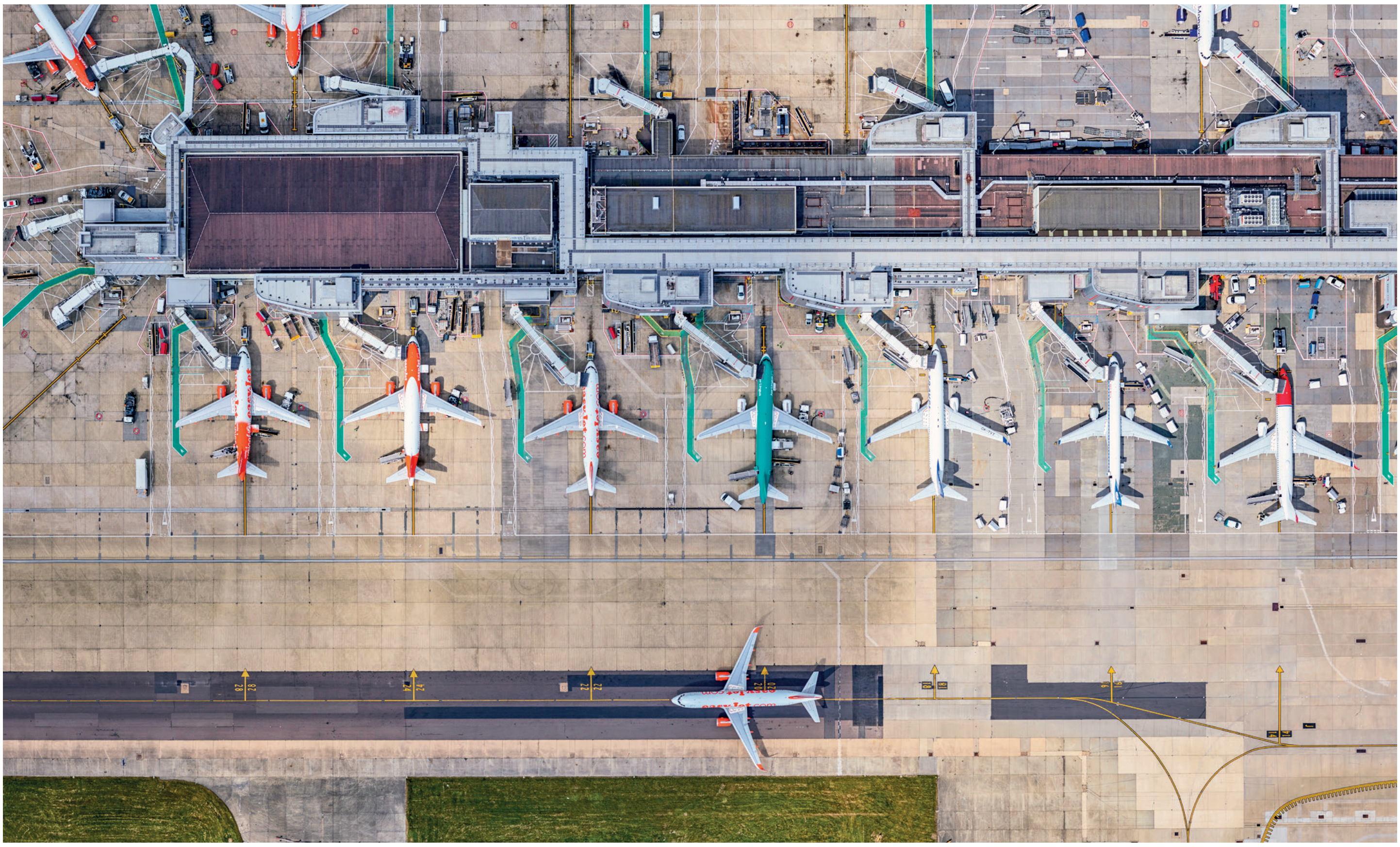

HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2019

Management report for the first half of 2019

Management report for the first half of 2019

In the first half of 2019, the VINCI Group had strong business momentum and delivered a further increase in earnings despite the high base for comparison. Free cash flow was positive, despite seasonal business variations that traditionally have a negative impact in the first half of the year.

These good results confirm the strength of VINCI's integrated Concessions-Contracting model, in which infrastructure concessions now account for a larger proportion of the Group's business. In May, VINCI completed the acquisition of London Gatwick airport, the United Kingdom's second-largest airport, the eighth-largest in Europe and now the largest within the VINCI Airports portfolio.

