No impairment allowance for treasury shares was recorded at 31 December 2017 or 31 December 2016, since the shares' average stock market price in December was higher than their unit cost.

Number of shares

	31/12/2016	Increases: buy-backs	Decreases: disposals and transfers	Reclassifications: transfers between accounts	31/12/2017
Shares bought back to use in payment or exchange	29,162,955	-		-	29,162,955
Shares bought back to be cancelled	-	5,647,220	(5,736,988)	89,768	-
Subtotal directly held treasury shares	**29,162,955**	**5,647,220**	**(5,736,988)**	**89,768**	**29,162,955**
Liquidity account					
Subtotal non-current financial assets	**29,162,955**	**5,647,220**	**(5,736,988)**	**89,768**	**29,162,955**
Shares intended to be transferred to the beneficiaries of performance share and employee share ownership plans	5,522,399	2,926,639	(1,204,857)	(89,768)	7,154,413
Subtotal current assets	**5,522,399**	**2,926,639**	**(1,204,857)**	**(89,768)**	**7,154,413**
Total cash transactions on VINCI shares	**34,685,354**	**8,573,859**	**(6,941,845)**	**-**	**36,317,368**

At 31 December 2017, VINCI held 36,317,368 treasury shares directly, for a total of €1,751 million (representing 6.14% of the share capital). 7,154,413 shares (€469 million) were allocated to covering long-term incentive plans and employee share ownership transactions, and 29,162,955 shares (€1,282 million) were intended to be either exchanged as part of acquisition transactions or sold.

4. Deferred expenses

(in € millions)	31/12/2016	New deferrals	Amortisation	31/12/2017
Deferred expenses	11	2	(3)	**10**

Deferred expenses at 31 December 2017 also include the balance of issuance costs and redemption premiums relating to bond issues.

5. Equity

(in € millions)	Capital	Share premium	Other reserves and regulated provisions	Profit or loss	Total
Equity at 31/12/2016	**1,473**	**9,566**	**15,235**	**4,745**	**31,019**
Appropriation of 2016 net income and payment of dividends			3,931	(4,745)	**(814)**
Interim dividend in respect of 2017			(383)		**(383)**
Increases in share capital	19	423			**443**
Decrease in share capital	(14)		(407)		**(422)**
Net income for 2017				469	**469**
Equity at 31/12/2017	**1,478**	**9,989**	**18,375**	**469**	**30,311**

At 31 December 2017, VINCI's share capital amounted to €1,478 million, represented by 591,216,948 shares of €2.50 nominal, all conferring the same rights.

Dividends paid in 2017 amounted to €1,197 million, corresponding to the final dividend in respect of 2016 for €814 million (€1.47 per share) and the interim dividend in respect of 2017 for €383 million (€0.69 per share).

The share capital increases in the period, amounting to €443 million, are the result of subscriptions to Group savings plans for €373 million, and the exercise of subscription options for €70 million.

On 15 December 2017, VINCI cancelled 5,736,988 million treasury shares with a purchase price of €421 million.

VINCI has reserves (share premiums, merger and contribution premiums, reserves other than the statutory reserve) of an amount greater than the amount of all the treasury shares it owned directly or indirectly at 31 December 2017.

(in € millions)	Number of shares	Capital	Share premiums and other reserves	Total
Employees' subscriptions to Group savings plans	5,849,360	15	358	**373**
Exercise of share subscription options	1,799,056	5	65	**70**
Decrease in share capital	(5,736,988)	(14)	(407)	**(421)**
Total	**1,911,428**	**6**	**16**	**22**

6. Provisions

Accounting policies and methods

Provisions are recorded in the balance sheet in respect of the Company's obligations to pay supplementary pensions to certain employees or company officers, for the part relating to beneficiaries who are retired. An off-balance sheet commitment is recorded for the portion relating to beneficiaries who have not yet retired.

Retirement benefit obligations (lump sums paid on retirement and supplementary retirement benefit plans) are measured using the prospective actuarial method (the projected unit credit method) on the basis of external assessments made at each period end, for each existing plan.

Other provisions are intended to cover the risks arising from past or present events that are probable at the balance sheet date. They are estimates as regards their amount and expected period of use.

			Reversals		
(in € millions)	**31/12/2016**	**Expense**	**Provisions used**	**No longer needed**	**31/12/2017**
Retirement and other employee benefit obligations	26	-	(5)		21
Liabilities in respect of subsidiaries	3	-	-		4
Other provisions	171	142	(60)		253
Total	**200**	**143**	**(65)**	**-**	**278**

Provisions for retirement and similar benefit obligations relate solely to beneficiaries who have retired.

Retirement benefit obligations are calculated on the basis of the following actuarial assumptions:

	31/12/2017	**31/12/2016**
Discount rate	1.75%	1.2%
Inflation rate	1.6%	1.6%
Rate of pension increases	0.8% - 1.6%	0.8% - 1.6%
Rate of salary increases	2.6 %	1.6% - 4.0%

Other provisions relate in particular to VINCI's obligation to deliver shares subject to performance conditions under the long-term incentive plans decided by the Board of Directors on 14 April 2015 and 19 April 2016, as well as under the performance share plan decided by the Board of Directors on 20 April 2017. Provisions taken in this respect in 2017, for €45 million, €73 million and €43 million respectively, reflect the estimated probability, at 31 December 2017, that these shares will vest.

7. Net financial (surplus)/debt

Accounting policies and methods

Marketable securities are recognised at their acquisition cost and an impairment loss is recorded at the period end whenever the cost is higher than the latest net realisable value.

Loans (bonds, bank and intragroup borrowing) are recorded under liabilities at their nominal value. The associated issuance costs are recorded under deferred expenses, redemption premiums under assets, and issuance premiums under deferred income. These three items are amortised over the length of the loan.
Loans and advances are recognised at nominal value. In the event of a risk of non-recovery, an impairment allowance is recognised.

(in € millions)	**2017**	**2016**
Bonds	1,878	2,484
Borrowings from financial institutions	-	-
Accrued interest on bonds	26	61
Long-term financial debt	**1,904**	**2,545**
Borrowings from financial institutions and bank overdrafts	1	-
Other borrowings and financial debt	1,034	1,487
Cash management current accounts of related companies	2,169	1,834
Short-term financial debt	**3,204**	**3,321**
Total financial debt	**5,108**	**5,866**
Receivables connected to investments in subsidiaries and affiliates and loans	**(8,339)**	**(9,037)**
Marketable securities	(1,070)	(1,998)
Cash management current accounts of related companies	(1,667)	(2,522)
Cash	(1,534)	(1,328)
Short-term cash	**(4,271)**	**(5,848)**
Net financial (surplus)/debt	**(7,502)**	**(9,018)**

VINCI's financial situation went from a net financial surplus of €9,018 million at 31 December 2016 to a net financial surplus of €7,502 million at 31 December 2017.

