



HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2016

Management report for the first half year

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Management report for the first half of 2016

The first half of 2016 brought good momentum in French motorway traffic and airport passenger traffic in the Concessions business. The Group also continued its international expansion: in the airports business with the integration of AERODOM, which holds the concessions for six airports in the Dominican Republic, and the start of the concession for two airports in the Kansai region of Japan; and in energy, with the acquisition by VINCI Energies of J&P Richardson in Australia. In Contracting, trends seen in the first quarter continued, with a limited decline in revenue and an upturn in orders, particularly in France. Profitability improved with a rise in Ebitda, recurring operating income and net income. The Group's financial position remained solid, giving it a sound base for implementing its growth strategy, as shown by Moody's decision to upgrade its credit rating.

Consolidated revenue totalled €17.6 billion in the first half of 2016, a slight decline with respect to the first half of 2015 (down 1.5% on an actual basis). That was due to a 2.6% fall in revenue on an organic basis, a positive 2.3% impact from changes in the consolidation scope – i.e. acquisitions by VINCI Energies, VINCI Construction and VINCI Airports outside France – and a 1.2% negative currency effect. Of VINCI's total revenue, 41.3% was generated outside France in the first half of 2016 (40.6% in the first half of 2015).

Cash flow from operations before tax and financing costs (Ebitda) totalled €2.6 billion, up 5.5% and equal to 14.8% of revenue (13.8% of revenue in the first half of 2015).

Operating income from ordinary activities (Ebit) was €1,720 million, an increase of 11.7% compared with the first half of 2015 (€1,540 million). Ebit margin rose to 9.8% (8.6% in the first half of 2015).

Recurring operating income – including the impact of share-based payments (IFRS 2), the Group's share of the income or loss of companies accounted for under the equity method, and other recurring operating items – rose 7.3% to €1,702 million (€1,586 million in the first half of 2015).

Consolidated net income attributable to owners of the parent was €920 million, up €101 million (+12.4%) compared with the first half of 2015 (€819 million). Earnings per share amounted to €1.65 (€1.47 in the first half of 2015), up 12.1%, after taking account of dilutive instruments.

Net financial debt stood at €14.4 billion at 30 June 2016, up €0.5 billion relative to 30 June 2015. By comparison with 31 December 2015, net financial debt was up almost €2.0 billion, including €1.1 billion due to financial investments during the period (mainly by VINCI Airports) and €0.7 billion relating to the payment of the final dividend for 2015.

In May 2016, Moody's upgraded its long-term credit ratings on VINCI and ASF from Baa1 to A3 and its short-term ratings from P-2 to P-1, with stable outlook. Those upgrades confirm the Group's credit quality.

In the first half of 2016, the Group issued €500 million of 10-year bonds and took out a €390 million, 17-year repayment loan from the European Investment Bank (EIB).

At 30 June 2016, the Group had liquidity of €8.7 billion, comprising €2.7 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities due to expire in 2021.

Order intake in the Contracting business amounted to €16.9 billion in the first half of 2016, up 10% year-on-year, with a 14% increase in France and a 7% rise outside France.

At 30 June 2016, the order book stood at €29.2 billion, a year-on-year increase of almost 2%, comprising a 7% increase in France and a 3% decline outside France, and an increase of almost 6% relative to 31 December 2015. It represents 11 months of average business activity in the Contracting business.

1. Key events in the period

1.1 Main changes in scope/New contracts

Acquisition of J&P Richardson by VINCI Energies

In February, VINCI Energies acquired Australian company J&P Richardson. The company is based in Queensland and carries out engineering, installation and maintenance work relating to electricity and water distribution networks, telecoms networks and industrial processes. It employs 500 people and generated revenue of A\$130 million in 2015 (about €85 million). The acquisition strengthens the Group's positions in the region after its recent purchases of HEB Construction and Electrix.

Start of concession contracts for Osaka and Kansai international airports

On 1 April 2016, VINCI Airports took over the operation of two airports in the Kansai region of Japan for a 44-year period, under a concession contract signed on 15 December 2015. Kansai Airports' main shareholders are VINCI Airports (40%) and Japanese company Orix (40%), with the remainder held by around 30 Japanese companies operating in the region. The two airports handled 37.7 million passengers in 2015, and should benefit from growth in tourism in Japan and the rise of low-cost airlines. The financing of the transaction amounted to €2.1 billion (¥260 billion), including €640 million (¥80 billion) of equity invested by the shareholders and €1.4 billion (¥180 billion) of long-term bank debt.

Acquisition of AERODOM

On 8 April 2016, VINCI Airports completed the acquisition of Dominican Republic-based company AERODOM (Aeropuertos Dominicanos Siglo XXI SA), which holds a concession contract with the government of the Dominican Republic to operate six of the country's nine airports in the country until March 2030. These include Las Américas international airport, which serves the capital Santo Domingo. In 2015, 4.6 million passengers passed through AERODOM's airports, 98% of whom travelled on international flights. In 2015, the company generated revenue of \$136 million.

Agreement on the sale of VINCI's stake in Indigo

On 13 June, VINCI announced an agreement with Ardian Infrastructure and Crédit Agricole Assurances with a view to selling its 24.6% stake in Indigo (formerly known as VINCI Park). The transaction is subject to the approval of the competition authorities and should be completed in the second half of 2016. It had no impact on the Group's results for the first half of 2016.

New contracts

Major contracts won by the Group in the first half of 2016 included the following.

- In France:
 - o A 54-year concession contract for the design, financing, construction, operation and maintenance of the A355 motorway, a 24 km bypass to the west of Strasbourg. The project will be funded entirely by VINCI, without any government grant, and works will last for 56 months;
 - o A contract to build the new CNIT-La Défense train station and adjacent tunnels as part of the western extension of RER Line E (Eole);
 - o A design-build contract for superfast fibre-optic broadband infrastructure in the Moselle *département*.
- Outside France:
 - o An EPC (Engineering, Procurement, Construction) contract for three sections of onshore gas pipelines: a 185 km section in Greece and two sections totalling 215 km in Albania, as part of the TAP (Trans-Adriatic Pipeline) project;
 - o A construction contract, as part of a consortium, for the third phase of Line 3 of the Cairo metro, comprising 17.7 km of new track and 15 stations (eight underground, five above ground and two at ground level).

1.2 Financing activities

Debt repayments

In the first half of 2016, the Group repaid €771 million of debt, including €158 million of loans taken out by the ASF group from the Caisse Nationale des Autoroutes (CNA) and the EIB. In April, VINCI redeemed €500 million of 3-year bonds issued in 2013.

New corporate financing

In the first half of 2016, ASF carried out the following transactions:

- In April, it took out a €390 million repayment loan maturing in 2033 from the EIB.
- In May, as part of its EMTN programme, it issued €500 million of bonds with a 10-year maturity and a 1% coupon.

At 30 June 2016, the Group's gross long-term financial debt totalled €18 billion. Its average maturity was 4.5 years, and the average interest rate was 3.17% (3.27% at 31 December 2015 and 3.37% at 30 June 2015).

2. Revenue

Consolidated revenue totalled €17.6 billion in the first half of 2016, down 1.5% on an actual basis. Revenue fell 2.6% on a comparable structure basis, and there was a 1.2% negative currency effect, partly offset by a 2.3% boost from changes in the consolidation scope. Those changes related to acquisitions made in 2016 by VINCI Energies (J&P Richardson in Australia, Smart Grid Energy in France) and VINCI Airports (AERODOM in the Dominican Republic), along with the impact of acquisitions carried out in 2015 (mainly Orteng in Brazil and HEB Construction in New Zealand).

Concessions revenue totalled €2.9 billion, up 6.8% on an actual basis or 5.8% like-for-like. Revenue rose 4.9% at VINCI Autoroutes and 11.4% at VINCI Airports.

Contracting revenue (VINCI Energies, Eurovia, VINCI Construction) was €14.7 billion, down 3.6% on an actual basis or down 4.7% on a comparable structure basis.

In France, revenue was €10.3 billion, down 2.6% or 3.3% on a comparable structure basis, of which 1.8 points were due to progress with the Tours–Bordeaux HSL project, which was 94% complete at 30 June 2016. Concessions revenue grew 4.6%, while Contracting revenue fell 5.9% (6.8% on a constant structure basis).

Outside France, revenue was €7.3 billion. It rose 0.2% on an actual basis by comparison with the first half of 2015 and fell 1.4% on a comparable structure basis, excluding a 2.9% negative currency effect and a positive 4.5% impact from changes in scope.

In the first half of 2016, the proportion of revenue generated outside France rose slightly to 41.3%, from 40.6% in the first half of 2015.

Business outside France accounted for 14.5% of revenue in Concessions (12.7% in the first half of 2015) and 46.7% of revenue in Contracting (45.4% in the first half of 2015).

Revenue by business line

(in € millions)	First half 2016	First half 2015	2016/2015 change	
			Actual	Comparable
Concessions	2,882	2,699	+6.8%	+5.8%
VINCI Autoroutes	2,365	2,253	+4.9%	+4.9%
VINCI Airports	455	384	+18.6%	+11.4%
Other concessions	62	62	+0.5%	+1.3%
Contracting	14,695	15,244	-3.6%	-4.7%
VINCI Energies	4,960	4,795	+3.4%	+0.4%
Eurovia	3,282	3,445	-4.7%	-3.8%
VINCI Construction	6,453	7,005	-7.9%	-8.6%
VINCI Immobilier	265	261	+1.5%	+1.5%
Intragroup eliminations	(223)	(324)		
Revenue (*)	17,619	17,880	-1.5%	-2.6%
Concession subsidiaries' works revenue	340	350	-2.8%	-10.5%
Intragroup eliminations	(157)	(98)		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	183	252	-27.3%	-38.0%
Total consolidated revenue	17,802	18,132	-1.8%	-3.0%

(*) Excluding concession subsidiaries' works revenue.

CONCESSIONS: €2,882 million (up 6.8% actual; up 5.8% like-for-like)

VINCI Autoroutes: revenue amounted to €2,365 million in the first half of 2016, up 4.9% from the first half of 2015. Toll revenue increased 4.9% due to a 3.3% rise in traffic on the intercity network (light vehicles up 2.9%, heavy vehicles up 5.2%) including the positive leap-year effect, favourable weather conditions (except for the flooding that affected the A10 in late May on the Cofiroute network) and the ongoing economic recovery. There was also a positive impact from the A86 Duplex (0.1%), and price effects (1.5%).

VINCI Airports generated revenue of €455 million in the first half of 2016, an increase of 18.6% or 11.4% on a comparable structure basis. Passenger traffic continued to grow at a rapid pace (10.2% excluding the integration of airports in the Dominican Republic from April), with 11.9% growth in Portugal, 4.9% in Cambodia and 5.7% in France.

CONTRACTING: €14,695 million (down 3.6% actual; down 4.7% like-for-like)

In France, revenue declined 5.9% to €7,830 million (down 6.8% on a constant structure basis). The decline in activity caused by progress with the SEA HSL project, which was 94%-complete at 30 June 2016, accounted for 2.2 points of the fall in revenue (€132 million in the first half of 2016 versus €328 million in the year-earlier period).

Outside France, revenue totalled €6,866 million, down 0.9% on an actual basis. The 4.2% boost from changes in scope mostly offset a 2.1% organic decline and a 3.0% negative currency effect.

VINCI Energies: €4,960 million (up 3.4% actual or 0.4% on a comparable structure basis)

In France, revenue totalled €2,628 million, up 2.3% compared with the first half of 2015 on an actual basis, due to the integration of APX, a "cloud builder" acquired in the second half of 2015, and Smart Grid Energy, acquired in the second quarter of 2016. Revenue fell 1.0% on a comparable structure basis, with performance varying between business areas. In the information and communication technology (ICT) segment, business levels rose slightly. Growth in company communication offset a significant fall in telecoms infrastructure, due in particular to the completion of the GSM-R project. In energy and mobility infrastructure, revenue increased, while it declined in the service and industrial sectors.

Outside France, revenue totalled €2,332 million (up 4.8% actual; up 2.1% on a comparable structure basis). The growth on an actual basis was driven by acquisitions at the start of the year (J&P Richardson in Australia) and in the second quarter of 2015 (Orteng in Brazil). Growth in revenue at constant scope and exchange rates reflects varying situations between regions. In Europe, there was robust growth in Benelux, Germany and Switzerland and business levels recovered in the UK and Southern Europe, but they fell in Central Europe. Outside Europe, revenue on a comparable structure basis fell in Brazil, Indonesia and Australia, was stable in Morocco and rose in New Zealand.

Eurovia: €3,282 million (down 4.7% actual and down 3.8% on a comparable structure basis)

In France, revenue was €1,918 million, down 7% on both an actual and comparable structure basis. This was due mainly to local authority budget cuts for traditional road activities and progress with the SEA HSL project, which accounted for 2 points of the decline.

Outside France, revenue totalled €1,364 million, down 1.3% on an actual basis. Excluding changes in scope (positive effect of 0.3%) and currency effects (negative effect of 2.7%, mainly due to sterling and the Canadian dollar), revenue rose 1.1% on a comparable structure basis, with situations varying between countries. Revenue fell in the Czech Republic and Slovakia due to the completion of major projects ahead of new European investment plans. It also fell in Poland and Spain, was stable in the UK and Canada, and grew in Germany, the USA and Chile.

Seasonal variations are significant at Eurovia, since first-half revenue accounted for only 44% of the full-year total in 2015. Such variations are particularly large in Central Europe and Canada.

VINCI Construction: €6,453 million (down 7.9% actual and down 8.6% on a comparable structure basis)

In France, revenue came in at €3,283 million, down 10.9% on both an actual and comparable structure basis. The decline was due to lower order intake in building and civil engineering in 2015, completion of work on the Tours–Bordeaux HSL (negative impact of around 3%) and of several other major building and civil engineering projects, both in the Paris region and elsewhere in France. Those factors were not fully offset by the ramp-up of new motorway projects (A9, A63), the new coastal highway on Reunion Island and the start of new contracts recently won. On the plus side, Soletanche Freyssinet saw higher business levels in specialist works.

Outside France, revenue amounted to €3,170 million, down 4.5% on an actual basis. Revenue was down 6.1% in organic terms and there was a 4.0% negative currency effect, which was not fully offset by changes in scope in 2015, when the Group took full control of Grupo Rodio Kronsa and acquired HEB Construction. On a comparable structure basis, revenue fell at Sogea-Satom and Entrepose, which were affected by the sharp fall in investment by major African hydrocarbon-producing countries and by companies in the oil and gas industry. In the United Kingdom, business levels stabilised at VINCI Construction plc. Soletanche Freyssinet's revenue fell slightly after two years of rapid growth, and the same was true of VINCI Construction Grands Projets, due to the timing of project phases.

VINCI Immobilier: €265 million (up 1.5% actual and like-for-like)

The French residential market was buoyant, with apartment reservations rising 24% to 2,360 and the start of construction work on new projects (up 42% to 1,762 units). This offset the decline in the commercial property business.

Revenue by geographical area

(in € millions)	First half 2016	% of total	First half 2015	2016/2015 change	
				Actual	At constant exchange rates
France	10,348	58.7%	10,621	-2.6%	-2.6%
United Kingdom	1,261	7.2%	1,331	-5.3%	+0.8%
Germany	1,192	6.8%	1,150	+3.6%	+3.6%
Central and Eastern Europe	626	3.6%	708	-11.5%	-10.5%
Rest of Europe	1,378	7.8%	1,257	+9.7%	+10.5%
Europe excl. France	4,457	25.3%	4,446	+0.3%	+2.5%
Americas	1,074	6.1%	1,064	+1.0%	+7.1%
Africa	661	3.8%	671	-1.4%	+0.5%
Russia, Asia Pacific and Middle East	1,078	6.1%	1,078	-0.0%	+4.6%
International excl. Europe	2,814	16.0%	2,813	+0.0%	+4.6%
Total International	7,271	41.3%	7,259	+0.2%	+3.3%
Revenue (*)	17,619	100.0%	17,880	-1.5%	-0.2%

(*) Excluding concession subsidiaries' works revenue.