In the Concessions business, passenger levels remained strong across most of the VINCI Airports portfolio. At VINCI Autoroutes, the widespread social unrest that disrupted business in late 2018 continued in January 2019, but the situation then returned to normal. Over the first half as a whole, traffic levels remained stable despite the demanding base for comparison, after road traffic was boosted by disruption to rail services in the second quarter of 2018.

In Contracting, organic growth was strong, both in France and abroad, and order intake was firm. The various business lines saw growth in their order books, and the combined total hit an all-time high. However, Contracting operating margin fell slightly because of difficulties encountered by VINCI Construction in several projects and reduced business levels at certain subsidiaries in Oil & Gas operations, although these negative factors were offset to a large extent by stronger earnings at VINCI Energies and Eurovia.

VINCI took advantage of good conditions in capital markets and carried out several transactions to refinance its debt on excellent terms, extending the average maturity while diversifying its funding sources with two inaugural bond issues in sterling and US dollars.

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Consolidated revenue totalled €21.7 billion in the first half of 2019, up 10.0% relative to the first half of 2018, including solid organic growth of 5.9%. Acquisitions boosted revenue by 3.7%, while currency movements had a positive effect of 0.4%.

Ebitda[1] rose 23.5% to €3,625 million, including the €254 million positive impact from the first-time adoption of IFRS 16 "Leases". Ebitda equalled 16.7% of revenue.

Operating income from ordinary activities (Ebit) was €2,289 million, an increase of 9.1% compared with the first half of 2018 (€2,099 million). Ebit margin was 10.5% (10.6% in the first half of 2018). The application of IFRS 16 has a low impact on the ROPA.

Recurring operating income – including the impact of share-based payments (IFRS 2), the Group's share of the income or loss of companies accounted for under the equity method, and other recurring operating items – rose 8.7% to €2,341 million (€2,154 million in the first half of 2018).

Consolidated net income attributable to owners of the parent was €1,359 million in the first half of 2019, up 4.5% compared with the first half of 2018 (€1,300 million). Earnings per share, after taking account of dilutive instruments, amounted to €2.43 (€2.32 in the first half of 2018), up 4.7%.

Free cash flow for the first half of the year is positive despite the unfavorable impact of the seasonality of the Group's activities. It came to €316 million, a significant improvement over the first half of 2018 (- €136 million).

Net financial debt stood at €24.2 billion at 30 June 2019, up €7.6 billion relative to 30 June 2018. By comparison with 31 December 2018, net financial debt was up €8.7 billion following the purchase of a stake in London Gatwick airport and other financial investments during the first-half period (around €8 billion). Dividend payments and share buy-backs represented a total outflow of €1.6 billion (€1.5 billion in the first half of 2018). In the first half of 2019, the Group carried out several bond issues and refinancing transactions totalling more than €4 billion.
At 30 June 2019, Group liquidity amounted to €11.7 billion. This figure comprises €3.5 billion of managed net cash and €8.2 billion of unused confirmed bank credit facilities.

In the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction), order intake rose almost 9% year-on-year in the first half of 2019 to €20.7 billion (up 7% in France and up 10% outside France).
The order book grew in all business lines to €36.2 billion at 30 June 2019, a year-on-year increase of almost 11%, comprising an 2% decrease in France and a 22% increase outside France, and was up more than 9% relative to 31 December 2018. It represented almost 12 months of average business activity in the Contracting business.

[1] Ebitda = Cash flow from operations before tax and financing costs.

1. Key events in the period

1.1 Main changes in scope

Concessions

On 13 May 2019, VINCI Airports completed the acquisition of a 50.01% stake in London Gatwick Limited, the company that holds perpetual ownership of the United Kingdom's second-largest airport. The airport handled 46 million passengers in 2018 and serves about fifty capitals in the world. It has a revenue of about £800 million and employs 3,200 people.

Contracting

VINCI Energies acquired almost 20 companies in the first half of 2019, representing full-year revenue of around €200 million. The main acquisitions were as follows:

- in France, Sysoco, an integrator of private mobile communication networks that facilitate highly secure business communications;
- in Benelux, Koning & Hartman, a company specialising in providing specific telecoms solutions to industrial clients and telecoms operators, and to clients in the healthcare, public order and public transport sectors. Acquired in June 2019, the company employs 320 people in the Netherlands and Belgium and generated revenue of €66 million in 2018.