The decrease in long-term financial debt resulted from redemptions of maturing bonds (totalling €1,262 million), partly offset by new placements (totalling €662 million) (see section A "Key events in the period"). Financial debt includes related currency translation differences.

The cash management current accounts of related companies, shown under assets and liabilities, represent the balance of movements of cash between the subsidiaries and the holding company under the Group's centralised cash management system.

Marketable securities mainly comprise certificates of deposit and money market UCITS with maturities of usually less than three months, whose carrying amount is close to their net asset value.

8. Market value of derivatives

Accounting policies and methods
Forward financial instruments and derivative financial instruments are measured at the period end. A provision is recognised in the income statement for any unrealised losses when the instruments are not designated as hedges.

VINCI uses derivatives to hedge its exposure to market risks in respect of its financial debt and to cover its subsidiaries' hedging needs.

At 31 December 2017, the market value of these financial instruments broke down as follows:

(in € millions)	Market value	Notional
Interest rate instruments		
- Interest rate swaps	32	2,270
- Cross-currency swaps	(34)	514
Currency instruments		
- Forward purchases		212
- Forward sales	(3)	202
- Cross-currency swaps	(6)	1,115

9. Receivables and payables

Accounting policies and methods
Trade receivables are measured at their nominal value. An impairment allowance is recognised if there is a possibility of non-recovery of these receivables.
Receivables and payables denominated in foreign currency are measured at the closing rate or at their hedged rate. Any gains or losses arising on this translation are recorded in the balance sheet as translation differences. Provisions are taken in respect of any unrealised losses unless specific rules are laid down in the accounting regulations.

Receivables at 31 December 2017

	Gross	Of which	
(in € millions)		Within 1 year	After 1 year
Receivables connected with investments in subsidiaries and affiliates	8,344	721	7,623
Loans and other non-current financial assets	-	-	
Non-current assets	**8,344**	**721**	**7,623**
Trade receivables and related accounts	226	226	
Other receivables	51	51	
Cash management current accounts of related companies	1,667	1,667	
Prepaid expenses	8	8	
Current assets	**1,952**	**1,952**	**-**
Total	**10,296**	**2,673**	**7,623**

Allowances against receivables

Allowances against current assets changed as follows during the period:

(in € millions)	31/12/2016	Expense	Reversals	31/12/2017
Trade receivables	1	1	(1)	1
Other receivables	67		(21)	46
Total	**68**	**1**	**(22)**	**46**

Liabilities at 31 December 2017

(in € millions)	Gross	Of which: Within 1 year	Of which: Between 1 and 5 years	Of which: After 5 years
Bonds	1,849	26	1,823	
Amounts owed to financial institutions				
Other borrowings and financial debt	1,012	1,012		
Cash management current accounts of related companies	2,169	2,169		
Financial debt	**5,030**	**3,207**	**1,823**	**-**
Trade payables and related accounts	30	30		
Tax, employment and social benefit liabilities	28	28		
Liabilities related to non-current assets and related accounts	-	-		
Other payables	189	189		
Deferred income	28	28		
Other liabilities	**275**	**275**		
Total	**5,305**	**3,482**	**1,823**	**-**

In accordance with France's LME Act on modernising the economy, and Article L.441-6-1 of the French Commercial Code, the following table shows VINCI's debt to its suppliers by maturity:

Maturity of trade payables at 31 December 2017

(in € millions)	31/12/2017	31/12/2016
Within 30 days	2	3
Between 30 and 60 days	3	-
Total	**5**	**3**

10. Accrued expenses, by balance sheet item

(in € millions)	31/12/2017	31/12/2016
Financial debt		
Accrued interest on bonds	26	61
Other payables		
Trade payables and related accounts	17	16
Other tax, employment and social benefit liabilities	19	21
Other liabilities	4	1

11. Accrued income, by balance sheet item

(in € millions)	31/12/2017	31/12/2016
Financial assets		
Receivables connected with investments in subsidiaries and affiliates	15	15
Receivables		
Trade receivables and related accounts	190	123
Other	4	3
Cash	24	34

C. Notes to the income statement

12. Net financial income/(expense)

(in € millions)	2017	2016
Income from subsidiaries and affiliates	140	4,504
Net financial expense	99	40
Foreign exchange gains and losses	-	-
Provisions and other	2	(2)
Net financial income/(expense)	**241**	**4,542**

Income from investments in subsidiaries and affiliates corresponds to the dividends received from subsidiaries.
The line item "Provisions and other" consists mainly of the results of transactions on treasury shares.

13. Net exceptional income/(expense)

(in € millions)	2017	2016
Gain/(loss) on capital transactions		
- Disposals of property, plant and equipment and intangible assets	-	-
- Disposals/contributions of shares and securities	(12)	(1)
Income/(expense) relating to operations	(16)	(6)
Exceptional provisions	34	1
Net exceptional income/(expense)	**6**	**(7)**

14. Income tax expense

Accounting policies and methods

Under the group tax regime agreement between VINCI SA and those subsidiaries that are members of the tax group, tax savings made by the tax group connected with the tax losses of some subsidiaries are recognised by the parent company as income for the period.

Provisions for tax taken and reversed are recorded here.

The line item "Income tax expense" records income and expense connected with the group tax regime of which VINCI is the lead company.

There was net tax income of €214 million in 2017, compared with net tax income of €187 million in 2016.
Tax income in respect of 2017 received from subsidiaries that are members of the tax group amounted to €1,074 million (€1,019 million in 2016) and the tax expense due by VINCI was €990 million (€794 million in 2016). The tax expense includes a €255 million impact resulting from an exceptional contribution (equal to 30% of the corporate income tax liability) levied on companies with revenue of more than €3 billion.

The line item also included a €24 million expense with respect to the additional 3% tax on dividend payments (€32 million in 2016), along with a €151 million rebate of that tax (including interest) following the decision by France's Constitutional Council of 8 October 2017 declaring this tax unconstitutional.

The amount of the CICE (competitiveness and jobs tax credit) recognised with respect to 2017 in VINCI SA's financial statements is not material.

15. Related companies

15.1 Balance sheet

Balance sheet items at 31 December 2017 in respect of related companies break down as follows:

(in € millions)	
Assets	
Non-current assets	
Investments in subsidiaries and affiliates	20,909
Receivables connected with investments in subsidiaries and affiliates	8,339
Current assets	
Trade receivables and related accounts	215
Other receivables	62
Cash management current accounts of related companies	1,667
Equity and liabilities	
Cash management current accounts of related companies	2,169
Trade and other operating payables	
Trade payables and related accounts	5
Other payables	165

15.2 Income statement

The transactions with related companies recorded in 2017 break down as follows:

(in € millions)	
Financial income	**407**
Cash management current accounts	16
Loans to subsidiaries	39
Dividends (including results of joint ventures)	143
Other	209
Financial expense	**(4)**
Cash management current accounts	(4)

16. Off-balance sheet commitments

(in € millions)	31/12/2017	31/12/2016
Sureties and guarantees	347	114
Retirement benefit obligations	35	37
Total	**382**	**151**

The line item "Sureties and guarantees" relates mainly to the guarantees given by VINCI on behalf of certain of its subsidiaries in favour of financial institutions or directly to those subsidiaries' customers.