3. Results

3.1 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) was €1,720 million, an increase of 11.7% compared with the first half of 2015 (€1,540 million).

Ebit margin rose from 8.6% in the first half of 2015 to 9.8% in the first half of 2016, mainly due to higher Ebit in the Concessions business, which accounted for a larger share of the Group's business mix.

Operating income from ordinary activities/operating income

(in € millions)	First half 2016	% of revenue (*)	First half 2015	% of revenue (*)	2016/2015 change
Concessions	1,361	47.2%	1,186	44.0%	14.7%
VINCI Autoroutes	1,205	51.0%	1,070	47.5%	12.7%
VINCI Airports	160	35.3%	138	35.9%	16.5%
Other concessions	(4)	-7.2%	(21)	-34.0%	-
Contracting	338	2.3%	315	2.1%	7.5%
VINCI Energies	274	5.5%	260	5.4%	5.5%
Eurovia	(28)	-0.9%	(48)	-1.4%	40.9%
VINCI Construction	92	1.4%	103	1.5%	-10.0%
VINCI Immobilier	8	3.1%	23	9.0%	-64.9%
Holding companies	12	-	15	-	-
Operating income from ordinary activities (Ebit)	1,720	9.8%	1,540	8.6%	11.7%
Share-based payments (IFRS 2)	(43)	-	(36)	-	-
Income/(loss) of companies accounted for under the equity method	2	-	49	-	-
Other recurring operating items	23	-	33	-	-
Recurring operating income	1,702	9.7%	1,586	8.9%	7.3%
Non-recurring operating items	5	-	(9)	-	-
Operating income	1,706	9.7%	1,577	8.8%	8.2%

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

(*) Excluding concession subsidiaries' works revenue.

In **Concessions**, Ebit was €1,361 million, representing 47.2% of revenue, up 14.7% relative to the first-half 2015 figure (€1,186 million, equal to 44.0% of revenue).

At VINCI Autoroutes, Ebit amounted to €1,205 million, up 12.7% relative to the first-half 2015 figure of €1,070 million. Ebit margin rose from 47.5% in the first half of 2015 to 51.0% in the first half of 2016. The increase was driven by higher revenue and a firm grip on operating expenses. Depreciation charges were also spread over a longer period because of concession extensions under the motorway stimulus plan agreed in France in July 2015.

Ebit at VINCI Airports rose 16.5% to €160 million (35.3% of revenue compared with 35.9% in the first half of 2015). As well as the acquisition of AERODOM, the increase was driven by good performance at the main airports, particularly in Portugal.

In the **Contracting** business, Ebit rose €24 million to €338 million compared with €315 million in the first half of 2015. Ebit margin rose to 2.3% (2.1% in the first half of 2015), due to progress at VINCI Energies and Eurovia. The slight reduction in VINCI Construction's Ebit margin was caused by lower business levels in France and Africa, which were not fully offset by VINCI Construction UK returning to breakeven.

At VINCI Energies, Ebit was €274 million, up €14 million or 5.5% relative to the first half of 2015 (€260 million). Ebit margin rose from 5.4% in the first half of 2015 to 5.5% in the first half of 2016, due to a good overall performance in France and Europe.

Eurovia made a €28 million loss at the Ebit level, although that was a smaller loss than the €48 million seen in the first half of 2015. Ebit margin improved by 50 basis points while remaining negative at 0.9%. Improved profitability of operations outside France, particularly in the UK, Central Europe, the USA, Chile and Canada, was accompanied by a resilient performance in traditional road and rail activities in France, where the decline in margins was limited despite lower business levels. It should be noted that Eurovia's first-half performance is not representative of its full-year performance, because seasonal variations in business levels affect coverage of overheads.

VINCI Construction's Ebit came in at €92 million, down €11 million relative to the first-half 2015 figure of €103 million. Ebit margin fell from 1.5% in the first half of 2015 to 1.4% in the first half of 2016. The decline in margins at VINCI Construction France resulted from lower business volumes, which led to lower coverage of overheads and reorganisation costs. A reduction in expenditure by African oil-producing countries led to a lower contribution from Sogea-Satom. Margins at Soletanche Freyssinet and VINCI Construction Grands Projets remained satisfactory. Lastly, VINCI Construction plc's Ebit moved close to breakeven.

VINCI Immobilier: Ebit totalled €8 million, with Ebit margin of 3.1%, as opposed to €23 million and 9.0% in the first half of 2015, when figures were boosted by the settlement of an old dispute. There was good performance in residential property, but the timing of commercial project phases had an adverse impact. The results do not reflect VINCI Immobilier's expected full-year performance.

Recurring operating income was €1,702 million, equal to 9.7% of revenue (€1,586 million and 8.9% in the first half of 2015). This item takes into account the following factors:

- Share-based payment expense, which reflects the benefits granted to employees under the Group's savings and performance share plans. This expense amounted to €43 million (€36 million in the first half of 2015);
- The Group's share in the income or loss of companies accounted for under the equity method, which was positive at €2 million (€49 million in the first half of 2015), including €17 million from the Concessions business (€20 million positive contribution in the first half of 2015) and negative at €20 million in Contracting (€25 million positive contribution in the first half of 2015).
- Other recurring operating income and expense produced €23 million of income versus €33 million in the first half of 2015.

Recurring operating income by business line

(in € millions)	First half 2016	% of revenue (*)	First half 2015	% of revenue (*)	2016/2015 change
Concessions	1,389	48.2%	1,216	45.1%	14.2%
VINCI Autoroutes	1,199	50.7%	1,068	47.4%	12.3%
VINCI Airports	187	41.0%	151	39.3%	24.0%
Other concessions	3	5.1%	(2)	-3.6%	-
Contracting	291	2.0%	327	2.1%	-11.0%
VINCI Energies	262	5.3%	251	5.2%	4.4%
Eurovia	(30)	-0.9%	(47)	-1.4%	36.9%
VINCI Construction	58	0.9%	123	1.8%	-52.4%
VINCI Immobilier	13	4.8%	27	10.4%	-53.0%
Holding companies	9	-	16	-	-
Recurring operating income	1,702	9.7%	1,586	8.9%	7.3%

(*) Excluding concession subsidiaries' works revenue.

Non-recurring operating items produced a net gain of €5 million in the first half of 2016, as opposed to a loss of €9 million in the first half of 2015.

After taking account of both recurring and non-recurring items, **operating income** was €1,706 million in the first half of 2016, up 8.2% relative to the first-half 2015 figure of €1,577 million.

3.2 Net income

Consolidated net income attributable to owners of the parent amounted to €920 million (5.2% of revenue), up €101 million (+12.4%) compared with the first half of 2015 (€819 million).

Earnings per share (after taking account of dilutive instruments) amounted to €1.65, up 12.1% compared with the first half of 2015 (€1.47).

The cost of net financial debt continued to fall in the first half of 2016. It amounted to €262 million, as opposed to €277 million in the first half of 2015. The improvement was due to the reduction in the average outstanding amount of long-term debt, the refinancing of debt repaid in 2015 and 2016 on improved terms, and the fall in interest rates, which benefited the Group because of its policy of switching part of its debt from fixed to floating rate. The average interest rate on long-term financial debt in the first half of 2016 was 3.31% (3.51% in the first half of 2015 and 2015).

Other financial income and expense resulted in a net expense of €21 million, compared with €4 million in the first half of 2015. 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 €26 million (compared with €28 million in the first half of 2015), €18 million of income relating to capitalised borrowing costs on current concession investments (€11 million in the first half of 2015) and a currency loss of €13 million compared with a gain of €13 million in the first half of 2015.

Tax expense totalled €483 million, giving an effective tax rate of 34.0%, compared with an expense of €462 million and 37.0% in the first half of 2015, which included the 10.7% corporate income surtax in France (which took the standard rate to 38% between 2012 and 2015). That increase was because of higher pre-tax profit both inside and outside France.

Earnings attributable to non-controlling interests totalled €20 million (€16 million in the first half of 2015).

4. Cash flows

Cash flow from operations before tax and financing costs (Ebitda) totalled €2,606 million in the first half of 2016, up 5.5% relative to the first half of 2015 (€2,471 million) and equal to 14.8% of revenue (13.8% in the first half of 2015).

Ebitda in the **Concessions** business (77% of the total) rose 7.4% to €2,019 million (€1,879 million in the first half of 2015) or 70.1% of revenue (69.6% of revenue in the first half of 2015).

VINCI Autoroutes' Ebitda grew 5.3% to €1,766 million, versus €1,678 million in the first half of 2015. Ebitda margin rose slightly to 74.7% from 74.4% in the year-earlier period.

Ebitda at VINCI Airports rose almost 21% to €239 million (€198 million in the first half of 2015), due in particular to the integration of AERODOM and good performance in Portugal. Ebitda margin rose from 51.7% in the first half of 2015 to 52.6% in the first half of 2016.

Ebitda in the **Contracting** business was stable at €560 million (€557 million in the first half of 2015). Ebitda margin rose from 3.7% in the first half of 2015 to 3.8% in the first half of 2016.

Ebitda by business line

(in € millions)	First half 2016	% of revenue (*)	First half 2015	% of revenue (*)	2016/2015 change
Concessions	2,019	70.1%	1,879	69.6%	+7.4%
VINCI Autoroutes	1,766	74.7%	1,678	74.4%	+5.3%
VINCI Airports	239	52.6%	198	51.7%	+20.7%
Other concessions	13	21.5%	4	5.9%	-
Contracting	560	3.8%	557	3.7%	+0.5%
VINCI Energies	289	5.8%	279	5.8%	+3.6%
Eurovia	59	1.8%	35	1.0%	+70.7%
VINCI Construction	211	3.3%	243	3.5%	-13.2%
VINCI Immobilier	8	2.9%	23	8.9%	-66.2%
Holding companies	20		11		
Total Ebitda	2,606	14.8%	2,471	13.8%	+5.5%

(*) Excluding concession subsidiaries' works revenue.

The change in the working capital requirement relating to business activities and current provisions – which is always negative in the first half of the year due to seasonal variations in the contracting business – was negative at €1,136 million in the first half of 2016, versus €831 million in the first half of 2015. The change was due to lower business levels at Eurovia and VINCI Construction, in France and in Africa, the timing of downpayments and end-of-project payments on major international projects that was less favourable than in the first half of 2015, and lower cash inflows, particularly at Eurovia in Central Europe, after some customers made payments early in December 2015. VINCI Immobilier also acquired new land.

Net interest paid totalled €331 million in the first half of 2016, stable by comparison with the first half of 2015 (€331 million). Income taxes paid rose €30 million to €495 million (€465 million in the first half of 2015).

Cash flow from operating activities¹ totalled €697 million, down €220 million relative to the first-half 2015 figure of €917 million.

After accounting for operating investments net of disposals amounting to €299 million, up 9.5% on the year-earlier figure of €273 million), **operating cash flow**² produced an inflow of €398 million as opposed to €643 million in the first half of 2015.

Growth investments in concessions and PPPs totalled €435 million (€396 million in the year-earlier period). Of this figure, €359 million related to investments by VINCI Autoroutes in France (€307 million in the first half of 2015).

Free cash flow before financial investments produced an outflow of €38 million as opposed to an inflow of €247 million in the first half of 2015), including a €713 million inflow in Concessions and a €982 million outflow in Contracting (€648 million inflow and €644 million outflow respectively in the first half of 2015).

Financial investments, net of disposals and other investment flows, resulted in a net cash outflow of €1,043 million, including the acquisitions AERODOM in the Dominican Republic by VINCI Airports and J&P Richardson in Australia by VINCI Energies, along with the purchase of a 40% stake in Kansai Airports, which holds concessions for two airports in Japan, by VINCI Airports.

In the first half of 2015, financial investments totalled €167 million and mainly concerned VINCI Energies' acquisition of Orteng in Brazil.

Dividends paid by the Group in the first half of 2016 totalled €720 million (€683 million in the first half of 2015), including €702 million paid by VINCI SA as the final dividend for 2015 (€1.27 per share).

Capital increases resulted in the creation of 6.4 million new shares and totalled €323 million in the first half of 2016, including €257 million relating to Group savings plans and €65 million relating to the exercise of share subscription options.

To neutralise the dilutive effect of these operations, VINCI purchased 5.5 million shares in the market through its share buy-back programme for a total investment of €347 million at an average price of €63.47 per share.

As a result of these cash flows, there was a €1,954 million increase in net financial debt in the first half of 2016, taking the total to €14,390 million at 30 June 2016. That figure reflects long-term gross financial debt of €17,103 million (€16,557 million at 31 December 2015) and managed net cash of €2,713 million (€4,121 million at 31 December 2015).

5. Balance sheet and net financial debt

Consolidated non-current assets amounted to €37.5 billion at 30 June 2016 (€36.5 billion at 30 June 2015, €36.7 billion at 31 December 2015), including €28.5 billion in the Concessions business (€27.5 billion at 30 June 2015, €27.6 billion at 31 December 2015) and €8.9 billion in Contracting (€8.8 billion at 30 June 2015, €9.0 billion at 31 December 2015).

After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €5.4 billion, down almost €1.2 billion compared with 31 December 2015, capital employed was €32.1 billion at 30 June 2016 (€30.1 billion at end-2015, €31.2 billion at 30 June 2015). Capital employed in the Concessions business amounted to €27.3 billion, accounting for 85% of the total (84% at 30 June 2015).

The Group's consolidated equity totalled €15.2 billion at 30 June 2016, up €0.3 billion compared with 30 June 2015 and down €0.1 billion compared with 31 December 2015 (€15.3 billion). It includes €0.1 billion relating to non-controlling interests.

¹ *Cash flow from operating activities: cash flow from operations adjusted for changes in operating working capital requirement and current provisions, interest paid, income taxes paid and dividends received from companies accounted for under the equity method.*

² *Operating cash flow: cash flow from operating activities adjusted for net investments in operating assets (excluding growth investments in concessions and PPPs)*

The number of shares, excluding treasury shares, was 594,880,595 at 30 June 2016 (588,453,075 at 31 December 2015). Treasury shares amounted to 6.6% of the total capital at 30 June 2016 (5.8% at 31 December 2015, 7.1% at 30 June 2015).

Consolidated net financial debt at end-June 2016 was €14.4 billion, up €0.5 billion relative to 30 June 2015 (€13.9 billion) and up almost €2.0 billion relative to 31 December 2015 (€12.4 billion).

For the Concessions business, including its holding companies, net financial debt stood at €23.9 billion, up €0.3 billion relative to 31 December 2015 (€23.6 billion). The Contracting business showed net debt of €0.1 billion, a €1.1 billion change during the first-half period compared with the net cash surplus of €1.0 billion at 31 December 2015 (€0.6 billion surplus at 30 June 2015). The holding companies and other activities posted a net financial surplus of €9.6 billion, down €0.5 billion relative to 31 December 2015.

The ratio of net financial debt to equity was 0.9 at 30 June 2016 (0.8 at 31 December 2015). The ratio of net financial debt to Ebitda on a rolling 12-month basis was 2.5 at 30 June 2016 (2.2 at 31 December 2015).

Liquidity at end-June 2016 amounted to €8.7 billion, versus €9.2 billion at end-June 2015 and €10.1 billion at 31 December 2015. The liquidity figure comprises €2.7 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities. In the first half of 2016, the expiry dates of those facilities were extended until May 2021.