VINCI Immobilier

In January 2019, VINCI Immobilier completed the acquisition of a 49.9% stake in Urbat Promotion, a specialist homebuilder operating in the south of France.

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

1.2 Commercial successes in the Contracting business

The Group's order intake in the first half of 2019 amounted to €20.7 billion, a year-on-year increase of almost 9%. Order intake rose by 23% at Eurovia and 10% at VINCI Construction, and fell by 1% at VINCI Energies. Among the contracts won by the Group in the first half of 2019, the most significant were as follows.

VINCI Energies

- execution of all technical installations for the Centralen and Korsvägen Stations in Gothenburg, Sweden;
- installation of electrical equipment for the two new RER E stations (La Défense and Porte Maillot) and for the 8 km tunnel linking the Haussmann Saint-Lazare station with the future Nanterre La Folie station.

Eurovia

- maintenance of the Deerfoot Trail, 46 km of two- or four-lane dual carriageway extending from the north to the south of Calgary in Canada, for an 11-year period;
- as part of a consortium with VINCI Construction, the design, construction and financing of the 27.5 km extension of the light metro Confederation Line in Ottawa, Canada, to the west and east, including 4 km of cut-and-cover tunnels, 20 engineering structures, 16 stations and a maintenance centre;
- refurbishment of the 6 km section of railway between Lysá nad Labem and Čelákovice north-east of Prague in the Czech Republic.

VINCI Construction

- design and construction of the I-64 road link between Hampton and Norfolk in Virginia (United States), including building 5.3 km of viaducts over the sea and new tunnels, as well as widening 14.5 km of existing roads;
- design and construction for phase 1 of the Nhieu Loc-Thi Nghe wastewater treatment plant in Ho Chi Minh City, Vietnam, along with operation and maintenance of the plant for five years;
- construction of a 225,000m^3 liquefied natural gas tank in Canada.

1.3 Financing activities

New financing

In the first half of 2019, against a highly favourable market background, the Group (rated A- by Standard & Poor's with positive outlook and A3 by Moody's with stable outlook) completed several refinancing transactions.

- In February 2019, ASF issued €1 billion of bonds due to mature in 2031 with an annual coupon of 1.375%.
- VINCI carried out the following transactions:
  - in January, as part of its EMTN programme, it issued €950 billion of bonds due to mature in January 2029 and paying an annual coupon of 1.625%;
  - in March, it carried out its first sterling bond issue in an amount of £800 million, comprising £400 million of bonds due to mature in March 2027 with a coupon of 2.25% and £400 million due to mature in September 2034 with a coupon of 2.75%;
  - in April, it completed its inaugural US dollar 144A bond issue, issuing $1 billion of bonds due to mature in April 2029 with a coupon of 3.75%.

In the first half of 2019, the Group secured more than €4 billion of corporate financing with an average maturity of 11 years and an average interest rate of 2.08% at issue after the impact of interest rate hedging.

Debt repayments

In the first half of 2019, the Group repaid several loans with a total principal amount of more than €2 billion. ASF notably redeemed two bond issues, one in February for €200 million and one in March for €970 million, the latter having been issued in March 2009 with a coupon of 7.375%.

At 30 June 2019, the Group's long-term financial debt totalled €27 billion, with an average maturity of 8.3 years (6.4 years at 31 December 2018).

1.4 Impact of the first-time adoption of IFRS 16 for the VINCI group

Since 1 January 2019, the Group has applied IFRS 16 "Leases" according to the "simplified retrospective" transitional approach: the cumulative effects of first-time adoption have been recognised in opening equity at 1 January 2019 and 2018 data presented for comparative purposes has not been adjusted.

Since IFRS 16 came into force, the Group has recognised all of its leases on the balance sheet, with the exception of those with a term of less than 12 months and those relating to items whose unit value in brand-new condition is not material, whereas the previous accounting standard (IAS 17) required only finance leases to be recognised on the balance sheet.

The application of IFRS 16 caused the Group recognise, at 1 January 2019, €1.3 billion of rights to use leased assets over their lease terms on the asset side of its balance sheet, and €1.4 billion of liabilities corresponding to the obligation to make lease payments. On the income statement, asset depreciation charges and interest expense relating to the lease debt replace the lease expense previously recognised entirely under operating income. Overall, IFRS 16 had a neutral impact in terms of cash flow, and led to an improvement in Ebitda.