Retirement benefit obligations comprise lump sums payable on retirement to VINCI personnel and obligations for a supplementary retirement benefit in favour of certain employees or company officers in service.

17. Remuneration and employees

Remuneration of executives

Remuneration, including social benefit charges, recognised in respect of members of Group corporate management bodies, for the share borne by VINCI in 2017, breaks down as follows:

(in € thousands)	Members of the Executive Committee	Directors who are not members of the Executive Committee
Remuneration	10,310	330
Directors' fees		1,127

Retirement benefit obligations towards members of corporate governing bodies, corresponding to the rights acquired as at 31 December 2017, break down as follows:

(in € thousands)	Members of the Executive Committee	Directors who are not members of the Executive Committee
Retirement benefit obligations	29,646	7,849

The members of the corporate governing bodies are also entitled to share subscription and purchase option plans, as well as performance share plans.

Average numbers employed

The average number of people employed by the Company was 267 (including 199 engineers and managers) in 2017, as opposed to 254 (including 187 engineers and managers) in 2016. In addition, 15 employees on average were seconded to VINCI by subsidiaries or external suppliers in 2017 (including 11 engineers and managers), compared with 18 in 2016 (including 9 engineers and managers).

Personal training account (CPF)

In application of CNC Opinion no. 2004 F relating to the recognition of the individual entitlement to training, VINCI has taken no provisions for these rights in the financial statements for the period ended 31 December 2017.
Since 1 January 2015, personal training accounts have been managed by an accredited fund collection agency (OPCA).

D. Post-balance sheet events

18. Appropriation of 2017 income

The Board of Directors finalised the financial statements for the year ended 31 December 2017 on 7 February 2018. These financial statements will only become definitive when approved by the Shareholders' General Meeting to be held on 17 April 2018. A resolution will be put to shareholders in that meeting for the payment of a dividend of €2.45 per share in respect of 2017. Taking account of the interim dividend already paid in November 2017 (€0.69 per share), this means that the final dividend will be €1.76 per share, representing a total of around €866 million on the basis of the shares giving a right to dividends at the date of the meeting of the Board of Directors called to approve the financial statements, i.e. 7 February 2018.

E. Subsidiaries and affiliates at 31 December 2017

The information in the following table reflects only the individual financial statements of the subsidiaries.

(in € thousands)	Capital	Reserves and retained earnings before net income appropriation	Share of capital held (%)	Carrying value of shares held		Loans and advances made by VINCI	Sureties and guarantees given by VINCI	Revenue excl. tax in the last financial year	Net income in the last financial year	Dividends received by VINCI
				Gross	Net					
A - Detailed information by entity										
1 - Subsidiaries (at least 50%-owned by VINCI)										
a - French entities										
VINCI Concessions	4,306,926	2,281,803	100.00%	6,535,932	6,535,932	1,316,162		77,869	195,318	
VINCI Construction	162,806	766,089	100.00%	1,313,265	1,313,265	342,688		12,850	9,532	
VINCI Energies	123,063	1,038,419	99.34%	1,041,348	1,041,348	225,607		164,462	71,464	
Eurovia	366,400	99,312	100.00%	1,034,160	1,034,160	262,000			111,041	
VINCI Immobilier	39,600	27,486	100.00%	111,398	111,398	193,042		17,107	45,745	
VINCI Colombia	70,000	876	100.00%	70,000	70,000	9,565			908	
Ornem	6,000	2,320	100.00%	24,463	9,932				1,592	
VINCI Assurances	38	77	99.44%	38	38			10,294	2,026	1,989
b - Foreign entities										
VINCI Finance International	4,788,700	578,883	100.00%	4,788,700	4,788,700	800,000			41,548	
2 - Affiliates (10%- to 50%-owned by VINCI)										
a - French entities										
VINCI Autoroutes	5,237,534	4,719,298	45.91%	5,908,534	5,908,534	1,480,000		13,551	322,242	138,272
b - Foreign entities										
B - Information not broken down by entity										
1 - Subsidiaries not included in paragraph A (at least 50%-owned by VINCI)										
a - French subsidiaries (in aggregate)				47,819	40,536					
b - Foreign subsidiaries (in aggregate)				2,125						
2 - Affiliates not included in paragraph A (10%- to 50%-owned by VINCI)										
a - French companies (in aggregate)				405	166					
b - Foreign companies (in aggregate)				225	12					

NB: Revenue and net income of foreign subsidiaries and affiliates are translated at the closing rates. Information about affiliates representing less than 1% of VINCI's share capital is aggregated, in accordance with Article R.123-197-2 of the French Commercial Code.

Five-year financial summary

	2013	2014	2015	2016	2017
I - Share capital at the end of the period					
a - Share capital *(in € thousands)*	1,504,245	1,475,247	1,471,133	1,473,264	1,478,042
b - Number of ordinary shares in issue [1]	601,697,972	590,098,637	588,453,075	589,305,520	591,216,948
II - Operations and net income for the period *(in € thousands)*					
a - Revenue excluding taxes	12,393	13,336	12,335	13,129	12,102
b - Income before tax, employee profit sharing, amortisation and provisions	763,574	2,878,154	6,853,659	4,631,226	327,610
c - Income tax [2]	42,360	(116,472)	(234,008)	(186,628)	(214,558)
d - Income after tax, employee profit sharing, amortisation and provisions	1,060,238	2,792,406	7,126,347	4,744,753	468,877
e - Earnings for the period distributed	988,980	1,228,454	1,018,529	1,163,058	1,360,506 [3][4]
III - Results per share *(in €)* [5]					
a - Income after tax and employee profit sharing and before amortisation and provisions	1.2	4.7	12.0	8.2	0.9
b - Income after tax, employee profit sharing, amortisation and provisions	1.8	4.7	12.1	8.1	0.8
c - Net dividend paid per share	1.77	2.22	1.84	2.10	2.45
IV - Employees					
a - Average numbers employed during the period	214	226	233	254	267
b - Gross payroll cost for the period *(in € thousands)*	20,371	25,775	25,709	25,887	27,468
c - Social security costs and other social benefit expenses *(in € thousands)*	9,752	10,928	12,843	13,125	16,978

(1) There were no preferential shares in issue in the period under consideration.
(2) Taxes recovered from subsidiaries under tax consolidation arrangements, less VINCI's own tax charge (sign convention = (net income) / net expense).
(3) Calculated on the basis of the number of shares that gave a right to the interim dividend on 1 January 2017 and/or give a right to dividends at the date of approval of the financial statements, i.e. 7 February 2018
(4) Proposal to the Shareholders' General Meeting of 17 April 2018.
(5) Calculated on the basis of shares outstanding at 31 December.