Net financial surplus (debt)

<i>(in € millions)</i>	30/06/2016	Net financial debt/Ebitda	30/06/2015	31/12/2015	Change 30/06/2016 vs. 30/06/2015	Change 30/06/2016 vs. 31/12/2015
Concessions	(23,884)	x5.9	(19,777)	(23,551)	(4,107)	(333)
VINCI Autoroutes	(19,643)	x5.4	(16,738)	(20,247)	(2,904)	605
VINCI Airports	(3,826)	x8.5	(2,901)	(2,812)	(925)	(1,014)
VINCI Concessions	(415)		(138)	(492)	(277)	77
Contracting	(94)		635	1,034	(729)	(1,128)
VINCI Energies	(761)		(630)	(472)	(131)	(289)
Eurovia	(258)		(117)	174	(141)	(432)
VINCI Construction	925		1,382	1,332	(457)	(406)
Holding companies and miscellaneous	9,588		5,267	10,081	4,321	(493)
Total	(14,390)	x 2.5	(13,875)	(12,436)	(515)	(1,954)

6. Contracting order book

At 30 June 2016, the order book of the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction) stood at €29.2 billion, up almost 6% relative to 31 December 2015. The order book was stable outside France, and rose by over 11% in France. Over a 12-month period, it was up almost 2% (€28.7 billion at 30 June 2015) and up 3% excluding the SEA HSL project. It represents 11 months of average business activity. Major projects make up a larger share of the total than before, so orders currently in the order book are likely to be realised over a longer period than before.

VINCI Energies' order book stood at €6.4 billion at 30 June 2016, up 6% compared with 31 December 2015 (up 5% in France and up 8% outside France) but down 5% over 12 months (down 3% in France and down 8% outside France). It represents almost eight months of VINCI Energies' average business activity.

Eurovia's order book stood at €5.9 billion, up 9% since the start of the year (up 28% in France but down 2% outside France) and up almost 4% relative to end-June 2015 (up 20% in France and down 5% outside France). It represents nine months of Eurovia's average business activity.

VINCI Construction's order book stood at €16.9 billion at 30 June 2016, up 4% compared with 31 December 2015 (up 10% in France and down 2% outside France) and up 4% over 12 months (up 8% in France and stable outside France). It represents almost 15 months of VINCI Construction's average business activity.

Order book ^(*)

<i>(in € billions)</i>	30/06/2016	of which France	of which outside France	30/06/2015	31/12/2015
VINCI Energies	6.4	3.5	3.0	6.8	6.1
Eurovia	5.9	2.5	3.4	5.6	5.4
VINCI Construction	16.9	9.0	8.0	16.3	16.3
Total Contracting	29.2	14.9	14.3	28.7	27.7

() Unaudited figures.*

7. Interim dividend

On 28 July 2016, the Board of Directors decided to pay an interim dividend of €0.63 per share in respect of 2016, up 10.5% relative to the interim dividend paid in 2015 (€0.57).

This interim dividend will be paid in cash on 10 November 2016 (ex-dividend date: 8 November 2016).

8. Main transactions with related parties

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

9. Risk factors

The main risk factors that VINCI could face are described in Section C "Risk factors" of the Report of the Board of Directors contained in the 2015 registration document.

Condensed half-year consolidated financial statements at 30 June 2016

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Consolidated half-year financial statements

Key figures

<i>(in € millions)</i>	First half 2016	First half 2015	Change first half 2016/2015	Full year 2015
Revenue^(*)	17,619	17,880	-1.5%	38,518
Revenue generated in France ^(*)	10,348	10,621	-2.6%	22,414
% of revenue ^(*)	58.7%	59.4%		58.2%
Revenue generated outside France ^(*)	7,271	7,259	0.2%	16,104
% of revenue ^(*)	41.3%	40.6%		41.8%
Operating income from ordinary activities	1,720	1,540	11.7%	3,758
% of revenue ^(*)	9.8%	8.6%		9.8%
Recurring operating income	1,702	1,586	7.3%	3,788
Operating income	1,706	1,577	8.2%	3,715
Net income attributable to owners of the parent	920	819	12.4%	2,046
Diluted earnings per share <i>(in €)</i>	1.65	1.47	12.1%	3.66
Dividend per share <i>(in €)</i>	0.63 ^(**)	0.57	10.5%	1.84
Cash flow from operations before tax and financing costs	2,606	2,471	5.5%	5,664
Operating investments (net of disposals)	(299)	(273)	9.5%	(624)
Growth investments in concessions and PPPs	(435)	(396)	9.8%	(903)
Free cash flow (after investments)	(38)	247	-115%	2,995
Equity including non-controlling interests	15,180	14,889	291	15,256
Net financial debt	(14,390)	(13,875)	(515)	(12,436)

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

^(**) Interim dividend to be paid on 10 November 2016.

Consolidated income statement for the period

<i>(in € millions)</i>	Notes	First half 2016	First half 2015	Full year 2015
Revenue (*)	1-2	17,619	17,880	38,518
Concession subsidiaries' revenue derived from works carried out by non-Group companies		183	252	643
Total revenue		17,802	18,132	39,161
Revenue from ancillary activities		74	86	160
Operating expenses	4	(16,156)	(16,678)	(35,563)
Operating income from ordinary activities	1-4	1,720	1,540	3,758
Share-based payments (IFRS 2)	25	(43)	(36)	(95)
Profit/(loss) of companies accounted for under the equity method	4-10	2	49	89
Other recurring operating items		23	33	36
Recurring operating income	4	1,702	1,586	3,788
Non-recurring operating items	4	5	(9)	(73)
Operating income	4	1,706	1,577	3,715
Cost of gross financial debt		(277)	(303)	(600)
Financial income from cash investments		15	26	43
Cost of net financial debt	5	(262)	(277)	(557)
Other financial income and expense	6	(21)	(4)	(24)
Income tax expense	7	(483)	(462)	(1,055)
Net income		940	834	2,079
Net income attributable to non-controlling interests		20	16	34
Net income attributable to owners of the parent		920	819	2,046
Earnings per share attributable to owners of the parent				
Basic earnings per share <i>(in €)</i>	8	1.66	1.48	3.69
Diluted earnings per share <i>(in €)</i>	8	1.65	1.47	3.66

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

Consolidated comprehensive income statement for the period

	First half 2016			First half 2015			Full year 2015		
	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
<i>(in € millions)</i>									
Net income	920	20	940	819	16	834	2,046	34	2,079
Changes in fair value of cash flow hedging instruments ^(*)	(1)	-	(1)	45	-	45	71	-	71
Currency translation differences	1	(1)	-	93	5	98	32	4	36
Tax ^(**)	-	-	-	(15)	-	(15)	(26)	-	(26)
Share in net income of companies accounted for under the equity method	(30)	-	(30)	66	-	66	60	-	60
Other comprehensive income that may be recycled subsequently to net income	(29)	(1)	(30)	188	5	193	137	4	140
Actuarial gains and losses on retirement benefit obligations	(126)	-	(126)	(207)	-	(207)	(105)	-	(105)
Tax	32	-	32	51	-	51	25	-	25
Share in net income of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other comprehensive income that may not be recycled subsequently to net income	(93)	-	(93)	(156)	-	(156)	(80)	-	(80)
Total other comprehensive income recognised directly in equity	(122)	(1)	(123)	32	5	37	57	3	60
Total comprehensive income	798	19	817	851	20	871	2,102	37	2,139

^(*) 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

<i>(in € millions)</i>	Notes	30/06/2016	30/06/2015	31/12/2015
Non-current assets				
Concession intangible assets	12	24,315	23,892	23,915
Goodwill	9	7,644	7,170	7,296
Other intangible assets		389	401	387
Property, plant and equipment	14	4,313	4,225	4,241
Investments in companies accounted for under the equity method	10	1,457	1,340	1,404
Other non-current financial assets	11-13	875	988	942
Derivative financial instruments – non-current assets		877	809	803
Deferred tax assets		313	307	278
Total non-current assets		40,183	39,132	39,267
Current assets				
Inventories and work in progress	15	1,029	973	964
Trade and other receivables	15	10,835	11,127	10,696
Other current operating assets	15	4,772	4,685	4,635
Other current non-operating assets		32	40	30
Current tax assets		125	206	365
Other current financial assets		29	30	27
Derivative financial instruments – current assets		337	322	364
Cash management financial assets	21	166	186	166
Cash and cash equivalents	21	4,358	5,207	5,632
Total current assets		21,683	22,777	22,880
Assets held for sale		197	-	-
Total assets		62,062	61,909	62,147

Consolidated balance sheet

Equity and liabilities

<i>(in € millions)</i>	Notes	30/06/2016	30/06/2015	31/12/2015
Equity				
Share capital	18.1	1,487	1,495	1,471
Share premium		9,351	8,951	9,044
Treasury shares	18.2	(1,874)	(1,938)	(1,534)
Other equity instruments		-	466	-
Consolidated reserves		6,208	5,917	5,024
Currency translation reserves		54	96	31
Net income attributable to owners of the parent		920	819	2,046
Amounts recognised directly in equity	18.3	(1,107)	(1,053)	(962)
Equity attributable to owners of the parent		15,039	14,752	15,119
Non-controlling interests		141	137	137
Total equity		15,180	14,889	15,256
Non-current liabilities				
Non-current provisions	16	1,069	887	949
Provisions for employee benefits	24	1,631	1,634	1,515
Bonds	20	11,115	11,653	11,147
Other loans and borrowings	20	3,539	4,429	3,854
Derivative financial instruments – non-current liabilities		171	235	224
Other non-current liabilities		139	145	129
Deferred tax liabilities		1,734	1,670	1,656
Total non-current liabilities		19,399	20,652	19,474
Current liabilities				
Current provisions	15	3,986	3,767	4,053
Trade payables	15	7,121	7,348	7,590
Other current operating liabilities	15	10,565	10,716	10,884
Other current non-operating liabilities		319	278	360
Current tax liabilities		189	174	351
Derivative financial instruments – current liabilities		184	195	193
Current borrowings	20	5,120	3,889	3,986
Total current liabilities		27,483	26,367	27,417
Liabilities held for sale		-	-	-
Total equity and liabilities		62,062	61,909	62,147

Consolidated cash flow statement

<i>(in € millions)</i>	Notes	First half 2016	First half 2015	Full year 2015
Consolidated net income for the period (including non-controlling interests)		940	834	2,079
Depreciation and amortisation		987	1,041	2,033
Net increase/(decrease) in provisions and impairment		2	(37)	61
Share-based payments (IFRS 2) and other restatements		(33)	(38)	4
Gain or loss on disposals		(20)	13	(3)
Change in fair value of financial instruments		10	(17)	-
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated companies		(7)	(55)	(98)
Capitalised borrowing costs		(18)	(11)	(23)
Cost of net financial debt recognised	5	262	277	557
Current and deferred tax expense recognised		483	462	1,055
Cash flow from operations before tax and financing costs	1	2,606	2,471	5,664
Changes in operating working capital requirement and current provisions	15.1	(1,137)	(831)	307
Income taxes paid		(495)	(465)	(1,041)
Net interest paid		(331)	(331)	(534)
Dividends received from companies accounted for under the equity method		54	73	125
Cash flows (used in)/from operating activities	I	697	917	4,522
<i>Purchases of property, plant and equipment and intangible assets</i>		<i>(350)</i>	<i>(327)</i>	<i>(749)</i>
<i>Proceeds from sales of property, plant and equipment and intangible assets</i>		<i>51</i>	<i>54</i>	<i>125</i>
Operating investments (net of disposals)	1	(299)	(273)	(624)
Operating cash flow	1	398	643	3,898
<i>Investments in concession fixed assets (net of grants received)</i>		<i>(421)</i>	<i>(361)</i>	<i>(886)</i>
<i>Financial receivables (PPP contracts and others)</i>		<i>(14)</i>	<i>(36)</i>	<i>(16)</i>
Growth investments in concessions and PPPs	1	(435)	(396)	(903)
Free cash flow (after investments)	1	(38)	247	2,995
<i>Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)⁽¹⁾</i>		<i>(684)</i>	<i>(152)</i>	<i>(403)</i>
<i>Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)</i>		<i>48</i>	<i>6</i>	<i>18</i>
<i>Net effect of changes in scope of consolidation</i>		<i>(423)</i>	<i>(66)</i>	<i>(70)</i>
Net financial investments		(1,059)	(213)	(456)
Other		21	52	44
Net cash flows (used in)/from investing activities	II	(1,773)	(831)	(1,938)
Share capital increases and decreases and repurchases of other equity instruments ⁽²⁾		322	312	(64)
Transactions on treasury shares	18.2	(348)	(466)	(688)
Non-controlling interests in share capital increases and decreases of subsidiaries		1	-	-
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(2)	(1)	(27)
Dividends paid	19	(719)	(683)	(1,044)
- to shareholders of VINCI SA ⁽³⁾		(703)	(673)	(1,019)
- to non-controlling interests		(17)	(10)	(25)
Proceeds from new long-term borrowings		930	21	129
Repayments of long-term borrowings		(791)	(796)	(1,418)
Change in cash management assets and other current financial debts		(80)	524	3
Net cash flows (used in)/from financing activities	III	(686)	(1,089)	(3,109)
Other changes ⁽⁴⁾	IV	440	121	112
Change in net cash	I+II+III+IV	(1,322)	(882)	(413)
Net cash and cash equivalents at beginning of period		5,077	5,491	5,491
Net cash and cash equivalents at end of period	21	3,755	4,608	5,077
Change in cash management assets and other current financial debts		80	(524)	(3)
(Proceeds from)/repayment of loans		(139)	775	1,289
Other changes ⁽⁴⁾		(573)	37	(28)
Change in net financial debt		(1,954)	(594)	845
Net financial debt at beginning of period		(12,436)	(13,281)	(13,281)
Net financial debt at end of period	20	(14,390)	(13,875)	(12,436)

(1) Including, in the first half of 2016, the acquisition of Aerodom for €417 million and J&P Richardson for €61 million, along with funding provided to companies operating concessions at Kansai airport (€149 million) and Santiago de Chile airport (€13 million). In 2015, acquisitions of Orteng Engenharia e Sistemas for €87 million, HEB Construction for €43 million and a 20% stake in Constructora Concreto for €81 million.

(2) Including in 2015 capital increases totalling €436 million and the early redemption of perpetual subordinated bonds for €500 million.

(3) Including in 2015 interest payments on the perpetual subordinated bonds for €30 million.

(4) Including Aerodom's net financial debt at acquisition date.

Consolidated statement of changes in equity

	Equity attributable to owners of the parent										
	Share capital	Share premium	Treasury shares	Other equity instruments	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
(in € millions)											
Balance at 01/01/2015	1,475	8,633	(1,560)	491	4,205	2,486	(1)	(987)	14,743	125	14,868
Net income for the period	-	-	-	-	-	819	-	-	819	16	834
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	93	(127)	(34)	5	(29)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	7	59	66	-	66
Total comprehensive income for the period	-	-	-	-	-	819	100	(67)	851	20	871
Increase in share capital	20	318	-	-	-	-	-	-	338	-	338
Decrease in share capital and repurchases of other equity instruments	-	-	-	(25)	(1)	-	-	-	(25)	-	(25)
Transactions on treasury shares	-	-	(378)	-	(89)	-	-	-	(466)	-	(466)
Allocation of net income and dividend payments	-	-	-	-	1,813	(2,486)	-	-	(673)	(10)	(683)
Share-based payments (IFRS 2)	-	-	-	-	24	-	-	-	24	-	24
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Changes in consolidation scope	-	-	-	-	2	-	(2)	-	-	2	2
Other	-	-	-	-	(38)	-	(1)	1	(37)	-	(37)
Balance at 30/06/2015	1,495	8,951	(1,938)	466	5,917	819	96	(1,053)	14,752	137	14,889
Net income for the period	-	-	-	-	-	1,227	-	-	1,227	18	1,245
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	(61)	92	31	(1)	30
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	(4)	(2)	(6)	-	(6)
Total comprehensive income for the period	-	-	-	-	-	1,227	(65)	90	1,252	17	1,268
Increase in share capital	6	93	-	-	-	-	-	-	99	-	99
Decrease in share capital and repurchases of other equity instruments	(30)	-	625	(466)	(605)	-	-	-	(476)	-	(476)
Transactions on treasury shares	-	-	(221)	-	-	-	-	-	(222)	-	(222)
Allocation of net income and dividend payments	-	-	-	-	(346)	-	-	-	(346)	(15)	(361)
Share-based payments (IFRS 2)	-	-	-	-	37	-	-	-	37	-	37
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(6)	-	-	-	(6)	-	(6)
Changes in consolidation scope	-	-	-	-	(1)	-	(1)	2	-	(2)	(2)
Other	-	-	-	-	28	-	1	(1)	28	-	28
Balance at 31/12/2015	1,471	9,044	(1,534)	-	5,024	2,046	31	(962)	15,119	137	15,256
Net income for the period	-	-	-	-	-	920	-	-	920	20	940
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	1	(94)	(93)	(1)	(93)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	22	(52)	(30)	-	(30)
Total comprehensive income for the period	-	-	-	-	-	920	23	(145)	798	19	817
Increase in share capital	16	306	-	-	-	-	-	-	322	1	323
Decrease in share capital	-	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(340)	-	(8)	-	-	-	(348)	-	(348)
Allocation of net income and dividend payments	-	-	-	-	1,343	(2,046)	-	-	(703)	(17)	(719)
Share-based payments (IFRS 2)	-	-	-	-	29	-	-	-	29	-	29
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	4	-	-	-	4	-	4
Changes in consolidation scope	-	-	-	-	(2)	-	-	2	-	1	1
Other	-	-	-	-	(182)	-	-	(1)	(183)	-	(183)
Balance at 30/06/2016	1,487	9,351	(1,874)	-	6,208	920	54	(1,107)	15,039	141	15,180

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A. Seasonal nature of the business

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

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

In the last few years, first-half revenue has accounted for 46-47% of the full-year total.