1.5 Other key events

Extension of Lisbon airport and opening of a new civil airport in Montijo, Portugal

On 8 January 2019, VINCI Airports signed a memorandum of understanding with the Portuguese government to increase airport capacity in the Lisbon region. As part of that agreement ANA undertook to invest, by 2028, €650 million in the first phase of extending Lisbon's existing airport and €500 million to create a new airport in Montijo.

Management contract for free-flow tolling transactions and customer services on the Dublin ring road (M50)

In April, VINCI Concessions subsidiary VINCI Highways, through the Turas joint venture, signed an 11-year contract with TII (Transport Infrastructure Ireland), the state agency in charge of road and rail infrastructure in the Republic of Ireland, to manage free-flow tolling transactions and customer services on the Dublin ring road (M50 motorway). With an average of 145,000 vehicles a day, the Dublin ring road is the busiest road on the Republic's national road network.

2. Revenue

Consolidated revenue totalled €21.7 billion in the first half of 2019, up 10.0% relative to the first half of 2018. Organic growth was 5.9%, while changes in scope boosted revenue by 3.7% – mainly outside France – and currency movements had a positive effect of 0.4%.

Concessions revenue totalled €3.8 billion, up 12.0% on an actual basis or 4.6% like-for-like. Acquisitions, particularly those carried out by VINCI Airports in Serbia and the United Kingdom, accounted for 6.9 points of the increase.

Contracting revenue amounted to €17.7 billion, up 9.9% on an actual basis or 6.5% like-for-like, driven by good momentum in all business lines (VINCI Energies, Eurovia and VINCI Construction), along with the positive impact of the most recent acquisitions.

In France, revenue totalled €12.2 billion, an increase of 6.8% both on an actual basis and like-for-like. Revenue rose 3.3% in Concessions, 8.3% in Contracting and 20.4% at VINCI Immobilier.

Outside France, revenue was €9.5 billion, up 14.4% on an actual basis and 4.9% like-for-like. There were positive effects from changes in scope (8.6%) and currency movements (0.9%, driven by several currencies, particularly the US dollar, rising against the euro). During the period, 43.6% of total Group revenue came from outside France (47.9% in Contracting and 25.6% in Concessions).

Revenue by business line

(in € millions)	First half 2019	First half 2018	2019/2018 change	
			Actual	Comparable
Concessions	3,836	3,426	+12.0%	+4.6%
VINCI Autoroutes	2,608	2,543	+2.6%	+2.6%
VINCI Airports	1,070	741	+44.3%	+8.1%
Other concessions	158	141	+12.0%	+22.9%
Contracting	17,737	16,144	+9.9%	+6.5%
VINCI Energies	6,370	5,857	+8.8%	+4.6%
Eurovia	4,353	3,725	+16.9%	+10.0%
VINCI Construction	7,013	6,562	+6.9%	+6.1%
VINCI Immobilier	470	393	+19.5%	+19.5%
Intragroup eliminations	*(313)*	*(205)*		
Revenue (*)	**21,729**	**19,758**	**+10.0%**	**+5.9%**
Concession subsidiaries' works revenue	*447*	*387*	*+15.4%*	*+15.3%*
Intragroup eliminations	*(124)*	*(101)*		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	**323**	**286**	**+12.8%**	**+12.7%**
Total consolidated revenue	**22,052**	**20,044**	**+10.0%**	**+6.0%**

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

CONCESSIONS €3,836 million (up 12.0% actual; up 4.6% on a comparable structure basis)

VINCI Autoroutes: revenue grew 2.6% to €2,608 million with traffic levels stable in the first half of 2019. The slight 0.4% decrease in light-vehicle traffic resulted from the residual effect in early 2019 of the social unrest that started in France in late 2018, negative calendar effects and a high base for comparison after motorway traffic was boosted by people switching to travelling by road in the second quarter of 2018 following disruption to rail services. On the plus side, despite there being one less business day than in the year-earlier period, heavy-vehicle traffic remained buoyant, with growth of 2.0% because of good economic conditions in France and Spain.

VINCI Airports: revenue rose 44% to €1,070 million. That figure was boosted by the addition from the Airports Worldwide portfolio (included since the end of August 2018), Belgrade airport in Serbia (included since late December 2018) and London Gatwick airport (included since 13 May 2019). Like-for-like, VINCI Airports' revenue rose 8.1%, driven by continuing strong growth in passenger numbers across almost all airports, despite a high base for comparison, particularly in Portugal (+7.2%), France (+10.3%), Cambodia (+15.5%) and the Dominican Republic (+9.5%). The only country to see a fall in passenger numbers in the first half of 2019 was Brazil (-3.3%), caused by the bankruptcy of an airline. Total passenger numbers across all airports managed by the Group rose 6.7% to 123.4 million.