Report of the Statutory Auditors on the parent company financial statements

For the year ended 31 December 2017

To VINCI's Shareholders' General Meeting,

1. Opinion

In accordance with our appointment as Statutory Auditors by your Shareholders' General Meeting, we have audited the accompanying parent company financial statements of VINCI for the year ended 31 December 2017.
In our opinion, the parent company financial statements for the year give a true and fair view of the Company's financial position, assets and liabilities at the end of the year and results for the year, in accordance with generally accepted accounting principles in France.
The opinion formulated above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.
Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the parent company financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules applicable to us between 1 January 2017 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the Statutory Auditors' profession in France.

3. Justification of our assessments – Key audit matters

As required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's parent company financial statements, and our responses to those risks.
Those assessments were made in the context of our audit of the parent company financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the parent company financial statements taken in isolation.

Assessment of investments in subsidiaries and affiliates

Note B.2 to the parent company financial statements

Description of the risk
At 31 December 2017, the net carrying amount of investments in consolidated and non-consolidated subsidiaries and affiliates was €20,909 million, equal to 58% of total assets. They are recognised on the balance sheet at their acquisition cost. In accordance with Regulation no. 2004-06, issued by the Comité de la Règlementation Comptable (CRC, the French accounting regulations committee), on the definition and recognition of assets, VINCI includes the associated acquisition expenses in the cost of the investments.
Where that cost is greater than the asset's value in use, an impairment allowance is taken equal to the difference, as an exceptional item. Value in use is determined on the basis of the portion of the equity represented by the investments. This portion is adjusted if necessary on the basis of estimates used by management to determine the value in use of the investments in the companies in question.
Given the extent of the investments in subsidiaries and affiliates on the balance sheet and their sensitivity to changes in the data and assumptions on which management bases its estimates when determining their value in use, we took the view that assessing the value in use of investments in subsidiaries and affiliates was a key audit matter that presented a risk of material misstatement.

Audit work performed
For investments in subsidiaries and affiliates that are material or present a specific risk, we:
• reviewed, on a test basis, the arithmetic accuracy of the value in use calculations used by the Company and any impairment charges recognised;
• checked that the equity figures used in impairment tests agreed with the financial statements of audited entities and that any adjustments made to equity were based on appropriate documentation;
• checked, on the basis of the information provided to us, that value in use estimates made by management were based on an appropriate justification of the valuation method and figures used.

4. Verification of the management report of the Board of Directors and other documents addressed to the shareholders

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information provided in the management report of the Board of Directors and in other documents addressed to the shareholders concerning the financial position and parent company financial statements

We are satisfied that the information given in the management report of the Board of Directors and in the documents provided to shareholders concerning the Company's financial position and parent company financial statements is fairly stated and agrees with the parent company financial statements.

Information on corporate governance

We confirm that the section of the management report of the Board of Directors devoted to corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.
As regards the information provided pursuant to the provisions of Article L.225-37-3 of the French Commercial Code on remuneration and benefits paid to and commitments made to the directors and executive officers, we have verified that this information is consistent with the financial statements or the data used to prepare the financial statements, and, where applicable, the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we confirm that this information is accurate and fairly presented.
As regards information relating to items that your Company considered capable of having an impact in the event of a public tender or exchange offer, provided in accordance with Article L.225-37-5 of the French Commercial Code, we have checked that it is consistent with the documents from which it originates and that were sent to us. On the basis of our work, we have no observations to make on that information.

Other information

As required by law, we have satisfied ourselves that information relating to the identity of owners of capital and voting rights has been provided to you in the management report of the Board of Directors.

5. Information resulting from other statutory and regulatory obligations

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of VINCI by its shareholders at the Shareholders' General Meeting of 23 June 1989, taking into account mergers and acquisitions of firms since that date.
At 31 December 2017, KPMG Audit IS and Deloitte & Associés were in their 29th consecutive year as the Company's Statutory Auditors.

6. Responsibilities of management and persons involved in corporate governance in relation to the parent company financial statements

Management is responsible for preparing parent company financial statements that present a true and fair view, in accordance with generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing parent company financial statements that do not contain any material misstatements, whether due to fraud or error.
When preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.
The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.
The parent company financial statements have been approved by the Board of Directors.

7. Responsibilities of the Statutory Auditors in relation to auditing the parent company financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.
As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:

• they identify and assess the risks that the parent company financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;

• they familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;

• they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the parent company financial statements;

• they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the parent company financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;

• they assess the overall presentation of the parent company financial statements and assess whether the parent company financial statements reflect the underlying operations and events so that they give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's parent company financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

The Statutory Auditors
Paris La Défense and Neuilly sur Seine, 9 February 2018
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' report on the parent company financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the parent company financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the parent company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the parent company financial statements.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Special report of the Statutory Auditors on regulated agreements and commitments

Shareholders' General Meeting held to approve the financial statements for the financial year ended 31 December 2017

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements and commitments, and the reasons put forward for their benefit to the Company, which have been brought to our attention or which we may have discovered in the course of our audit, without having to express an opinion on their usefulness and appropriateness or identify such other agreements and commitments, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past financial year of agreements and commitments previously approved by the Shareholders' General Meeting, if any.

We have carried out the procedures we considered necessary in accordance with the professional guidelines of the Compagnie Nationale des Commissaires aux Comptes (CNCC, the representative body of the statutory audit profession in France) relating to this engagement. Those procedures involved checking whether the information given to us was consistent with the underlying documents from which it was derived.

Agreements and commitments subject to the approval of the Shareholders' General Meeting

1. Agreements and commitments authorised during the past financial year

We hereby inform you that we have not been advised of any authorised agreements or commitments during the past financial year to submit for the approval of the Shareholders' General Meeting in application of the provisions of Article L.225-38 of the French Commercial Code.

2. Agreements and commitments authorised since the close of the financial year

We have been advised of the following agreements and commitments, which received prior authorisation from your Board of Directors and were approved after the close of the financial year under review.

Agreement between VINCI and YTSeuropaconsultants

Person concerned: Yves-Thibault de Silguy, Managing Director and sole shareholder of YTSeuropaconsultants and Vice-Chairman and Lead Director of the Board of VINCI

On 7 February 2018, the Company entered into a services agreement with YTSeuropaconsultants, a French limited liability company ("Société à responsabilité limitée") with a sole shareholder, under the terms of which Mr de Silguy assists the Chairman and Chief Executive Officer in his role as representative of the VINCI Group, in particular in dealings with French or foreign public authorities, major clients, current or potential French or foreign shareholders and individual shareholders at regular meetings organised by the Company for that purpose.