First-half revenue and earnings cannot therefore be extrapolated over the full year because of the above and also because of the application of IFRIC 21. That interpretation governs the recognition of levies, and generally focuses on when the activity that triggers payment, as identified by the relevant legislation, occurs (see Note A.1 "Basis for preparing the financial statements" in the 2015 registration document).

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

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

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

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

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

B. General policies and use of estimates

1. General policies

The accounting policies used at 30 June 2016 are consistent with those used in preparing the consolidated financial statements at 31 December 2015, except for the standards and/or amendments adopted by the European Union and mandatorily applicable as from 1 January 2016 (see below).

The Group's condensed half-year consolidated financial statements at 30 June 2016 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 28 July 2016. As these are condensed consolidated financial statements, they do not include all the information required by IFRSs in relation to full-year financial statements and should therefore be read in conjunction with the Group's consolidated financial statements for the period ended 31 December 2015, as set out in the 2015 registration document D.16-0086, filed with the AMF on 26 February 2016.

The accounting policies adopted in preparing and presenting the condensed half-year consolidated financial statements comply with the IFRS standards and interpretations as adopted by the European Union as at 30 June 2016 ^(*).

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.

Change in presentation of the consolidated financial statements

The presentation of the Group's consolidated financial statements has been changed relative to that used for the condensed half-year consolidated financial statements at 30 June 2015.

The changes relate mainly to the organisation and ordering of the notes by theme. They are intended to make the consolidated financial statements easier to read and understand and more relevant, in line with the AMF's recommendations and work done by the International Accounting Standards Board.

The basis for preparing the financial statements, the consolidation methods applicable specifically to Group companies and the use of estimates in preparing the consolidated financial statements are covered in Note B. "General policies and use of estimates". Other rules and consolidation methods, which are more general and not specific to the Group, are now presented in Note M. "Other consolidation rules and methods".

The presentation of the income statement, comprehensive income statement, cash flow statement and statement of changes in equity has not changed as a result of the improvement work undertaken. The presentation of the balance sheet is identical to that in previous half-year periods, with the exception of the addition of complementary items that present on an isolated basis the fair values of derivative financial instruments and provisions for employee benefits. The "Other financial assets" item now consists solely of loans and receivables (including financial receivables under PPP contracts) and available-for-sale financial assets. The change in the presentation of the statement of comprehensive income following the amendment of IAS 1 is described in the following section relating to the implementation of applicable new standards.

New standards and interpretations applicable from 1 January 2016

No new standards applied for the first time from 1 January 2016. There were only a few amendments of standards applying mandatorily to periods beginning in 2016:

- Amendments to IAS 1 "Disclosure Initiative";
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation";
- Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions";
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations";
- Annual improvements 2010-2012 and 2012-2014.

The presentation of comprehensive income takes into account the amendments to IAS 1 "Improvements to disclosures in the notes". Specific line items have been created to present the following information separately for entities accounted for under the equity method:

- the proportion of other comprehensive income (net) that may be reclassified subsequently in net income;
- the proportion of other comprehensive income (net) that may not be reclassified subsequently in net income.

At Group level, the implementation of the other amendments has no material impact.

^(*) Available at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2016

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 2016.

- IFRS 9 “Financial Instruments”;
- IFRS 15 “Revenue from Contracts with Customers”;
- IFRS 16 “Leases”;
- Amendments to IAS 7 “Disclosure Initiative”;
- Amendments to IAS 12 “Recognition of deferred tax assets for unrealised losses”;
- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”.

An analysis of the impacts and practical consequences of applying these standards is currently taking place.

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, a study is carried out in relation to instruments held by the Group or by third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) that, if exercised, could alter the type of influence exerted by each party.

For some infrastructure project companies operating under concessions or public-private partnership contracts and in which VINCI is not the only capital investor, in addition to the analysis of the governance arrangements with each partner, the Group may look at the characteristics of subcontracting contracts to check that they do not confer additional powers that could lead to a situation of de facto control. This most often concerns construction contracts and contracts to operate/maintain concession assets.

An analysis is performed if a specific event takes place that may affect the level of control exerted by the Group, such as a change in an entity’s ownership structure or governance, or the exercise of a dilutive financial instrument.

In accordance with IFRS 11, the Group’s joint arrangements fall into two categories (joint ventures and joint operations) depending on the nature of the rights and obligations held by each party. Classification is generally determined by the legal form of the project vehicle.

Most joint arrangements in the Contracting business are joint operations because of the legal form of the vehicles used. In France, for example, parties generally use *sociétés en participation* (SEPs) to contractualise their joint works activities. In some situations, where the facts and circumstances show that a company has been designed to provide 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.

Within the Group, this 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 concerns the Group’s stakes in the ADP (Aéroports de Paris) group and CFE in particular.

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

VINCI’s consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and of companies whose revenue is below this figure but whose impact on the Group’s financial statements is material.

3. Measurement rules and methods

3.1 Use of estimates

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

These estimates assume the operation is a going concern and are made on the basis of information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates. The consolidated half-year financial statements have been prepared with reference to the immediate environment, including as regards estimates relating to:

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

3.2 Measurement of fair value

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

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

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

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

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

- Level 1 – price quoted on an active market: Marketable securities, some available-for-sale financial assets and listed bond issues are measured in this way.
- Level 2 – internal model using internal measurement techniques with observable factors: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments (swaps, caps, floors, etc.) traded over the counter is made on the basis of models commonly used by market participants to price such financial instruments. Every quarter, the internally calculated values of derivative instruments are checked for consistency with those sent to VINCI by the counterparties.
- Level 3 – internal model using non-observable factors: this model applies to customer relationships and contracts acquired through business combinations, as well as to holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

3.3 Specific measurement rules and methods applied by the Group in preparing the interim financial statements

3.3.1 Estimation of the tax expense

The tax expense for the first half year is determined by applying the estimated average tax rate for the whole of 2016 (including deferred tax) to pre-tax income. This rate may be adjusted for the tax effects of unusual items recognised in the period.

3.3.2 Retirement benefit obligations

No new comprehensive actuarial assessment is carried out for the half-year consolidated financial statements. The expense for the half year in respect of retirement benefit obligations is half the expense calculated for 2016 on the basis of actuarial assumptions at 31 December 2015. Impacts arising from changes in assumptions relating to post-employment benefits in the first half of 2016 (discount rate and long-term inflation rate) are recognised under "Other comprehensive income".

C. Key events in the period and changes in consolidation scope

1. Development of concessions

Airport concessions

VINCI Airports maintained its growth in the first half of 2016:

- from 1 April 2016, it took over the operation of Kansai and Osaka airports in Japan for a 44-year term, in partnership with Orix Corporation (40%) and other local Japanese companies (20%);
- on 8 April 2016, it acquired Aerodom, which operates six airports in the Dominican Republic (see Note C.2.1 "Acquisition of Aerodom").

Parking business

On 13 June, VINCI announced an agreement with Ardian Infrastructure and Crédit Agricole Assurances with a view to selling its 24.6% stake in Indigo (formerly known as VINCI Park).

The transaction is subject to the approval of the competition authorities and should be completed in the second half of 2016.

At 30 June 2016, in accordance with IFRS 5, all assets relating to the equity stake in Infra Park TopCo were shown on the balance sheet under "Assets held for sale".

Other concession and PPP contracts

In February 2016, VINCI won a 54-year concession contract for the design, financing, construction, operation and maintenance of the A355, a 24 km bypass to the west of Strasbourg.

In 2016, VINCI has been named as the preferred bidder for the concession contract regarding the future A45 motorway between Saint Étienne and the Lyon urban area.

2. Number of companies by reporting method

(number of companies)	30/06/2016			30/06/2015			31/12/2015		
	Total	France	Foreign	Total	France	Foreign	Total	France	Foreign
Controlled companies	1,873	1,115	758	1,847	1,122	725	1,881	1,122	759
Joint ventures (*)	153	105	48	174	106	68	161	110	51
Associates (*)	46	22	24	46	24	22	47	23	24
Total	2,072	1,242	830	2,067	1,252	815	2,089	1,255	834

(*) 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 of companies as part of the Group's development outside France.

Other changes relate to legal restructuring within the Group and resulted in a reduction in the number of consolidated entities.

2.1 Acquisition of Aerodom

On 8 April 2016, VINCI Airports completed the acquisition of all shares in Aeropuertos Dominicanos Siglo XXI SA (Aerodom), the company that holds a concession contract with the government of the Dominican Republic to operate six airports in the country until March 2030.

Aerodom has been fully consolidated in VINCI's consolidated financial statements since that date.

Provisional determination of assets and liabilities acquired at the date of acquiring control

(in € millions)

Assets and liabilities acquired	Fair value
Concession intangible and operating fixed assets	749
Property, plant and equipment	2
Other non-current financial assets	52
Deferred tax assets	11
Total non-current assets	813
Trade and other operating receivables	16
Inventories and work in progress	2
Cash and cash equivalents	29
Total current assets	47
Provisions and other non-current liabilities	5
Bonds	455
Deferred tax liabilities	202
Total non-current liabilities	663
Current provisions	23
Accrued interest not matured	16
Trade payables and other current liabilities	15
Total current liabilities	53
Net assets acquired	144
Acquisition-date fair value of the total consideration transferred	417
Provisional goodwill	273

Provisional goodwill, as shown in the table above, represents the future economic benefits that VINCI expects to derive from the acquisition of Aerodom. It has been allocated to the VINCI Airports business segment.

Aerodom contributed €28 million to Group revenue, €5 million to Group operating income from ordinary activities and a negative amount of €6 million to Group net income in the first half of 2016.

For the first half of 2016 as a whole, 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 €67 million, €17 million and a negative amount of €8 million respectively (unaudited figures).

2.2 Acquisition of J&P Richardson

In February 2016, VINCI Energies completed the acquisition of all shares in Australian company J&P Richardson Industries Pty Limited, which is based in Queensland in north-east Australia.

J&P Richardson Industries Pty Limited is a leading player in its markets and performs engineering, installation and maintenance work relating to electricity and water distribution networks, telecoms networks and industrial processes.

In accordance with IFRS 3 Revised, the fair value of the identifiable assets and liabilities acquired will be measured, and the related deferred tax effects will be determined. The purchase price was €69 million. The goodwill related to the J&P Richardson acquisition was provisionally measured at €58 million on the date the Group took control.

2.3 Acquisitions and disposals in previous periods

The main acquisitions in 2015 involved VINCI Energies (Orteng Engenharia e Sistemas and APX Intégration), VINCI Construction International Network (HEB Construction), VINCI (Constructora Concreto) and Soletanche Freyssinet (Grupo Rodio Kronsa).

In relation to these companies, VINCI assessed the fair value of the identifiable assets and liabilities acquired in accordance with IFRS 3 Amended. The values allocated to identifiable acquired assets and liabilities on the dates when control was acquired in 2015 were not adjusted materially in the first half of 2016. At 30 June 2016, the allocation of purchase prices resulted in the recognition of:

- €82 million of goodwill for Orteng Engenharia e Sistemas;
- €52 million of provisional goodwill for HEB Construction.

Details of these transactions are provided in Note B.2. "Changes in consolidation scope" in the 2015 registration document.

D. Financial indicators by business line and geographical area

1. Information by operating segment

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

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

Concessions

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

Contracting

- VINCI Energies: electrical works and engineering, information and communication technology, heating ventilation and air conditioning engineering, insulation, fire protection and facilities management.
- Eurovia: building and maintenance of roads, motorways and railways, urban infrastructure, environmental work, production of materials, demolition works, recycling, and the manufacturing and installation of road signage.
- VINCI Construction: design and construction of buildings and civil engineering infrastructure, hydraulic works, foundations, soil treatment, specialised civil engineering.

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

1.1 Information by business

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

First half 2016

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

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

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

First half 2015

	Contracting					VINCI Immobilier and holding companies		
<i>(in € millions)</i>	Concessions	VINCI Energies	Eurovia	VINCI Construction	Total		Eliminations	Total
Income statement								
Revenue ^(*)	2,699	4,795	3,445	7,005	15,244	261	(324)	17,880
Concession subsidiaries' works revenue	350	-	-	-	-	-	(98) ^(**)	252
Total revenue	3,049	4,795	3,445	7,005	15,244	261	(422)	18,132
Operating income from ordinary activities	1,186	260	(48)	103	315	39	-	1,540
% of revenue ^(*)	44.0%	5.4%	-1.4%	1.5%	2.1%	-	-	8.6%
Recurring operating income	1,216	251	(47)	123	327	43	-	1,586
Operating income	1,216	251	(54)	121	318	43	-	1,577
Cash flow statement								
Cash flow from operations before tax and financing costs	1,879	279	35	243	557	34	-	2,471
% of revenue ^(*)	69.6%	5.8%	1.0%	3.5%	3.7%	-	-	13.8%
Depreciation and amortisation	703	54	109	173	337	2	-	1,041
Net increase/(decrease) in provisions and impairment	(5)	(1)	(23)	(7)	(32)	-	-	(37)
Operating investments (net of disposals)	(14)	(39)	(80)	(141)	(259)	(1)	-	(273)
Operating cash flow	1,033	(87)	(246)	(299)	(633)	243	-	643
Growth investments in concessions and PPPs	(385)	1	(7)	(5)	(11)	-	-	(396)
Free cash flow (after investments)	648	(86)	(254)	(304)	(644)	243	-	247
Balance sheet								
Capital employed at 30/06/2015	26,325	2,946	1,262	423	4,631	246	-	31,202
of which investments in companies accounted for under the equity method	858	10	109	322	441	41	-	1,340
Net financial surplus (debt)	(19,777)	(630)	(117)	1,382	635	5,267	-	(13,875)

(*) 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.