Other concessions: revenue totalled €158 million, an increase of 12.0% compared with the first half of 2018. The main entities contributing to the revenue are Lamsac, concession-holder for the Lima ring road in Peru, VINCI Stadium, MESEA (the company in charge of maintaining and operating the South Europe Atlantic high-speed rail line between Tours and Bordeaux) and Gefyra (the company that holds the concession for the Rion–Antirion bridge in Greece).

CONTRACTING: €17,737 million (up 9.9% actual; up 6.5% on a comparable structure basis)

In France, revenue rose 8.4% to €9,235 million (up 8.3% on a constant structure basis).

Outside France, revenue rose 11.5% on an actual basis to €8,502 million, benefiting from a 6.2% positive impact from acquisitions and a 0.8% boost from currency movements. Organic growth was 4.5%.

VINCI Energies: €6,370 million (up 8.8% actual; up 4.6% on a comparable structure basis)

In France, revenue rose 5.6% compared with the first half of 2018 on an actual basis to €2,942 million (up 4.7% on a comparable structure basis). That good performance was driven by the infrastructure and ICT (information and communication technology) activities, and to a lesser extent by the Building Solutions (tertiary property and facilities management) business.

Outside France, revenue amounted to €3,428 million, accounting for almost 54% of the business line total. Revenue rose 11.6% on an actual basis, buoyed by acquisitions completed in 2018 (mainly in the United States and Singapore) and the first half of 2019 (in the Netherlands, Belgium and Switzerland). Revenue grew 4.6% on a comparable structure basis, on the back of good momentum in most of VINCI Energies' operations. Markets were strong in Switzerland, Belgium, Eastern Europe and Portugal, and to a lesser extent in Germany and Sweden. However, business level fell in the United Kingdom. Outside Europe, there was firm activity in the United States, Brazil, Australia and Senegal.

Eurovia: €4,353 million (up 16.9% actual; up 10.0% on a comparable structure basis)

In France, revenue was €2,521 million, up 13.2% on an actual basis and up 12.8% on a constant structure basis. Momentum in the roadworks and urban development market remained strong in most regions. Business levels also benefited from mild weather conditions in the first-half period.

Outside France, revenue totalled €1,833 million, up 22.3% on an actual basis, boosted by acquisitions in the United States (Lane Plants & Paving, included from late December 2018), Canada and Estonia. Organic growth was 6.0%, and performance varied between countries. Business levels rose in Germany, the United Kingdom, the Czech Republic and Spain. They fell in the United States and Slovakia following the completion of several large projects, and stabilised in Canada and Chile.

Seasonal variations are significant at Eurovia, with first-half revenue accounting for less than 45% of the full-year total. Such variations are particularly pronounced in Eurovia's North American and Central European operations.

VINCI Construction: €7,013 million (up 6.9% actual; up 6.1% on a comparable structure basis)

In France, revenue was €3,772 million (54% of the total), up 7.6% on an actual basis and up 8.4% on a constant structure basis, reflecting sustained business levels in the building and public works markets, particularly in the Paris region. Outside Paris, the situation was more mixed, with growth in the East and South-East regions but a decline in Nouvelle Aquitaine. Business levels in Overseas France rose slightly.

Outside France, revenue was €3,241 million, up 6.1% on an actual basis and up 3.7% on a constant structure basis. Growth was driven by VINCI Construction International Network, particularly in Africa and Central Europe, and by Soletanche Freyssinet's specialist activities, notably in the Americas and the United Kingdom. However, business levels fell in Entrepose's Oil & Gas operations.

VINCI Immobilier: €470 million (up 19.5% on both an actual and comparable structure basis)

Revenue including the Group's share of joint developments totalled €605 million, representing a sharp 26% increase year-on-year or up 18% excluding the €41 million contribution from Urbat, which was included in January 2019. In commercial property, revenue rose 49% as a result of office developments, particularly in Paris and Lyon. In residential property, revenue recognised on a progress-towards-completion basis rose 11%, with growth driven by the Paris region. Reservations fell slightly (down 6% to 2,990 units), but the related revenue rose by 4%. The managed residence business, under the Ovélia and Student Factory brands, continued to grow with the opening of a thirteenth residence in the first half of the year, with another four scheduled for the second half of the year.