This agreement, which was concluded for a period of four years with an option for the Board of Directors to terminate it at the end of each year of Mr de Silguy's term of office as a Director, will come into effect upon its approval by shareholders at the Shareholders' General Meeting of 17 April 2018 and will replace the previous agreement mentioned in the second part of this report. Remuneration for these services, whose performance will be verified by the Audit Committee, will be set at a lump sum of €330,000 per annum or €27,500 (excluding VAT) per month.

The Board of Directors authorised this agreement at its 7 February 2018 meeting, considering that it was in the interest of the Group that Mr de Silguy continue to provide his assistance.

Commitments in favour of Xavier Huillard as Chairman and Chief Executive Officer

VINCI's Board of Directors believes that by renewing the principle of a severance payment in accordance with the Afep-Medef code and by maintaining the pension benefits granted to Mr Huillard, it will be continuing to remunerate this executive appropriately, even while making each year's increase in the pension payment limit – equal to 0.55 times the annual French social security ceiling – subject to the achievement of certain performance conditions.

a) Pension commitment in favour of Xavier Huillard as Chairman and Chief Executive Officer
Person concerned: Xavier Huillard, Chairman and Chief Executive Officer of VINCI

At its meeting of 3 March 2010, the Board of Directors had decided that Xavier Huillard would be deemed a senior executive from the start of his term as Chairman and Chief Executive Officer so as to entitle him to participate in the defined benefit pension plan that applies to other senior executives of VINCI. This commitment was approved by shareholders at the Shareholders' General Meetings of 6 May 2010 and 15 April 2014.

During its 7 February 2018 meeting, the Board of Directors decided that Mr Huillard would continue to be deemed a senior executive so that he could continue to participate in the Company's insurance and pension plans.

The purpose of the Company's specific pension plan for senior executives is to guarantee them a supplementary annual pension provided they have completed at least 10 years of service and subject to certain conditions, including the requirement to have ended their professional career with the Company. When they begin to draw their pension, senior executives receive between 20% and 40% of their average annual remuneration over the 36 months preceding their retirement, up to an annual payment limit. This limit will be gradually increased by 0.55 times the annual French each year to reach a maximum of 8 times that ceiling on 1 January 2019. In 2017, the limit was 6.9 times the annual French social security ceiling, or €270,673. At 1 January 2018, it was 7.45 times the annual French social security ceiling, or €296,003.

When Mr Huillard's term of office is renewed, there will still be one remaining increase of 0.55 times the annual French social security ceiling, to reach 8 times the ceiling, or €317,856.

At its meeting of 7 February 2018, the Board of Directors decided that the final increase of 0.55 times the annual French social security ceiling would be subject to a performance condition, with the rights corresponding to 7.45 times the ceiling already vested, provided Mr Huillard adheres to the specific terms applying to him and detailed below, given that he does not have the status of employee.

The performance condition will be based on the ratio of the return on capital employed (ROCE) to the weighted average cost of capital (WACC), as recognised by the Board on 31 December 2018. Both the numerator and denominator of this ratio would be calculated as an average over the same three years (2016, 2017 and 2018). 100% of the increase would vest if this ratio is greater than or equal to 1.10 and 0% of the increase would vest if the ratio is less than 1, with linear interpolation between the two limits. However, when applying this rule, the Board would reserve the option to take into account the potential impact of any major acquisitions.

The Board of Directors would determine whether the performance condition had been met when it finalises the 2018 financial statements.

Once Mr Huillard begins to draw his pension, the amount he receives will be revalued annually based on the return on the pension plan's payment fund, according to the technical procedures specified in the insurance contract entered into to manage this commitment.

The agreement includes a surviving spouse annuity of 60%.

All of the terms of VINCI's Group plan are applicable to Mr Huillard, with the stipulation that the following special terms apply to him, because he does not have the status of employee:
- for the purpose of applying the pension plan, Mr Huillard's length of service will be calculated from the date he entered the Group, i.e. 1 December 1996;
- to benefit from the plan, Mr Huillard will have to finish his professional career while he is at VINCI SA. This condition could be met if he is still a company officer of VINCI at his retirement or if he meets the requirements with respect to age and years of service at the time he ceases to be a VINCI company officer;
- on the date of his retirement, Mr Huillard must have reached the legal age for claiming 100% of his pension benefits under Article L.351-8 of the French Social Security Code. However, if he meets the above-mentioned condition for ending his professional career, has completed the 10 years of service with the VINCI Group required under the plan and begins to draw his pension under the basic French social security plan and under the two complementary plans ("ARRCO" and "AGIRC"), he will be allowed to request an early start to the payments under the plan as long as he has reached the legal age for claiming any pension benefits under Article L.161-17-2 of the French Social Security Code. In this case, the payments made would be reduced by 1% times the number of calendar quarters short of the legal age at which he could claim 100% of his pension benefits Mr Huillard has reached on the date of his retirement.
- in the event Mr Huillard's appointment as Chairman and Chief Executive Officer is not renewed when it expires in 2018, his rights to the portion of his pension not yet vested will vest if he meets the above conditions at the time he begins to draw his pension under the basic French social security plan, provided that between the date his appointment as Chairman and Chief Executive Officer expires and the time he begins to draw his pension he does not exercise any professional activity.

At 31 December 2017, the amount of his annuity was estimated at €270,673 and the present value of VINCI's commitment to make annuity payments under the supplementary pension plan stood at €8,346,141. This amount was fully provisioned in the VINCI Group's consolidated financial statements at that date.

The changes to this commitment were authorised by the Board of Directors during its 7 February 2018 meeting.

At this same meeting, the Board also agreed to maintain Mr Huillard's affiliation with the defined contribution ("Article 83") pension plan implemented by VINCI in 2013 for the benefit of its managers and executives. VINCI matches employee contributions to the plan up to 1% of tranche A remuneration, 2% of tranche B remuneration and 4% of tranche C remuneration.

b) Severance pay commitment in the event the appointment of Xavier Huillard as Chairman and Chief Executive Officer is terminated
Person concerned: Xavier Huillard, Chairman and Chief Executive Officer of VINCI

During its 7 February 2018 meeting, the Board of Directors decided to renew the commitment to provide Mr Huillard with severance pay in the event that the Board simultaneously terminates both of his appointments as Chairman of the Board and Chief Executive Officer prior to the normal expiry of his term of office as Director, except in the case of gross negligence or retirement. This commitment was approved by the Company's shareholders at the Shareholders' General Meeting of 15 April 2014.
This commitment is subject to the performance conditions detailed below and is capped at 24 months of remuneration. It is based on the same criteria as those used in the calculation of the quantitative part of his variable remuneration (net earnings per share, recurring operating income, free cash flow), as detailed in the 2017 report on corporate governance.