2015

	Contracting					VINCI Immobilier and holding companies		
<i>(in € millions)</i>	Concessions	VINCI Energies	Eurovia	VINCI Construction	Total		Eliminations	Total
Income statement								
Revenue ^(*)	5,804	10,180	7,899	14,491	32,570	707	(562)	38,518
Concession subsidiaries' works revenue	882	-	-	-	-	-	(239) ^(**)	643
Total revenue	6,686	10,180	7,899	14,491	32,570	707	(802)	39,161
Operating income from ordinary activities	2,576	568	233	299	1,100	82	-	3,758
% of revenue ^(*)	44.4%	5.6%	3.0%	2.1%	3.4%	-	-	9.8%
Recurring operating income	2,627	538	237	292	1,067	94	-	3,788
Operating income	2,627	527	224	247	998	90	-	3,715
Cash flow statement								
Cash flow from operations before tax and financing costs	3,933	597	432	536	1,565	166	-	5,664
% of revenue ^(*)	67.8%	5.9%	5.5%	3.7%	4.8%	-	-	14.7%
Depreciation and amortisation	1,338	113	230	348	691	4	-	2,033
Net increase/(decrease) in provisions and impairment	32	5	8	16	30	(1)	-	61
Operating investments (net of disposals)	(29)	(104)	(193)	(292)	(589)	(6)	-	(624)
Operating cash flow	2,381	465	415	228	1,108	408	-	3,898
Growth investments in concessions and PPPs	(917)	2	(1)	13	14	-	-	(903)
Free cash flow (after investments)	1,464	467	414	242	1,122	408	-	2,995
Balance sheet								
Capital employed at 31/12/2015	26,247	2,581	757	(7)	3,331	554	-	30,132
of which investments in companies accounted for under the equity method	871	6	110	308	424	109	-	1,404
Net financial surplus (debt)	(23,551)	(472)	174	1,332	1,034	10,081	-	(12,436)

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

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

1.2 Information relating to the Concessions business

First half 2016

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

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

First half 2015

	Concessions			
(in € millions)	VINCI Autoroutes (**)	VINCI Airports	Other concessions (**)	Total
Income statement				
Revenue (*)	2,253	384	62	2,699
Concession subsidiaries' works revenue	256	63	31	350
Total revenue	2,509	447	93	3,049
Operating income from ordinary activities	1,070	138	(21)	1,186
% of revenue(*)	47.5%	35.9%	-34.0%	44.0%
Recurring operating income	1,068	151	(2)	1,216
Operating income	1,068	151	(2)	1,216
Cash flow statement				
Cash flows from operations before tax and financing costs	1,678	198	4	1,879
% of revenue(*)	74.4%	51.7%	5.9%	69.6%
Depreciation and amortisation	635	63	5	703
Net increase/(decrease) in provisions and impairment	(10)	1	4	(5)
Operating investments (net of disposals)	(5)	(5)	(4)	(14)
Operating cash flow	932	136	(35)	1,033
Growth investments in concessions and PPPs	(307)	(53)	(25)	(385)
Free cash flow (after investments)	625	83	(60)	648
Balance sheet				
Capital employed at 30/06/2015	21,997	3,614	714	26,325
of which investments in companies accounted for under the equity method	-	679	179	858
Net financial surplus (debt)	(16,738)	(2,901)	(138)	(19,777)

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

(**) 2015 figures adjusted following the transfer of Transjamaican Highway Ltd and Jamaican Infra Operator from VINCI Autoroutes to VINCI Concessions.

2015

	Concessions			
(in € millions)	VINCI Autoroutes ^(**)	VINCI Airports	Other concessions ^(**)	Total
Income statement				
Revenue ^(*)	4,871	820	112	5,804
Concession subsidiaries' works revenue	746	93	42	882
Total revenue	5,617	914	155	6,686
Operating income from ordinary activities	2,350	289	(64)	2,576
% of revenue ^(*)	48.2%	35.3%	-56.6%	44.4%
Recurring operating income	2,341	320	(34)	2,627
Operating income	2,341	320	(35)	2,627
Cash flow statement				
Cash flows from operations before tax and financing costs	3,522	412	-	3,933
% of revenue ^(*)	72.3%	50.2%	-0.1%	67.8%
Depreciation and amortisation	1,204	124	10	1,338
Net increase/(decrease) in provisions and impairment	(9)	5	36	32
Operating investments (net of disposals)	(10)	(3)	(15)	(29)
Operating cash flow	2,139	298	(55)	2,381
Growth investments in concessions and PPPs	(784)	(109)	(24)	(917)
Free cash flow (after investments)	1,355	188	(79)	1,464
Balance sheet				
Capital employed at 31/12/2015	21,866	3,634	747	26,247
of which investments in companies accounted for under the equity method	-	706	164	871
Net financial surplus (debt)	(20,247)	(2,812)	(492)	(23,551)

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

(**) 2015 figures adjusted following the transfer of Transjamaican Highway Ltd and Jamaican Infra Operator from VINCI Autoroutes to VINCI Concessions.

2. Breakdown of revenue by geographical area

<i>(in € millions)</i>	First half 2016	%	First half 2015	%	Full year 2015	%
France	10,348	58.7%	10,621	59.4%	22,414	58.2%
United Kingdom	1,261	7.2%	1,331	7.4%	2,679	7.0%
Germany	1,192	6.8%	1,150	6.4%	2,703	7.0%
Central and Eastern Europe ^(*)	626	3.6%	708	4.0%	1,884	4.9%
Other European countries	1,378	7.8%	1,257	7.0%	2,699	7.0%
Europe^(**)	14,805	84.0%	15,067	84.3%	32,379	84.1%
<i>of which European Union</i>	<i>14,447</i>	<i>82.0%</i>	<i>14,728</i>	<i>82.4%</i>	<i>31,594</i>	<i>82.0%</i>
North America	620	3.5%	609	3.4%	1,408	3.7%
Central and South America	454	2.6%	455	2.5%	956	2.5%
Africa	661	3.8%	671	3.8%	1,479	3.8%
Russia, Asia Pacific and Middle East	1,078	6.1%	1,078	6.0%	2,295	6.0%
International excluding Europe	2,814	16.0%	2,813	15.7%	6,139	15.9%
International excluding France	7,271	41.3%	7,259	40.6%	16,104	41.8%
Revenue^(***)	17,619	100.0%	17,880	100.0%	38,518	100.0%

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

^(**) Of which eurozone: €12,526 million in the first half of 2016, €12,648 million in the first half of 2015 and €27,044 million for full year 2015.

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

Revenue arising outside France amounted to €7,271 million in the first half of 2016, stable relative to the first half of 2015. It accounted for 41.3% of revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (40.6% in the first half of 2015).

3. Reconciliation between capital employed and the financial statements

The definition of capital employed is non-current assets less working capital requirement (including current provisions) (see Note H.15 "Working capital requirement and current provisions") and less tax payable.

<i>(in € millions)</i>	Note	30/06/2016	30/06/2015	31/12/2015
Capital employed – Assets				
Concession intangible assets	12	24,315	23,892	23,915
- Deferred tax on business combination fair value adjustments		(1,654)	(1,749)	(1,694)
Goodwill, gross	9	7,823	7,357	7,485
Other intangible assets		389	401	387
Property, plant and equipment	14	4,313	4,225	4,241
Investments in companies accounted for under the equity method	10	1,457	1,340	1,404
Other non-current financial assets	11-13	1,751	1,798	1,745
- Collateralised loans and receivables (at more than one year)		-	(2)	(2)
- Derivative financial instruments (non-current assets)		(877)	(809)	(803)
Inventories and work in progress	15	1,029	973	964
Trade and other receivables	15	10,835	11,127	10,696
Other current operating assets	15	4,772	4,685	4,635
Other current non-operating assets		32	40	30
Current tax assets		125	206	365
Capital employed – Liabilities				
Current provisions	15	(3,986)	(3,767)	(4,053)
Trade payables	15	(7,121)	(7,348)	(7,590)
Other current operating liabilities	15	(10,565)	(10,716)	(10,884)
Other current non-operating liabilities		(319)	(278)	(360)
Current tax liabilities		(189)	(174)	(351)
Total capital employed		32,130	31,202	30,132

E. Main income statement items

4. Operating income

<i>(in € millions)</i>	First half 2016	First half 2015	Full year 2015
Revenue^(*)	17,619	17,880	38,518
Concession subsidiaries' revenue derived from works carried out by non-Group companies	183	252	643
Total revenue	17,802	18,132	39,161
Revenue from ancillary activities	74	86	160
Purchases consumed	(3,800)	(4,108)	(8,531)
External services	(2,189)	(2,108)	(4,670)
Temporary employees	(451)	(461)	(998)
Subcontracting (including concession operating companies' construction costs)	(3,583)	(3,883)	(8,598)
Taxes and levies	(457)	(474)	(1,086)
Employment costs	(4,826)	(4,759)	(9,536)
Other operating income and expense on activity	29	39	67
Depreciation and amortisation	(987)	(1,041)	(2,033)
Net provision expense	108	118	(178)
Operating expenses	(16,156)	(16,678)	(35,563)
Operating income from ordinary activities	1,720	1,540	3,758
<i>% of revenue^(*)</i>	<i>9.8%</i>	<i>8.6%</i>	<i>9.8%</i>
Share-based payments (IFRS 2)	(43)	(36)	(95)
Profit/(loss) of companies accounted for under the equity method	2	49	89
Other recurring operating items	23	33	36
Recurring operating income	1,702	1,586	3,788
Goodwill impairment expense	-	-	(8)
Impact from changes in scope and gain/(loss) on disposals of shares	5	(8)	(27)
Other non-recurring operating items	-	-	(38)
<i>Total non-recurring operating items</i>	<i>5</i>	<i>(9)</i>	<i>(73)</i>
Operating income	1,706	1,577	3,715

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

Operating income from ordinary activities measures the operating performance of fully consolidated Group subsidiaries before taking account of expenses related to share-based payments (IFRS 2). It excludes the share of the income or loss of companies accounted for under the equity method and certain other recurring operating 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 non-recurring income and expenses to recurring operating income.

The Group did not recognise any material non-recurring items in the first half of 2016.

In 2015, non-recurring items recognised by the Group mainly related to the impact of divestments, impairment losses and restructuring costs, particularly in France.

5. Cost of net financial debt

The cost of net financial debt amounted to €262 million in the first half of 2016, down €15 million relative to the first half of 2015 (€277 million). The improvement was mainly the result of the fall in the average amount of long-term debt outstanding, the refinancing of debt repaid in 2015 and 2016 on improved terms and the reduction in interest rates, which benefited the Group due to its policy of keeping a certain level of variable rate debt.

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

<i>(in € millions)</i>	First half 2016	First half 2015	Full year 2015
Financial liabilities at amortised cost	(332)	(349)	(689)
Financial assets and liabilities at fair value	15	25	43
Derivatives designated as hedges: assets and liabilities	61	48	97
Derivatives at fair value through profit and loss: assets and liabilities	(6)	(2)	(8)
Total cost of net financial debt	(262)	(277)	(557)

6. Other financial income and expense

Other financial income and expense breaks down as follows:

<i>(in € millions)</i>	First half 2016	First half 2015	2015
Effect of discounting to present value	(26)	(28)	(49)
Borrowing costs capitalised	18	11	23
Foreign exchange gains and losses	(13)	13	1
Total other financial income and expense	(21)	(4)	(24)

The effect of discounting to present value relates mainly to provisions for retirement benefit obligations and represented an expense of €17 million (€18 million in the first half of 2015) and to provisions for the obligation to maintain the condition of concession assets, representing an expense of €9 million (€9 million in the first half of 2015).

Capitalised borrowing costs mainly relate to the ASF group for €13 million (€10 million in the first half of 2015).

7. Income tax expense

The tax expense amounted to €483 million, compared with €462 million in the first half of 2015.

The effective tax rate, excluding income from companies accounted for under the equity method, was 34.0%, compared with 37.0% in the first half of 2015. This decrease resulted mainly from the 10.7% corporate income surtax in France no longer applying in 2016.

The rate in the first half of 2016 was slightly lower than the standard French tax rate of 34.43% because earnings at some foreign subsidiaries are taxed at a rate lower than the French rate.

8. Earnings per share

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

In calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the company, 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 for changes in income and expenses taken directly to equity resulting from the conversion into shares of all potentially dilutive instruments.

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

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

First half 2015	Average number of shares	Net income (in € millions)	Earnings per share (in €)
Total shares	592,374,369		
Treasury shares	(38,602,063)		
Basic earnings per share	553,772,306	819	1.48
Subscription options	2,093,849		
Group savings plan	678,000		
Performance shares	1,080,080		
Diluted earnings per share	557,624,235	819	1.47

Full year 2015	Average number of shares	Net income (in € millions)	Earnings per share (in €)
Total shares	595,424,717		
Treasury shares	(41,444,909)		
Basic earnings per share	553,979,808	2,046	3.69
Subscription options	2,129,991		
Group savings plan	500,370		
Performance shares	1,556,904		
Diluted earnings per share	558,167,073	2,046	3.66

F. Investments in other companies

9. Goodwill

Changes in the period were as follows:

<i>(in € millions)</i>	30/06/2016	31/12/2015
Net at beginning of period	7,296	6,994
Goodwill recognised during the period	364	252
Impairment losses	-	(8)
Currency translation differences	(14)	13
Entities no longer consolidated	(3)	(2)
Other movements	1	47
Net at end of period	7,644	7,296

The acquisition of control over Aerodom resulted in the recognition of €280 million of provisional goodwill at 30 June 2016.

In 2015, the main changes related to the acquisition of control over Orteng Engenharia e Sistemas by VINCI Energies and of HEB Construction by VINCI Construction International Network.

The main goodwill items at 30 June 2016 were as follows:

<i>(in € millions)</i>	30/06/2016			31/12/2015
	Gross	Impairment losses	Net	Net
VINCI Energies France	2,325	-	2,325	2,309
ASF group ^(*)	1,935	-	1,935	1,935
VINCI Airports	762	-	762	483
VINCI Energies Germany	528	-	528	527
VINCI Energies Benelux	264	-	264	264
Entrepose	201	-	201	201
Soletanche Bachy	171	-	171	171
VINCI Energies Australia - New Zealand	161	-	161	97
Nuvia	137	-	137	155
VINCI Energies Switzerland	132	-	132	126
ETF	108	-	108	108
VINCI Construction UK	160	(74)	86	97
Other goodwill	940	(105)	835	826
Total	7,823	(179)	7,644	7,296

() ASF et Escota.*

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

10.1 Movements during the period

(in € millions)	30/06/2016			31/12/2015		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Value of shares at beginning of period	1,187	217	1,404	1,094	215	1,309
<i>of which Concessions</i>	762	109	871	772	73	845
<i>of which Contracting</i>	421	87	508	318	106	424
<i>of which VINCI Immobilier</i>	4	20	25	4	36	40
Increase in share capital of companies accounted for under the equity method	4	162	166	90	41	131
Group share of profit or loss for the period	20	(18)	2	70	19	89
Group share of other comprehensive income for the period	(6)	(24)	(30)	13	46	60
Dividends paid	(23)	(31)	(54)	(70)	(55)	(125)
Changes in consolidation scope and other	(46)	(4)	(50)	-	(13)	(12)
Reclassifications ^(*) ^(**)	(75)	94	19	(11)	(37)	(48)
Value of shares at end of period	1,060	397	1,457	1,187	217	1,404
<i>of which Concessions</i>	678	291	969	762	109	871
<i>of which Contracting</i>	377	84	461	421	87	508
<i>of which VINCI Immobilier</i>	4	22	26	4	20	25

(*) Reclassifications of shares in the negative net equity-accounted companies under provisions for financial risks.

(**) Classification of Infra Foch TopCo shares as assets held for sale.

The list of the main companies accounted for under the equity method is given in Note O. "Other information on the consolidation scope" in the 2015 registration document.

At 30 June 2016, the Group's interests in associates included, in the Concessions business, the stake in the ADP group (€671 million), and, in the Contracting business, the stake in CFE (€193 million).

The change in the Concessions business' interests in joint ventures in the first half of 2016 arose from the creation of Kansai Airports (€182 million) to take over the concession contracts for Kansai and Osaka airports in Japan.

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

10.2 Aggregated financial information

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

(in € millions)	First half 2016			First half 2015			2015		
	Associates ^(*)	Joint ventures	Total	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Net income	20	(18)	2	29	19	49	70	19	89
<i>of which Concessions</i>	14	2	17	14	5	20	38	7	45
<i>of which Contracting</i>	5	(25)	(20)	15	(6)	9	32	(1)	31
<i>of which VINCI Immobilier</i>	-	5	5	-	20	20	-	13	13
Other comprehensive income	(6)	(24)	(30)	9	57	66	13	46	60
<i>of which Concessions</i>	(11)	(20)	(30)	8	56	64	11	47	58
<i>of which Contracting</i>	5	(4)	1	1	2	2	2	-	2
<i>of which VINCI Immobilier</i>	-	-	-	-	-	-	-	-	-
Comprehensive income	14	(42)	(28)	38	77	115	84	65	149
<i>of which Concessions</i>	4	(17)	(14)	22	61	84	49	53	103
<i>of which Contracting</i>	10	(29)	(19)	15	(4)	11	34	(2)	33
<i>of which VINCI Immobilier</i>	-	5	5	-	20	20	-	13	13

(*) Including Infra Foch TopCo until the date it was classified under assets held for sale.

10.3 Commitments made in respect of associates and joint ventures

At 30 June 2016, Group funding commitments to equity-accounted companies (via capital or subordinated loans) amounted to €193 million (€453 million at 31 December 2015). These commitments relate mainly to companies in the Concessions business, including LISEA – the concession company for the high-speed rail line between Tours and Bordeaux – for which funding commitments amounted to €113 million at 30 June 2016. The funding following the creation in April 2016 of Kansai Airports, the company operating the concession for Osaka and Kansai airports, explains the decrease in commitments during the first-half period.

Collateral security has also been granted in the form of pledges of shares in companies accounted for under the equity method. The net carrying amount of the shares pledged at 30 June 2016 was €28 million and included shares in SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €26 million.

The Group has also granted collateral security in the form of cash deposits relating to the SEA project for €135 million.

10.4 Investment commitments given by companies accounted for under the equity method

At 30 June 2016, the Group's share of investment commitments given by companies accounted for by the equity method amounted to €1,202 million (€1,401 million at 31 December 2015). They mainly concern infrastructure projects at the construction phase in the Concessions business, including Santiago airport in Chile (€338 million), the new toll section of the M11 motorway between Moscow and St Petersburg (€313 million) and the Regina bypass in Canada (€191 million).

During the period, the decrease in these investment commitments was due to progress with works carried out on concession projects, particularly on the Regina bypass in Canada, at LISEA and at Olympia Odos in Greece.

11. Other non-current financial assets

<i>(in € millions)</i>	30/06/2016	31/12/2015
Loans and receivables	560	644
PPP financial receivables (*)	216	202
Available-for-sale financial assets	99	96
Other non-current financial assets	875	942

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

Loans and receivables

Loans and receivables at amortised cost mainly comprise receivables relating to shareholdings, including shareholders' advances to PPP or concession project companies for €375 million (€285 million at 31 December 2015).

They are presented on the asset side of the consolidated balance sheet under "Other non-current financial assets" (for the part at more than one year). The part at less than one year is included under "Other current financial assets" for €19 million at 30 June 2016 (€17 million at 31 December 2015).

During the period, the change broke down as follows:

<i>(in € millions)</i>	First half 2016	Full year 2015
Beginning of period	644	630
Acquisitions during the period	131	99
Acquisitions as part of business combinations	-	66
Impairment losses	(4)	(11)
Disposals during the period	(88)	(128)
Other movements and currency translation differences	(125)	(11)
End of period	560	644

Increases during the period mainly concerned Kansai Airports (€95 million). Pathé performed its purchase undertaking by buying bonds issued by Foncière du Montout (the company developing the Olympique Lyonnais stadium) and previously subscribed by the Group, for €43 million.

Other changes and currency translation differences included the reclassification of a loan granted to Indigo as assets held for sale in an amount of €112 million.

Available-for-sale financial assets

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

G. Concession and PPP contracts

12. Concession intangible assets

12.1 Breakdown of concession intangible assets

<i>(in € millions)</i>	VINCI Autoroutes	VINCI Airports	Other concessions	Total for the Concessions business	Other concession infrastructure	Total
Gross						
01/01/2015	30,254	2,558	203	33,015	6	33,021
Acquisitions during period ^(*)	768	99	1	869	-	869
Disposals during period	(3)	(2)	-	(5)	-	(5)
Currency translation differences	-	32	-	32	-	32
Changes in scope and other	8	10	2	20	(6)	14
	31,028	2,697	206	33,931	-	33,931
Grants received	(8)	(2)	-	(10)	-	(10)
31/12/2015	31,020	2,695	206	33,921	-	33,921
Acquisitions during period ^(*)	335	38	1	374	-	374
Disposals during period	(2)	(1)	(2)	(4)	-	(4)
Currency translation differences	-	6	-	6	-	6
Changes in scope and other	1	568	-	569	-	569
Grants received	(9)	-	-	(9)	-	(9)
30/06/2016	31,345	3,306	206	34,856	-	34,856
Amortisation and impairment losses						
01/01/2015	(8,565)	(165)	(146)	(8,877)	(4)	(8,880)
Amortisation during period	(1,025)	(64)	(6)	(1,095)	(2)	(1,096)
Impairment losses	-	(1)	-	(1)	-	(1)
Reversals of impairment losses	-	1	-	1	-	1
Disposals during period	-	-	-	-	-	-
Currency translation differences	-	(12)	-	(12)	-	(12)
Other	(12)	(9)	(2)	(23)	5	(17)
31/12/2015	(9,602)	(250)	(154)	(10,006)	-	(10,006)
Amortisation during period	(486)	(40)	(3)	(529)	(1)	(530)
Impairment losses	-	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-	-
Disposals during period	-	-	2	2	-	2
Currency translation differences	-	2	-	2	-	2
Other	(6)	(4)	(1)	(10)	1	(10)
30/06/2016	(10,093)	(292)	(156)	(10,541)	-	(10,541)
Net						
01/01/2015	21,689	2,393	57	24,139	2	24,141
31/12/2015	21,418	2,444	52	23,915	-	23,915
30/06/2016	21,252	3,014	50	24,315	-	24,315

^(*) Including capitalised borrowing costs.

In the first half of 2016, acquisitions amounted to €374 million (€320 million in the first half of 2015). They include investments by the ASF group for €242 million (€220 million in the first half of 2015), by Cofiroute for €42 million (€31 million in the first half of 2015) and by VINCI Airports for €37 million (€54 million in the first half of 2015). ASF's investments related in particular to further work on the relief motorway for the A9 near Montpellier and the widening of the A63 motorway in the Basque Country.

The changes in scope of the first half of 2016 mainly refer to the consolidation of Aerodom.

Concession intangible assets include assets under construction for a gross amount of €1,350 million at 30 June 2016 (€1,247 million at 31 December 2015). These relate mainly to VINCI Autoroutes subsidiaries (€1,241 million including €959 million for ASF, €160 million for Escota and €93 million for Cofiroute).

The main features of concession and PPP contracts reported using the intangible asset model or the bifurcated model, and commitments relating to these contracts, are described in Note F. "Concession and PPP contracts" in the 2015 registration document.

12.2 Commitments made under concession contracts – intangible asset model

Contractual investment, renewal or financing obligations

<i>(in € millions)</i>	30/06/2016	31/12/2015
ASF group	2,054	2,312
Cofiroute	1,057	1,102
Arcos – company holding the concession for the western Strasbourg bypass	502	-
Grand Ouest airports concession company	368	367
Other	180	134
Total	4,161	3,914

The contractual investment obligations of motorway concession companies (ASF group, Cofiroute) consist mainly of undertakings made under multi-year master plans and the motorway stimulus plan implemented in the second half of 2015.

During the period, the increase in investment commitments concerned in particular the project for the western Strasbourg bypass, which is being handled by Arcos, for €502 million. Progress with works by ASF group and Cofiroute concession companies in the first-half period resulted in a €303 million decrease in their commitments.

The above amounts do not include obligations relating to maintenance expenditure on infrastructure under concession, which are provisioned (see Note H.15.2 "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 concession infrastructure. These break down as follows:

<i>(in € millions)</i>	Start date	End date	Amount
Arcour	2008	2045	587
Aerodom	2016	2019	357
Other concession operating companies			14

13. PPP financial receivables (controlled companies)

13.1 Movements during the period and maturity schedule

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

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

<i>(in € millions)</i>	First half 2016	Full year 2015
Beginning of period	202	175
Acquisitions during period	25	82
Acquisitions as part of business combinations	-	3
Impairment losses	-	-
Redemptions	(11)	(64)
Other movements and currency translation differences	-	6
End of period	216	202

In the first half of 2016, the increase in PPP financial receivables related mainly to the public-private partnership, via PPP company Prisme, for the construction of the new building of the French institute for radiological protection and nuclear safety (IRSN).

In 2015, the increase in PPP financial receivables concerned in particular the Caraibus bus rapid transit project in Fort-de-France, construction of which was completed in 2015.

The part at less than one year of PPP financial receivables is included in the balance sheet under "Other current financial assets". At 30 June 2016, it amounted to €10 million (€11 million at 31 December 2015).

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

Contractual investment, renewal or financing obligations

Under their concession and PPP contracts, certain Group subsidiaries undertake to carry out investments. Where the financial asset model or bifurcated model applies, they receive a guarantee of payment from the concession grantor in return for their investment commitment.

At 30 June 2016, investment undertakings with respect to contracts under the financial asset or bifurcated models amounted to €14 million (€33 million at 31 December 2015).

Collateral security connected with the financing of PPPs

Some subsidiaries have given collateral security to guarantee the financing of their investments relating to infrastructure under concession. This collateral amounted to €72 million at 30 June 2016 (€72 million at 31 December 2015), including €37 million for the parking facilities for car rental companies in Nice and €35 million for MMArena (Le Mans stadium).

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

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

H. Other balance sheet items and business-related commitments

14. Property, plant and equipment

<i>(in € millions)</i>	Fixed assets in connection with concession contracts	Land	Constructions and investment property	Plant, equipment and fixtures	Total
Gross					
31/12/2015	3,577	863	1,152	6,953	12,545
30/06/2016	3,815	862	1,154	6,943	12,773
Depreciation and impairment losses					
31/12/2015	(2,291)	(291)	(617)	(5,105)	(8,304)
30/06/2016	(2,388)	(294)	(631)	(5,147)	(8,460)
Net					
31/12/2015	1,286	572	534	1,849	4,241
30/06/2016	1,427	568	523	1,795	4,313

Property, plant and equipment included assets under construction for €243 million at 30 June 2016 (€222 million at 31 December 2015).

At 30 June 2016, assets acquired under finance leases amounted to €109 million (€103 million at 31 December 2015). They concern mainly plant and equipment used in operations. The debts relating to these assets are shown in Note J.20.1 "Detail of long-term financial debt by business".

15. Working capital requirement and current provisions

15.1 Change in working capital requirement

<i>(in € millions)</i>	30/06/2016	30/06/2015	31/12/2015	Changes 30/06/2016 - 31/12/2015	
				Changes in operating WCR	Other changes (*)
Inventories and work in progress (net)	1,029	973	964	60	5
Trade and other receivables	10,835	11,127	10,696	178	(39)
Other current operating assets	4,772	4,685	4,635	234	(97)
Inventories and operating receivables I	16,635	16,785	16,295	472	(132)
Trade payables	(7,121)	(7,348)	(7,590)	388	81
Other current operating liabilities	(10,565)	(10,716)	(10,884)	198	121
Trade and other operating payables II	(17,686)	(18,064)	(18,474)	586	202
Working capital requirement (excluding current provisions) I+II	(1,051)	(1,279)	(2,179)	1,058	70
Current provisions	(3,986)	(3,767)	(4,053)	79	(12)
<i>of which part at less than one year of non-current provisions</i>	<i>(198)</i>	<i>(223)</i>	<i>(227)</i>	<i>25</i>	<i>4</i>
Working capital requirement (including current provisions)	(5,037)	(5,046)	(6,232)	1,137	59

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

15.2 Breakdown of current provisions

Changes in current provisions reported in the balance sheet for the first half of 2016 and full-year 2015 were as follows:

<i>(in € millions)</i>	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
01/01/2015	3,670	1,432	(1,132)	(144)	(17)	16	18	3,844
Obligation to maintain the condition of concession assets	758	89	(100)	(7)	1	-	3	744
After-sales service	379	118	(96)	(16)	(1)	-	4	387
Losses on completion and construction project liabilities	1,176	744	(687)	(36)	57	-	11	1,266
Disputes	508	185	(125)	(45)	8	-	1	532
Restructuring costs	39	31	(17)	(6)	5	-	-	51
Other current liabilities	736	360	(226)	(27)	1	-	3	847
Reclassification of the part at less than one year	247	-	-	-	(3)	(16)	(1)	227
31/12/2015	3,844	1,526	(1,251)	(137)	68	(16)	20	4,053
Obligation to maintain the condition of concession assets	744	50	(36)	(2)	22	-	-	778
After-sales service	387	50	(51)	(6)	(3)	-	(5)	372
Losses on completion and construction project liabilities	1,266	508	(495)	(20)	21	-	(11)	1,268
Disputes	532	35	(52)	(18)	(8)	-	(1)	487
Restructuring costs	51	10	(16)	(4)	-	-	-	41
Other current liabilities	847	107	(116)	(11)	20	-	(3)	843
Reclassification of the part at less than one year	227	-	-	-	(4)	(25)	-	198
30/06/2016	4,053	759	(768)	(62)	48	(25)	(21)	3,986

Current provisions relating to the operating cycle consist mainly of provisions in respect of construction contracts and provisions for the obligation to maintain the condition of concession assets.

Such provisions are intended to cover the expenses to be incurred by motorway concession operating companies for road repairs, bridges, tunnels and hydraulic infrastructure. They mainly concern the ASF group for €387 million at 30 June 2016 (€381 million at 31 December 2015) and Cofiroute for €245 million at 30 June 2016 (€241 million at 31 December 2015).

Provisions also include expenses to be incurred by airport concession companies (repairs to runways, traffic lanes and other paved surfaces). They mainly concern the ANA group for €70 million at 30 June 2016 (€70 million at 31 December 2015).

16. Non-current provisions

Details of non-current provisions

Changes in other non-current provisions reported in the balance sheet (excluding employee benefits) were as follows in the first half of 2016 and 2015:

<i>(in € millions)</i>	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
01/01/2015	718	186	(142)	(24)	232	(16)	3	956
Financial risks	674	54	(34)	(3)	(47)	-	-	644
Other liabilities	528	140	(119)	(13)	(4)	-	-	532
Reclassification of the part at less than one year	(247)	-	-	-	3	16	1	(227)
31/12/2015	956	194	(153)	(16)	(48)	16	1	949
Financial risks	644	4	(16)	-	103	-	-	735
Other liabilities	532	37	(33)	(7)	3	-	-	533
Reclassification of the part at less than one year	(227)	-	-	-	4	25	-	(198)
30/06/2016	949	40	(49)	(7)	111	25	-	1,069

Provisions for financial risks

Provisions for financial risks comprise the Group's share of the negative net equity of companies accounted for under the equity method. That negative net equity arises from the adjustment to fair value, in the financial statements of the companies concerned, of interest rate derivatives used as cash flow hedges.

Provisions for other liabilities

Provisions for other liabilities, not directly linked with the operating cycle, include provisions for disputes and arbitration, some of which are described in Note L.27 "Note on litigation". These amounted to €533 million at 30 June 2016 (€532 million at 31 December 2015), including €369 million at more than one year (€349 million at 31 December 2015).

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

17.1 Other contractual obligations of an operational nature

<i>(in € millions)</i>	30/06/2016	31/12/2015
Operating leases	1,184	1,191
Purchase and capital expenditure obligations ^(*)	436	403

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

Operating lease commitments amounted to €1,184 million at 30 June 2016 (€1,191 million at 31 December 2015). Of this, €778 million was for property (€783 million at 31 December 2015) and €406 million for movable items (€408 million at 31 December 2015).