Severance pay would total 24 months of remuneration if the average rate of achievement of the quantitative targets used to calculate the variable part of his remuneration over the two years preceding the termination is above 100% and nil if this average rate is less than or equal to 60%. Between these two limits, the amount of severance pay would be determined by linear interpolation.

The amount of severance pay would be reduced by half if the termination occurs during the fourth year of Mr Huillard's term of office.

The Board of Directors renewed its authorisation of this commitment at its 7 February 2018 meeting.

Agreements and commitments already approved by shareholders

Agreements and commitments approved during previous financial years that remained in force during the past financial year
In accordance with Article R.225-30 of the French Commercial Code, we have been informed that the following agreement approved by the Shareholders' General Meeting in previous financial years remained in force during the year.

Services agreement with YTSeuropaconsultants
Person concerned: Yves-Thibault de Silguy, Managing Director and sole shareholder of YTSeuropaconsultants and Vice-Chairman and Lead Director of the Board of VINCI

On 5 February 2014, VINCI entered into a services agreement with YTSeuropaconsultants, a French limited liability company ("Société à responsabilité limitée") with a sole shareholder, under the terms of which Mr de Silguy assists the Chairman and Chief Executive Officer in his role as representative of the VINCI Group, in particular in dealings with French or foreign public authorities, major clients, current or potential French or foreign shareholders and individual shareholders at regular meetings organised by the Company for that purpose.

This agreement, which was concluded for a period of four years with an option for the Board of Directors to terminate it at the end of each year of Mr de Silguy's term of office as a Director, has been in effect since it was approved by shareholders at the Shareholders' General Meeting of 15 April 2014 and will terminate at the close of the Shareholders' General Meeting of 17 April 2018. A new agreement is to be approved at that meeting, as indicated in the first part of this report.

Remuneration for these services has been set at a non-adjustable lump sum of €27,500, excluding VAT, per month.

This agreement was authorised by the Board of Directors on 5 February 2014.

On the recommendation of the Audit Committee, which ensured that the remuneration paid was consistent with the services provided, the Board of Directors conducted its annual review of this agreement during its 7 February 2018 meeting, the same meeting at which it approved the financial statements for the financial year 2017. It concluded that the continuing performance of this agreement is useful for the Group and that the remuneration paid is consistent with the services provided. Consequently, the Board of Directors decided that it was not necessary to terminate the agreement before its expiration date, as a new agreement was executed the same day, as previously indicated.

VINCI has recognised a total annual charge of €330,000 excluding VAT in respect of the present agreement, for the financial year 2017.

The Statutory Auditors
Paris La Défense and Neuilly sur Seine, 16 February 2018
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 special report of the Statutory Auditors on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Persons responsible for the registration document

1. Statement by the person responsible for the registration document

"I declare, having taken all due care, that to the best of my knowledge, the information presented in this registration document gives a true and fair view and that there are no omissions likely to affect materially the meaning of the said information.

"I confirm that, to the best of my knowledge, the financial statements have been prepared in compliance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all consolidated entities. I also confirm that the Report of the Board of Directors that starts on page 118 presents a true and fair view of business developments, the results and the financial position of the Company and all consolidated entities, as well as a description of the principal risks and uncertainties that they face.

"I have received a letter from the Statutory Auditors reporting on the completion of their audit work and stating that they have verified the information relating to the financial position and financial statements included in the present registration document as well as the overall presentation of this registration document."

Xavier Huillard, Chairman and Chief Executive Officer, VINCI

2. Statutory Auditors

Names of the Statutory Auditors

Statutory Auditors
KPMG Audit IS

Tour Eqho, 2 avenue Gambetta
92066 Paris La Défense, France
(Jay Nirsimloo and Philippe Bourhis)

First appointed: 10 May 2007 (as KPMG SA, a member of KPMG International)

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

Deloitte & Associés
185 avenue Charles de Gaulle
92200 Neuilly sur Seine, France
(Sami Rahal and Marc de Villartay)

First appointed: 30 May 2001

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

Deputy Statutory Auditors
KPMG Audit ID

Tour Eqho, 2 avenue Gambetta
92066 Paris La Défense, France

First appointed: 16 April 2013

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

BEAS
195 avenue Charles de Gaulle
92200 Neuilly sur Seine, France

First appointed: 30 May 2001

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

The Company's Statutory Auditors are registered with the Compagnie Nationale des Commissaires aux Comptes (the official French statutory auditors' representative body) and are subject to the authority of the Haut Conseil du Commissariat aux Comptes (the French public authority charged with the supervision of the statutory audit profession).

3. Persons responsible for financial information

Christian Labeyrie, Executive Vice-President and Chief Financial Officer and member of the Executive Committee (+33 1 47 16 35 23).
Pierre Duprat, Vice-President, Corporate Communications and member of the Executive Committee (+33 1 47 16 44 06).
Franck Mougin, Vice-President, Human Resources and Sustainable Development and member of the Executive Committee (+33 1 47 16 37 58).
Patrick Richard, General Counsel, Secretary to the Board of Directors and member of the Executive Committee (+33 1 47 16 31 05).

4. Information incorporated by reference

In application of Article 28 of European Regulation (EC) No. 809/2004, the following information referred to in this registration document is deemed to have been provided thereby:

• the 2015 IFRS consolidated financial statements and the 2015 parent company financial statements prepared in accordance with the rules applicable in France, the associated reports of the Statutory Auditors, and sections 9 and 10 of the cross-reference table shown on pages 224-302, 303-319 and 324-325 respectively of the 2015 registration document filed with the AMF on 26 February 2016 under the number D.16-0086;

• the 2016 IFRS consolidated financial statements and the 2016 parent company financial statements prepared in accordance with the rules applicable in France, the associated reports of the Statutory Auditors, and sections 9 and 10 of the cross-reference table shown on pages 220-301, 302-317 and 322-323 respectively of the 2016 registration document filed with the AMF on 24 February 2017 under the number D.17-0109.

5. Documents available for public consultation

All the documents defined in Article L.451-1-2 of the French Monetary and Financial Code and Article 221-3 of the General Regulation of the AMF are available on the Company's website (www.vinci.com).

VINCI's Articles of Association may be consulted at the Company's registered office at 1 cours Ferdinand de Lesseps, 92500 Rueil Malmaison, France (+33 1 47 16 31 05) and on the Company's website (www.vinci.com).

Cross-reference table for the registration document

The table below gives references to the information to be included in the annual report filed as a registration document.