The purchase and capital expenditure obligations mentioned above relate mainly to Eurovia, VINCI Energies and VINCI Immobilier.

17.2 Other commitments made and received

<i>(in € millions)</i>	30/06/2016	31/12/2015
Collateral security	30	31
Other commitments made (received)	382	321

Collateral securities (mortgages and collateral for finance)

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

The commitments made and received by the Group in connection with concession contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:

- F.10.3 "Commitments made in respect of associates and joint ventures";
- G.12.2 "Commitments made under concession contracts – intangible asset model";
- G.13.2 "Commitments made under concession and PPP contracts – financial asset and/or bifurcated model".
- K.24 "Provisions for employee benefits".

Commitments made and received by the Group in connection with construction contracts did not change materially in the first half of 2016 and are detailed in Note G.15.2 of the 2015 registration document.

I. Equity

18. Information on equity

Capital management policy

In the first half of 2016, VINCI continued its policy of purchasing its own shares under the programme approved by the combined Shareholders' General Meeting held on 14 April 2015 and the programme approved by the Shareholders' General Meeting of 19 April 2016, for a period of 18 months and relating to a maximum amount of purchases of €2 billion at a maximum share price of €80. In the first half of 2016, 5,469,731 shares were bought at an average price of €63.47, for a total of €347 million.

On 22 June 2016, VINCI signed a share purchase agreement expiring on 28 September 2016 for a maximum amount of €150 million. Since the agreement is for a variable number of shares, a financial debt was recognised. At 30 June 2016, that debt, presented under "Other current financial debt", amounted to €144 million.

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

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 30 June 2016, over 60% of the Group's employees were VINCI shareholders, through unit funds invested in VINCI shares. Since those funds own 9.34% of the company's shares, the Group's current and former employees form its largest group of shareholders.

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

18.1 Share capital

At 30 June 2016, the parent company's share capital was represented by 594,880,595 ordinary shares of €2.5 nominal value each.

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

	30/06/2016	31/12/2015
Number of shares at beginning of period	588,453,075	590,098,637
Increases in share capital	6,427,520	10,354,438
Cancelled treasury shares		(12,000,000)
Number of shares at end of period	594,880,595	588,453,075
Number of shares issued and fully paid	594,880,595	588,453,075
Nominal value of one share (in €)	2.5	2.5
Treasury shares held directly by VINCI	39,466,534	34,195,347
<i>of which shares allocated to cover performance share plans and employee share ownership plans</i>	<i>10,178,086</i>	<i>4,906,899</i>

18.2 Treasury shares

Changes in treasury shares were as follows:

	30/06/2016	31/12/2015
Number of shares at beginning of period	34,195,347	35,614,382
Purchases of shares	5,469,731	12,782,264
Allocation of 2013 performance shares to employees		(1,913,455)
Allocation of 2014 performance shares to employees		(505)
Allocation of 2015 performance shares to employees		(500)
Employer contribution in connection with the Castor International plan	(198,544)	(286,839)
Cancelled treasury shares		(12,000,000)
Number of shares at end of period	39,466,534	34,195,347

At 30 June 2016, the total number of treasury shares held was 39,466,534. These were recognised as a deduction from consolidated equity for €1,874 million.

18.3 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

(in € millions)	30/06/2016			31/12/2015		
	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	2	-	2	2	-	2
Gross reserve before tax effect at balance sheet date	I	2	2	2	-	2
Cash flow hedge						
Reserve at beginning of period	(916)	-	(916)	(1,068)	-	(1,068)
Changes in fair value of companies accounted for under the equity method	(77)	-	(77)	81	-	81
Other changes in fair value in the period	(35)	-	(35)	(13)	-	(13)
Fair value items recognised in profit or loss	35	-	35	84	-	84
Changes in consolidation scope and miscellaneous	(1)	-	(1)	(1)	-	(1)
Gross reserve before tax effect at balance sheet date	II	(995)	(995)	(916)	-	(916)
of which gross reserve relating to companies accounted for under the equity method		(779)	(779)	(701)	-	(701)
Total gross reserve before tax effects (items that may be recycled to income)	I+II	(992)	(992)	(914)	-	(914)
Associated tax effect		321	321	295	-	295
Reserve net of tax (items that may be recycled to income)	III	(672)	(672)	(618)	-	(618)
Actuarial gains and losses on retirement benefit obligations						
Reserve at beginning of period	(344)	-	(344)	(267)	-	(267)
Actuarial gains and losses recognised in the period	(126)	-	(126)	(105)	-	(105)
Associated tax effect	32	-	32	25	-	25
Changes in consolidation scope and miscellaneous	2	-	2	3	-	3
Reserve net of tax at end of period (items that may not be recycled to income)	IV	(436)	(436)	(344)	-	(344)
Total amounts recognised directly in equity	III+IV	(1,107)	(1,108)	(962)	-	(963)

The amount recorded as a reduction of equity relating to cash flow and net investment hedges (negative effect of €995 million) arises from transactions hedging interest rate risk (negative effect of €957 million) including:

- a negative amount of €178 million relating to controlled subsidiaries, including a negative amount of 229 million for VINCI Autoroutes subsidiaries and a positive amount of €92 million for VINCI Holding;
- a negative effect of €779 million relating to companies accounted for under the equity method, relating mainly to LISEA and other companies managing infrastructure projects on a PPP or concession basis.

These transactions are described in Note J.25.1.2 "Cash flow hedges" in the 2015 registration document.

19. Dividends

Dividends paid by VINCI SA to its shareholders in respect of 2015 and 2014 break down as follows:

	2015	2014
Dividend per share (in €)		
Interim dividend	0.57	1.00 (*)
Final dividend	1.27	1.22
Net total dividend	1.84	2.22
Amount of dividend (in € millions)		
Interim dividend	316	555
Final dividend	702	673
Net total dividend	1,018	1,228

(*) Including a special dividend of €0.45.

VINCI paid the final dividend in respect of 2015 in cash on 28 April 2016 for an amount of €702 million.

J. Financing and financial risk management

20. Net financial debt

At 30 June 2016, net financial debt stood at €14.4 billion, up almost €2 billion compared with 31 December 2015. It breaks down as follows:

Analysis by accounting heading	(in € millions)	30/06/2016				31/12/2015		
		Non-current	Ref.	Current (*)	Ref.	Total	Non-current	Current (*)
Financial liabilities at amortised cost	Bonds	(11,115)	(1)	(1,849)	(3)	(12,964)	(11,147)	(1,315)
	Other bank loans and other financial debt	(3,491)	(2)	(1,434)	(3)	(4,925)	(3,803)	(968)
	Finance lease debt restated	(48)	(2)	(25)	(3)	(72)	(51)	(26)
	Long-term financial debt (**)	(14,653)		(3,308)		(17,961)	(15,001)	(2,309)
	Commercial paper	-		(888)	(3)	(888)	-	(951)
	Other current financial liabilities	-		(215)	(3)	(215)	-	(68)
	Bank overdrafts	-		(603)	(3)	(603)	-	(555)
	Financial current accounts, liabilities	-		(106)	(3)	(106)	-	(103)
	I - Gross financial debt	(14,653)		(5,120)		(19,773)	(15,001)	(3,986)
	<i>of which impact of fair value hedges</i>	<i>(832)</i>		<i>(15)</i>		<i>(847)</i>	<i>(744)</i>	<i>(6)</i>
Loans and receivables	Loans and collateralised financial receivables	-	(4)	-	(5)	-	2	-
	Financial current accounts, assets	-		85	(6)	85	-	82
Financial assets at fair value through profit and loss	Cash management financial assets	-		81	(6)	81	-	84
	Cash equivalents	-		2,292	(7)	2,292	-	2,930
	Cash	-		2,066	(7)	2,066	-	2,702
	II - Financial assets	-		4,525		4,525	2	5,798
Derivatives	Derivative financial instruments – liabilities	(171)	(8)	(184)	(10)	(355)	(224)	(193)
	Derivative financial instruments – assets	877	(9)	337	(11)	1,213	803	364
	III - Derivative financial instruments	705		153		858	579	172
Net financial debt		I+II+III		(13,948)		(14,390)	(14,420)	1,984
<i>Net financial debt breaks down by business as follows:</i>								
	<i>Concessions</i>	<i>(22,972)</i>		<i>(912)</i>		<i>(23,884)</i>	<i>(22,804)</i>	<i>(746)</i>
	<i>Contracting</i>	<i>(3,119)</i>		<i>3,025</i>		<i>(94)</i>	<i>(3,135)</i>	<i>4,169</i>
	<i>Holding companies and VINCI Immobilier</i>	<i>12,143</i>		<i>(2,555)</i>		<i>9,588</i>	<i>11,520</i>	<i>(1,439)</i>

(*) The current part includes accrued interest not matured.

(**) Including the part at less than one year.

Reconciliation of net financial debt with balance sheet items:

(in € millions)	Ref.	30/06/2016	31/12/2015
Bonds	(1)	(11,115)	(11,147)
Other loans and borrowings	(2)	(3,539)	(3,854)
Current borrowings	(3)	(5,120)	(3,986)
Non-current collateralised loans and receivables	(4)	-	2
Current collateralised loans and receivables	(5)	-	-
Cash management financial assets	(6)	166	166
Cash and cash equivalents	(7)	4,358	5,632
Derivative financial instruments – non-current liabilities	(8)	(171)	(224)
Derivative financial instruments – non-current assets	(9)	877	803
Derivative financial instruments – current liabilities	(10)	(184)	(193)
Derivative financial instruments – current assets	(11)	337	364
Net financial debt		(14,390)	(12,436)

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

20.1 Detail of long-term financial debt by business

The breakdown of long-term financial debt (including the part at less than one year) at 30 June 2016 by business was as follows:

(in € millions)	30/06/2016				31/12/2015			
	Concessions	Contracting	Holding companies and VINCI Immobilier	Total	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Bonds	(10,413)	-	(2,551)	(12,964)	(9,372)	-	(3,089)	(12,462)
Other bank loans and other financial debt	(4,822)	(111)	9 ^(*)	(4,925)	(4,649)	(132)	10 ^(*)	(4,771)
Finance lease debt	(2)	(70)	-	(72)	(1)	(76)	-	(77)
Long-term financial debt	(15,237)	(182)	(2,542)	(17,961)	(14,023)	(207)	(3,079)	(17,310)

^(*) Net of arrangement commissions relating to the undrawn VINCI syndicated credit family, recognized as a reduction in debt.

At 30 June 2016, long-term net financial debt amounted to €18 billion, up €0.7 billion compared with the 31 December 2015 figure of €17.3 billion. The change was due to the following transactions:

- the integration of Aerodrom, which has US dollar-denominated bond debt due to mature in November 2019 with a value of €466 million at 30 June 2016;
- new financing for the ASF group with a net amount of €890 million arising from an issue of €500 million of bonds maturing in May 2026 and with a coupon of 1% as part of its EMTN (Euro Medium Term Note) programme, and a €390 million loan from the European Investment Bank (EIB) maturing in April 2033 and intended to finance part of the investment in the relief motorway for the A9 near Montpellier;
- repayments made in April 2016, i.e. €138 million paid by ASF in relation to a CNA/EIB loan and €500 million paid by VINCI Holding in relation to a bond issue.

Maturity of debts

At 30 June 2016, the weighted average maturity of the Group's long-term financial debt was 4.5 years (4.6 years at 31 December 2015). The average maturity was 4.9 years in Concession subsidiaries, 2.3 years for holding companies and VINCI Immobilier, and 3.1 years in Contracting.

20.2 Credit ratings and financial covenants

Credit ratings

On 26 May 2016, credit rating agency Moody's raised its long-term credit rating on the Group from Baa1 to A3. It also raised its short-term rating on the Group from P2 to P1.

At 30 June 2016, the Group's credit ratings were as follows:

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

Financial covenants

Some financing agreements involving VINCI and its main subsidiaries include early repayment clauses applicable in the event of non-compliance with financial ratios. The characteristics of the covenants associated with the financing agreements in place at 30 June 2016 remain unchanged relative to 31 December 2015. They are described in Note J.23.3 "Credit ratings and financial covenants" in the 2015 registration document. The relevant ratios were all met at 30 June 2016.

21. Net cash managed and available resources

At 30 June 2016, the Group's available resources amounted to €8.7 billion, including €2.7 billion net cash managed and €6 billion of unused confirmed bank credit facilities due to expire in 2021.

21.1 Net cash managed

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

	30/06/2016			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	193	329	1,770	2,292
Marketable securities and mutual funds (UCITS)	69	8	543	620
Negotiable debt securities with an original maturity of less than 3 months ^(*)	124	321	1,227	1,672
Cash	135	1,677	255	2,066
Bank overdrafts	(10)	(518)	(75)	(603)
Net cash and cash equivalents	317	1,487	1,951	3,755
Cash management financial assets	26	54	1	81
Marketable securities and mutual funds (UCITS) ^(**)	-	6	-	6
Negotiable debt securities and bonds with an original maturity of less than 3 months	1	34	-	35
Negotiable debt securities and bonds with an original maturity of more than 3 months	24	15	1	41
Commercial paper issued	-	-	(888)	(888)
Other current financial liabilities	-	(71)	(144)^(***)	(215)
Balance of cash management current accounts	779	1,617	(2,416)	(21)
Net cash managed	1,122	3,087	(1,496)	2,713

(*) Including term deposits, interest earning accounts and certificates of deposit.

(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

(***) Current financial liabilities linked to the treasury share buy-back programme due in September 2016 (See Note 1.18).

	31/12/2015			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	151	440	2,340	2,930
Marketable securities and mutual funds (UCITS)	26	22	424	472
Negotiable debt securities with an original maturity of less than 3 months ^(*)	125	418	1,915	2,458
Cash	96	1,709	897	2,702
Bank overdrafts	-	(467)	(88)	(555)
Net cash and cash equivalents	247	1,682	3,148	5,077
Cash management financial assets	34	49	1	84
Marketable securities and mutual funds (UCITS) ^(**)	-	7	-	7
Negotiable debt securities and bonds with an original maturity of less than 3 months	1	33	-	34
Negotiable debt securities and bonds with an original maturity of more than 3 months	33	9	1	43
Commercial paper issued	-	-	(951)	(951)
Other current financial liabilities	(8)	(60)	-	(68)
Balance of cash management current accounts	534	2,597	(3,152)	(21)
Net cash managed	807	4,269	(954)	4,121

(*) Including term deposits, interest earning accounts and certificates of deposit.

(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

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

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

At 30 June 2016, net cash managed by VINCI SA amounted to €486 million, arising mainly from the cash surpluses transferred upwards from French subsidiaries through a cash pooling system. VINCI Finance International, a wholly owned subsidiary of VINCI SA that centralises the cash surpluses of foreign subsidiaries, managed cash investments of €435 million at 30 June 2016.

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 €1.8 billion at 30 June 2016, including €0.3 billion for the Concessions business and €1.5 billion for the Contracting business.

21.2 Other available resources

Revolving credit facilities

VINCI, ASF and Cofiroute each have a revolving credit facility whose maturities were extended in the first half of 2016 until May 2021 after the lenders agreed to the use of the second extension option.

At 30 June 2016, none of the above credit facilities was being used.

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

<i>(in € millions)</i>	Amounts authorised at 30/06/2016	Maturity		
		Within 1 year	Between 1 and 5 years	After 5 years
VINCI syndicated facility	3,830	-	3,830	-
ASF: syndicated facility	1,670	-	1,670	-
Cofiroute: syndicated facility	500	-	500	-
Total	6,000	-	6,000	-

Commercial paper

At 30 June 2016, VINCI SA had a commercial paper programme of €3 billion. The programme is rated A2 by Standard & Poor's and P1 by Moody's.

At 30 June 2016, VINCI SA had made use of its programme in an amount of €888 million.

22. Financial risk management

The Group's policies and procedures for managing financial risk are identical to those described in Note J.25 "Financial risk management" in the 2015 registration document. Transactions to set up or unwind hedging instruments during the first-half period did not materially alter VINCI's exposure to potential financial risks.

The main risks – interest rate risk, foreign exchange risk, credit and counterparty risk and equity risk – are described in paragraphs 25.1, 25.2, 25.3 and 25.4 respectively of the 2015 registration document.

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

The method of measuring the fair value of financial assets and liabilities was not altered in the first half of 2016.

The following table shows the carrying amount and the fair value of financial assets and liabilities in the balance sheet by accounting category as defined in IAS 39:

30/06/2016	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	-	-	-	99	-	-	99	1	-	98	99
Loans and financial receivables incl. PPP	-	-	-	-	776	-	776	-	776	-	776
I - Non-current financial assets⁽²⁾	-	-	-	99	776	-	875	1	776	98	875
II - Derivative financial instruments – assets	209	1,004	-	-	-	-	1,213	-	1,213	-	1,213
Cash management financial assets			81				81	6	75		81
Financial current accounts, assets			85				85	85	-		85
Cash equivalents			2,292				2,292	620	1,672 ⁽³⁾		2,292
Cash			2,066				2,066	2,066			2,066
III - Current financial assets	-	-	4,525	-	-	-	4,525	2,778	1,747	-	4,525
Total assets	209	1,004	4,525	99	776	-	6,613	2,778	3,736	98	6,613
Bonds						(12,964)	(12,964)	(13,216)	(718)	-	(13,933)
Other bank loans and other financial debt						(4,925)	(4,925)	(1,384) ⁽⁴⁾	(3,669)	-	(5,053)
Finance lease debt restated						(72)	(72)	-	(72)	-	(72)
IV - Long-term financial debt	-	-	-	-	-	(17,961)	(17,961)	(14,600)	(4,459)	-	(19,059)
V - Derivative financial instruments –	(172)	(183)				-	(355)	-	(355)	-	(355)
Other current financial liabilities						(1,103)	(1,103)	-	(1,103)	-	(1,103)
Financial current accounts – liabilities						(106)	(106)	(106)	-	-	(106)
Bank overdrafts						(603)	(603)	(603)	-	-	(603)
VI - Current financial liabilities						(1,812)	(1,812)	(709)	(1,103)	-	(1,812)
Total liabilities	(172)	(183)	-	-	-	(19,773)	(20,128)	(15,308)	(5,917)	-	(21,226)
Total	38	821	4,525	99	776	(19,773)	(13,515)	(12,530)	(2,181)	98	(14,613)

(1) The Group holds no held-to-maturity financial assets.

(2) See Notes F.11 and G.13.

(3) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.

(4) Listed price of loans issued by CNA.

31/12/2015	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	-	-	-	96	-	-	96	1	-	96	96
Loans and financial receivables incl. PPP	-	-	-	-	846	-	846	-	846	-	846
I - Non-current financial assets ⁽²⁾	-	-	-	96	846	-	942	1	846	96	942
II - Derivative financial instruments – assets	229	939	-	-	-	-	1,168	-	1,168	-	1,168
Cash management financial assets			84				84	7	77		84
Financial current accounts, assets			82				82	82	-		82
Cash equivalents			2,930				2,930	472	2,458 ⁽³⁾		2,930
Cash			2,702				2,702	2,702			2,702
III - Current financial assets	-	-	5,798	-	-	-	5,798	3,264	2,535	-	5,798
Total assets	229	939	5,798	96	846	-	7,908	3,264	4,548	96	7,908
Bonds						(12,462)	(12,462)	(12,590)	(686)	-	(13,277)
Other bank loans and other financial debt						(4,771)	(4,771)	(1,442) ⁽⁴⁾	(3,438)	-	(4,880)
Finance lease debt restated						(77)	(77)	-	(77)	-	(77)
IV - Long-term financial debt	-	-	-	-	-	(17,310)	(17,310)	(14,032)	(4,201)	-	(18,233)
V - Derivative financial instruments –	(187)	(230)				-	(417)	-	(417)	-	(417)
Other current financial liabilities						(1,019)	(1,019)	-	(1,019)	-	(1,019)
Financial current accounts - liabilities						(103)	(103)	(103)	-	-	(103)
Bank overdrafts						(555)	(555)	(555)	-	-	(555)
VI - Current financial liabilities						(1,677)	(1,677)	(658)	(1,019)	-	(1,677)
Total liabilities	(187)	(230)	-	-	-	(18,987)	(19,404)	(14,691)	(5,637)	-	(20,327)
Total	42	709	5,798	96	846	(18,987)	(11,496)	(11,426)	(1,089)	96	(12,419)

(1) The Group holds no held-to-maturity financial assets.

(2) See Notes F.11 and G.13.

(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

24. Provisions for employee benefits

24.1 Provisions for retirement benefit obligations

At 30 June 2016, provisions for retirement benefit obligations amounted to €1,600 million (including €1,542 million at more than one year) compared with €1,475 million at 31 December 2015 (including €1,425 million at more than one year). They comprise provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The increase during the period arose mainly from the decline in discount rates in the eurozone, United Kingdom and Switzerland.

The part at less than one year of these provisions (€58 million at 30 June 2016 and €50 million at 31 December 2015) is reported under "Other current non-operating liabilities". Details of benefits enjoyed by Group employees are provided in Note K.27.1 "Provisions for retirement benefit obligations" in the 2015 registration document.

The expense recognised for the first half of 2016 in respect of retirement benefit obligations is half the forecast expense for 2016 determined on the basis of actuarial assumptions at 31 December 2015 and in accordance with IAS 19.

24.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses. At 30 June 2016, these provisions amounted to €104 million (€107 million at 31 December 2015).

25 Share-based payments

The expense relating to employee benefits has been assessed at €43 million for the first half of 2016 (€36 million in the first half of 2015), including €26 million in respect of performance share plans (€20 million in the first half of 2015) and €17 million in respect of employee savings plans (€16 million in the first half of 2015).

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

25.1 Share subscription options

The number and weighted average exercise prices of share subscription options outstanding at 30 June 2016 were as follows:

	30/06/2016		31/12/2015	
	Options	Average exercise price (in €)	Options	Average exercise price (in €)
Options in circulation at start of period	5,704,701	39.00	9,012,808	38.87
Options exercised	(1,663,349)	-	(3,284,382)	-
Options cancelled	(16,265)	-	(23,725)	-
Options in circulation at end of period	4,025,087	38.97	5,704,701	39.00
<i>of which exercisable options</i>	<i>4,025,087</i>	<i>-</i>	<i>5,704,701</i>	<i>-</i>

The features of plans currently in force are set out in Note K.28.1 "Share subscription options" in the 2015 registration document.

No new share subscription option plans were set up in the first half of 2016 or 2015.

25.2 Performance shares

Information on changes in performance share plans currently in force

	30/06/2016	31/12/2015
Number of shares granted subject to performance conditions at start of period	2,031,364	2,964,443
Shares granted	2,249,676	1,036,658
Shares acquired by beneficiaries	-	(1,914,460)
Shares cancelled	(18,142)	(55,277)
Number of shares granted subject to performance conditions not vested at end of period	4,262,898	2,031,364

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

Plan	Plan granted on 19/04/2016	Plan granted on 14/04/2015	Plan granted on 15/04/2014
Original number of beneficiaries	2,051	1,846	1,850
Vesting date of the shares granted	19/04/2019	14/04/2018	15/04/2017
End of conservation period for shares acquired	N/A	N/A	N/A
Number of shares granted subject to performance conditions	2,249,676	1,036,658	1,027,651
Shares cancelled	-	(20,335)	(28,577)
Shares acquired by beneficiaries	-	(500)	(1,675)
Number of shares granted subject to performance conditions at end of period	2,249,676	1,015,823	997,399

On 19 April 2016, VINCI's Board of Directors decided to set up a new long-term incentive plan involving the allotment, subject to conditions, of performance shares (2,249,676 shares) to 2,051 employees. Those shares 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 2018 of average ROCE in the previous three years (2016, 2017 and 2018) to the average weighted average cost of capital (WACC) in the previous three years (2016, 2017 and 2018).

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%) consisting of the difference, at 31 December 2018, between:

- the average total return for VINCI shareholders over a three-year period (2016, 2017 and 2018), minus
- the average total return for a shareholder investing in the CAC 40 index over a three-year period (2016, 2017 and 2018). 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:

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

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

25.3 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 preceding the meeting of the Board of Directors in which the subscription price was set. Subscribers also benefit from an employer contribution with an annual maximum of €2,500 per person. The benefits granted in this way to Group employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

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

The estimated number of shares subscribed to at the end of the subscription period is calculated based on a linear regression method applied to historical observations of the plans between 2006 and 2015, taking account of the cost of restrictions on the availability of units in the savings fund.

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.

	Second four-month period of 2016 (1 May – 31 August 2016)
Group savings plans – France	
Anticipated return from VINCI shares	4.92%
Subscription price (in €)	56.62
Share price at date of Board of Directors' meeting	60.29
Historical volatility of the VINCI share price	24.95%
Estimated number of shares subscribed	508,309
Estimated number of shares issued (subscriptions plus employer contribution)	662,327

Group savings plan – international

In the first half of 2016, in accordance with authorisations given to the Board of Directors by the Shareholders' General Meeting, VINCI initiated new savings plans for the employees of certain foreign subsidiaries. Known as Castor International, the plans cover 29 countries in 2016: Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, Czech Republic, Germany, Hong Kong, Indonesia, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, the United Arab Emirates, United Kingdom and United States.

The main characteristics of these plans are as follows:

- subscription period: from 23 May to 10 June 2016 (seven successive periods between April and October 2016 in the UK);
- employer contribution consisting of bonus shares, with delivery deferred for three years where possible, or with immediate delivery but a three-year vesting period;
- no lock-up period beyond the three-year vesting period for bonus shares.

Castor International 2016 plan (excluding the UK)	
Subscription price (in €)	64.90
Closing share price on the last day of the subscription period (in €)	64.67
Anticipated dividend pay-out rate	2.55%
Fair value of bonus shares on the last day of the subscription period (in €)	59.97

L. Other notes

26. Related party transactions

The Group's transactions with related parties mainly concern:

- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies over which VINCI exercises significant influence or joint ventures over which VINCI has joint control.

Transactions with related parties are undertaken at market prices.

There was no material change in the first half of 2016 in the nature of transactions conducted by the Group with its related parties from those at 31 December 2015, which were referred to in Note E.10.5 "Controlled subsidiaries' transactions with associates and joint ventures" and Note L.29 "Related party transactions" in the 2015 registration document.

27. Note on litigation

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

The main judicial, administrative or arbitration proceedings in progress at 30 June 2016 were as follows:

- King County, the county seat of which is Seattle, Washington (United States), is in dispute with a consortium in which VINCI Construction Grands Projets has a 60% share, the purpose of which is to perform a contract for the construction of two underground tunnels known as "Brightwater Central". Because of particularly difficult geotechnical conditions and changes to the initial contract terms, it was not possible to complete the work as set out in the contract, and this resulted in delays and cost overruns. As a result, King County decided to complete one of the tunnels using another company that had a tunnel boring machine using a technology different to that of the tunnel boring machine that the consortium was contractually obliged to use. King County initiated proceedings before the King County Superior Court in Seattle in order to obtain compensation for the cost of completing the work, and for damage that it claims to have suffered. A hearing took place before a jury which, on 20 December 2012, decided that the consortium should pay \$155 million to King County and that King County should pay \$26 million to the consortium. The King County Superior Court delivered its judgment on 7 May 2013, formalising the jury's decision. After paying the damages, the consortium appealed against this judgment in the Washington Court of Appeals on 31 May 2013 which, through a decision on 9 November 2015, confirmed the judgment of 7 May 2013. It then appealed to the Washington State Supreme Court. In view of the current situation, the Group considers that this dispute is unlikely to have a material effect on its financial situation.

- SNCF initiated proceedings in the Paris Administrative Court on 14 March 2011 against around 20 construction companies, including several Group subsidiaries, seeking €59.4 million for damages it claims to have suffered as a result of contracts formed in 1993 relating to the construction of civil engineering structures at the Magenta and Saint Lazare Condorcet railway stations. These proceedings followed a ruling made against those companies by the Conseil de la Concurrence ⁽¹⁾ (competition authority) on 21 March 2006.

In July 2014, SNCF asked the court to declare the contracts formed in 1993 void. 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, following a settlement.

- The Czech Republic's roads and motorways department (RMD) has made several claims against Eurovia CS, a Eurovia subsidiary based in the Czech Republic, as well as several other non-Group companies. These claims concern works carried out between 2003 and 2007 in building the D47 motorway. In late 2012, the RMD commenced arbitration and legal proceedings challenging (i) the inflation coefficients used in revising the price of works and (ii) the payment of various sums for what RMD alleges was defective work affecting the roads and engineering structures that were built. As regards the claims relating to inflation coefficients, all awards made under arbitration decisions have been much smaller than those sought by RMD. Regarding the other claims, relating mainly to defective work, the RMD is currently claiming CZK3.37 billion, of which Eurovia CS' 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 underway on the worksite. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

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

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

- In 2011, Freyssinet Canada undertook to make prefabricated beams for PIC under a contract worth CAD23 million. Prefabrication work started in 2012 but was suspended in 2013 because the project owner took the view that the beams were defective. PIC terminated the supply contract, resulting in legal proceedings before the Superior Court of Ontario. Freyssinet Canada is claiming CAD11 million for wrongful termination and PIC is claiming CAD55 million from Freyssinet Canada and several Soletanche Freyssinet group companies for 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 quantified at €164 million, corresponding to the amount it claims was wrongly received by CSDF. In separate proceedings, the FFR is claiming €2.3 million in damages for various types of purported commercial harm arising in particular from the cancellation of a match. The Paris regional court decided to stay these proceedings pending a final decision in the proceedings initiated by the FFR against the French state on 17 May 2013 regarding certain clauses in the concession contract that it claimed to be unlawful. In a judgment on 3 October 2014, the Paris administrative court rejected FFR's action. FFR appealed against that judgment to the Paris administrative appeal court, which rejected FFR's appeal. As a result of that definitive decision, the proceedings before the Paris regional court resumed. 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 for a period expiring on 28 April 2025 was void. The FFF is also claiming that it has suffered harm, which it has not yet quantified. In addition, the FFF commenced proceedings against the French state before the Paris administrative court on 21 September 2015, seeking an order forcing the state to terminate the concession contract formed with CSDF. In view of the current situation, the Group considers that these disputes will not have a material effect on its financial situation.

To the Company's knowledge, there are no other judicial, administrative or arbitration proceedings that are likely to have, or have had since the publication of the consolidated financial statements for the year ended 31 December 2015, a material effect on the business, financial performance, net assets or financial situation of the Company or Group.

28. Post-balance sheet events

Between 30 June 2016 and the date on which the Board of Directors approved the consolidated financial statements (28 July 2016), no event took place, to the Group's knowledge, that would justify being mentioned under post-balance sheet events.

M. 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 derivative instruments 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 constitutes 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.

All other consolidation rules and methods are detailed in Note O. "Other information on the consolidation scope" in the 2015 registration document.

**Report
of the statutory
auditors
on the 2016
half-year
financial
information**

Report of the Statutory Auditors on the 2016 half-year financial information

For the period from 1 January 2016 to 30 June 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' General Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (Code Monétaire et Financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of VINCI for the period from 1 January 2016 to 30 June 2016,
- the verification of the information presented in the half-yearly management report.

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

I - Conclusion on the financial statements

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

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

II – Specific verification

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

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, 28 July 2016

KPMG Audit IS

DELOITTE & ASSOCIES

Jay Nirsimloo Philippe Bourhis

Alain Pons Marc de Villartay

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

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

Statement by the person responsible for the interim financial report

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

Xavier Huillard

Chairman and Chief Executive Officer

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