Items listed in Appendix 1 to European Regulation (EC) No. 809/2004
Registration document

Cross-reference table for the annual financial report

To help read this registration document, the following cross-reference table identifies the main information in the annual financial report that must be disclosed by listed companies in compliance with Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the Autorité des Marchés Financiers (AMF, the French securities regulator).

Cross-reference table for workforce-related, environmental and social information

Sections in chapter E of the Report of the Board of Directors on workforce-related, environmental and social information	Page in the registration document	Grenelle II Themes - Article 225	GRI Indicator - By code
Workforce-related information			
General human resources policy			
General human resources policy	180	-	GRI 102-14
Employment			
Workforce	180-181	Workforce by gender, age and geographical area	GRI 102-7, GRI 102-8, GRI 401-1, GRI 405-1
Recruitment and departures	181-183	Recruitment and redundancies	GRI 401-1
Organisation of working hours			
Hours worked and overtime	183	Organisation of working hours	-
Absenteeism	183	Absenteeism	-
Remuneration, employer social contributions, employee savings plans			
General remuneration policy	183	-	GRI 102-14
Remuneration and employer social contributions	184	Remuneration and its change	GRI 102-35, GRI 102-36, GRI 102-37, GRI 401-2, GRI 405-2
Employee savings plans	184-185		GRI 401-2
Labour relations and collective agreements			
General policy regarding dialogue between labour and management	185	Labour-management relations, employee notification, negotiation and consultation procedures	GRI 402-1
Employee representative bodies	185-186		
Trade union freedoms	186		
Collective agreements	186	Collective agreements, especially workplace health and safety agreements	-
Collective conflicts	186	-	-
Health and safety			
General health and safety policy	187	Health and safety conditions in the workplace	GRI 102-14
Health and safety of VINCI employees	187-188	Health and safety conditions in the workplace Occupational accidents, particularly their frequency and severity, and occupational illnesses	GRI 403-2, GRI 403-3
Health and safety of temporary staff	188	Health and safety conditions in the workplace Occupational accidents, particularly their frequency and severity, and occupational illnesses	GRI 403-2, GRI 403-3
Subcontractor health and safety	188	Health and safety conditions in the workplace	GRI 102-14
Health and safety agreements	188	Health and safety agreements with trade unions or employee representatives	GRI 403-4
Training			
General training policy	188-189	Training policies implemented	GRI 404-2, GRI 404-3
Training initiatives	189-190	Total number of training hours	GRI 404-1, GRI 412-2
Environmental training	190	Environmental protection training policies	GRI 102-27, GRI 404-1
Equality and diversity			
General policy for promoting diversity and preventing discrimination	190	Policy implemented and measures to combat discrimination	GRI 405-1
Measures to promote gender equality	191	Policy implemented and measures to promote gender equality	
Measures to promote the employment and social integration of people with disabilities	191	Policy implemented and measures to promote the employment and social integration of people with disabilities	
Environmental information			
General environmental policy: "Acting for green growth"			
Environmental organisation	192	Company organisation to take into account environmental issues and environmental assessments or certification	GRI 102-14
Environmental reporting coverage and scope	192		
Preventing environmental incidents	192-193	Resources devoted to preventing environmental risks and pollution	-
Environmental certification	193	Company organisation to take into account environmental issues and environmental assessments or certification	-
Préservation des ressources et économie circulaire			
Protecting water resources	193-194	Measures to prevent, reduce and restore air, water and soil pollution seriously affecting the environment	GRI 303-1, GRI 303-2, GRI 303-3
	195	Water consumption and supply based on local restrictions	
Raw materials consumption	195-196	Raw materials consumption and measures to improve the efficiency of their use	GRI 301-1, GRI 302-2

Sections in chapter E of the Report of the Board of Directors on workforce-related, environmental and social information	Page in the registration document	Grenelle II Themes - Article 225	GRI Indicator - By code
Energy consumption	195-196	Energy consumption, measures to improve energy efficiency and the use of renewable energy	GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5
Use of renewable energy	196-197		-
Land use	197	Land use	-
Waste prevention and managment	197-198	Measures to prevent, recycle and eliminate waste	GRI 306-2, GRI 306-3, GRI 306-4
Combating food waste	198	Initiatives to recover food waste in establishments open to the general public	-
Air, water and soil pollution	198	Measures to prevent, reduce and restore air, water and soil pollution seriously affecting the environment	GRI 305-6
Noise and light pollution	198	Consideration of noise and light pollution, along with any other form of pollution specific to a given activity	-
Combating climate change			
Greenhouse gas emissions	199	Greenhouse gas emissions	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5
Adapting to climate change	200	Adapting to the consequences of climate change	-
Emission reduction targets and resources deployed	200	Voluntary medium- and long-term greenhouse gas reduction targets and the resources deployed to achieve them	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5
Biodiversity conservation			
General biodiversity policy	200	Measures to conserve or restore biodiversity	GRI 304-2
Measures to promote biodiversity	201-202		GRI 304
Sponsorship, research and development to promote biodiversity	202		-
Prevention and restoration			
Legal and regulatory compliance	202	-	-
Prevention of environmental impacts and associated costs	202	Resources devoted to preventing environmental risks and pollution	-
Environment provisions and guarantees	202	Environment provisions and guarantees	GRI 201-2
Damages paid during the period concerned following legal decisions on environmental matters and lawsuits filed for damage to the environment	202	-	GRI 307-1
Social information			
Regional, economic and social impacts of VINCI's activities			
Contribution to regional economic and social development	203-204	Impact of the company's activity on employment and regional development	GRI 203-1, GRI 203-2
Contribution to employment, local skills development and social integration	204-205	Impact of the company's activity on local populations	GRI 203-1, GRI 203-2, GRI 413-1, GRI 413-2
Relations with civil society stakeholders, non-profit organisations, local residents, users and consumers			
General policy relating to dialogue with stakeholders	206	Stakeholder relations	GRI 102-42, GRI 102-44, GRI 102-43, GRI 102-21
Initiatives and relations with associations representing users and local residents	206-207		GRI 102-42, GRI 102-43, GRI 102-44
Initiatives, partnerships and sponsorships to protect the environment and cultural heritage	207-209	Partnerships and sponsorship	GRI 203-1
Initiatives and sponsorships to combat social exclusion and reinforce relations with social integration organisations	209-210		
Partnerships and sponsorships to expand access to essential services and support economic initiatives	210-211		
Relations with suppliers and subcontractors			
General policy to promote dialogue with suppliers and subcontractors	211	Consideration for social and environmental issues in the company's purchasing policy	GRI 204
Managing relations with suppliers	211-212	Importance of subcontracting and consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI 204, GRI 308-1, GRI 308-2, GRI 414-1
Managing relations with subcontractors	212		-
Fair business practices			
Prevention of corruption and fraud	212-213	Initiatives to prevent corruption	GRI 102-16, GRI 102-17, GRI 205-2
Wellness, health and safety of customers and end users	213	Measures to promote consumer health and safety	GRI 417-1
Human rights			
Human rights	213-215	Initiatives to promote human rights, particularly those included in the International Labour Organisation's fundamental conventions (freedom of association, elimination of discrimination, elimination of forced labour, abolition of child labour)	GRI 406-1, GRI 407, GRI 412

GLOSSARY

Concession subsidiaries' revenue derived from works carried out by non-Group companies: this indicator relates to construction work done by concession companies as programme manager on behalf of concession grantors. Consideration for that work is recognised as an intangible asset or financial asset depending on the accounting model applied to the concession contract, in accordance with IFRIC 12 "Service Concession Arrangements". It excludes work done by the Group's Contracting entities.

Like-for-like revenue growth: this indicator measures the change in revenue at constant scope and exchange rates.

- Constant scope: the scope effect is neutralised by:
  - removing from year N revenue from companies that joined the Group in year N;
  - removing from year N-1 revenue from companies that left the Group in years N-1 and N;
  - including the full-year revenue of companies joining the Group in year N-1.
- Constant exchange rates: the currency effect is neutralised by applying exchange rates in year N to foreign currency revenue in year N-1.

Operating income from ordinary activities (Ebit): this indicator is included in the income statement.
Ebit measures the operational performance of fully consolidated Group subsidiaries. It excludes share-based payment expense (IFRS 2), other recurring operating items (including the share of the income or loss of companies accounted for under the equity method) and non-recurring operating items.

Recurring operating income: this indicator is included in the income statement.
Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events during the period. It is obtained by taking operating income from ordinary activities (Ebit) and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the income or losses of subsidiaries accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.).

Operating income: this indicator is included in the income statement.
Operating income is calculated by taking recurring operating income and adding non-recurring income and expense (see below).

Non-recurring operating items: non-recurring income and expense mainly includes goodwill impairment losses, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

Cash flows from operations before tax and financing costs (Ebitda): the reconciliation between this indicator and consolidated net income for the period is presented in the cash flow statement.
Ebitda corresponds to recurring operating income adjusted for additions to depreciation and amortisation, changes in non-current provisions and non-current asset impairment, as well as gains and losses on asset disposals. It also includes restructuring charges included in non-recurring operating items.

Ebitda margin, Ebit margin and recurring operating margin: ratios of Ebitda, Ebit, or recurring operating income to revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

Operating cash flow: the reconciliation between this indicator and consolidated net income for the period is presented in the cash flow statement.
Operating cash flow is a measurement of cash flows generated by the Group's ordinary activities. It is made up of Ebitda, the change in operating working capital requirement and current provisions, interest paid, income taxes paid, dividends received from companies accounted for under the equity method and net operating investments net of disposals. Operating cash flow does not include growth investments in concessions and public-private partnerships (PPPs).

Free cash flow: the reconciliation between this indicator and consolidated net income for the period is presented in the Group's cash flow statement.
Free cash flow is made up of operating cash flow and growth investments in concessions and PPPs.

Net financial surplus/debt: the reconciliation between this indicator and balance sheet items is detailed in the notes to the Group's consolidated financial statements.
It corresponds to the difference between financial assets and financial debt. If the assets outweigh the liabilities, the balance represents a net financial surplus, and if the liabilities outweigh the assets, the balance represents net financial debt. Financial debt includes bonds and other borrowings and financial debt (including finance lease transactions and liabilities relating to financial instruments). Financial assets include cash and cash equivalents and assets relating to derivative instruments.

Cost of net financial debt: the reconciliation between this indicator and the income statement is detailed in the notes to the Group's consolidated financial statements.
The cost of net financial debt comprises all financial income and expense relating to net financial debt as defined above. It therefore includes interest expense and income from interest rate derivatives allocated to gross debt, along with financial income from investments and cash equivalents.

Order book: the order book in the Contracting business (VINCI Energies, Eurovia, VINCI Construction) represents the volume of business yet to be carried out on projects where the contract is in force (in particular after service orders have been obtained or after conditions precedent have been met) and financed.

Order intake:
• In the Contracting business (VINCI Energies, Eurovia, VINCI Construction), a new order is recorded when the contract has been not only signed but is also in force (for example, when the service order has been obtained or when conditions precedent have been met) and when the project's financing is in place. The amount recorded in order intake corresponds to the contractual revenue.
• At VINCI Immobilier, order intake corresponds to the value of properties reserved by customers in a given period on projects where a building permit has been granted and there is no longer any possibility of appeal or administrative withdrawal.
– For residential properties, order intake takes into account reservation contracts signed by customers, minus withdrawals.
– Office properties are regarded as reserved when the notarised deed has been signed with the investor.
– For joint property developments:
  · if VINCI Immobilier has sole control over the development company, it is fully consolidated. In that case, 100% of the contract value is included in reservations;
  · if the development company is jointly controlled, it is accounted for under the equity method. In that case, the contract value is recorded in proportion to the percentage of the development company that VINCI Immobilier owns.

VINCI Airports passenger traffic: this is the number of passengers who have travelled on commercial flights from a VINCI Airports facility during a given period.

VINCI Airports aircraft movements: this is the number of commercial aircraft movements recorded at a VINCI Airports facility during a given period.

VINCI Autoroutes motorway traffic: this is the number of kilometres travelled by light and heavy vehicles on the motorway network managed by VINCI Autoroutes during a given period.

Public-private partnerships – Concession contracts and Partnership contracts: public-private partnership contracts are forms of long-term public-sector contracts through which a public authority calls upon a private partner to design, build, finance, operate and maintain a public facility or item of public infrastructure and/or manage a service.
In France, a distinction is drawn between concession contracts (for works or services) and partnership contracts.
Outside France, there are categories of public-sector contracts – known by a variety of names – with characteristics similar to those of the French concession and partnership contracts.

In a concession contract, the concession holder receives a toll (or other form of remuneration) directly from users of the infrastructure or service, on terms defined in the contract with the public authority having granted the concession. It therefore bears "traffic risk" related to the use of the infrastructure.
In a partnership contract, the private partner is paid by the public authority, the amount being tied to performance targets, regardless of the infrastructure's level of usage. The private partner therefore bears no "traffic risk".

AUTORITÉ
DES MARCHÉS FINANCIERS

In accordance with Article 212-13 of the General Regulation of the Autorité des Marchés Financiers (AMF, the French securities regulator), this document comprises the registration document filed with the AMF on 26 February 2018 under the number D.18-0076.
It may be used in support of a financial transaction only if it is supplemented by a prospectus on the transaction officially approved by the AMF. The signatories of this document, prepared by VINCI, are responsible for the information contained therein.
This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

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