Revenue by geographical area

(in € millions)	First half 2019	% of total	First half 2018	2019/2018 change Actual	At constant exchange rates
France	**12,262**	**56.4%**	**11,480**	**+6.8%**	**+6.8%**
Germany	1,371	6.3%	1,265	+8.4%	+8.4%
United Kingdom	1,301	6.0%	1,083	+20.1%	+19.3%
Central and Eastern Europe (*)	884	4.1%	864	+2.2%	+3.2%
Rest of Europe	2,216	10.2%	1,978	+12.0%	+12.2%
Europe excl. France	**5,771**	**26.6%**	**5,191**	**+11.2%**	**+11.3%**
Americas	1,800	8.3%	1,322	+36.2%	+30.0%
Africa	687	3.2%	524	+31.2%	+30.1%
Russia, Asia Pacific and Middle East	1,209	5.6%	1,241	(2.6%)	(3.7%)
International excl. Europe	**3,696**	**17.0%**	**3,087**	**+19.7%**	**+16.7%**
Total International	**9,467**	**43.6%**	**8,278**	**+14.4%**	**+13.3%**
Revenue (*)	**21,729**	**100.0%**	**19,758**	**+10.0%**	**+9.6%**

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

3. Results

3.1 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) was €2,289 million, an increase of 9.1% compared with the first half of 2018 (€2,099 million). Ebit margin was 10.5% (10.6% in the first half of 2018).

Operating income from ordinary activities/operating income

(in € millions)	First half 2019	% of revenue (*)	First half 2018	% of revenue (*)	2019/2018 change
Concessions	1,844	48.1%	1,642	47.9%	12.3%
VINCI Autoroutes	1,407	53.9%	1,318	51.8%	6.7%
VINCI Airports	432	40.4%	322	43.4%	34.4%
Other concessions	5	-	2	-	-
Contracting	432	2.4%	436	2.7%	(1.1%)
VINCI Energies	378	5.9%	336	5.7%	12.7%
Eurovia	(10)	(0.2%)	(17)	(0.5%)	40.8%
VINCI Construction	64	0.9%	118	1.8%	(46.1%)
VINCI Immobilier	5	1.1%	17	4.4%	(70.9%)
Holding companies	8	-	3	-	-
Operating income from ordinary activities (Ebit)	**2,289**	**10.5%**	**2,099**	**10.6%**	**9.1%**
Share-based payments (IFRS 2)	(100)	-	(79)	-	-
Income/(loss) of companies accounted for under the equity method	121	-	81	-	-
Other recurring operating items	32	-	53	-	-
Recurring operating income	**2,341**	**10.8%**	**2,154**	**10.9%**	**8.7%**
Non-recurring operating items	7	-	18	-	-
Operating income	**2,348**	**10.8%**	**2,171**	**11.0%**	**8.1%**

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

In **Concessions**, Ebit rose 12.3% to €1,844 million, equal to 48.1% of Concessions revenue.

At VINCI Autoroutes, Ebit amounted to €1,407 million, up 6.7% relative to the first-half 2018 figure of €1,318 million. The Ebit margin rose 210 basis points to 53.9% in the first half of 2019. This was due to revenue growth and a firm grip on expenses.

At VINCI Airports, Ebit was €432 million, up 34% year-on-year (€322 million in the first half of 2018). Aside from the integration of London Gatwick airport, Airports Worldwide and Belgrade airport, the increase reflects the improvement in earnings at the other airports managed by the Group. The Ebit margin fell from 43.4% in the first half of 2018 to 40.4% in the first half of 2019 because of the impact of recent acquisitions.

In the **Contracting** business, Ebit was stable year-on-year at €432 million (€436 million in the first half of 2018), equal to 2.4% of revenue (2.7% in the first half of 2018).

At VINCI Energies, Ebit was €378 million, up 12.7% year-on-year (€336 million in the first half of 2018). The Ebit margin rose 20 basis points to 5.9% in 2018, as a result of solid performance in all regions and the successful integration of recent acquisitions.

Eurovia's contribution to Ebit is traditionally negative in the first half of the year (a loss of €10 million in the first half of 2019), which is not representative of its expected full-year performance because seasonal variations in business levels affect coverage of overheads. The improvement in margins in France and the rest of Europe offset, however, the adverse impact of seasonal variations in Eurovia's new North American operations.

At VINCI Construction, Ebit was €64 million as opposed to €118 million in the first half of 2018. The Ebit margin fell to 0.9% in the first half of 2019 from 1.8% in the first half of 2018. That decline resulted from difficulties encountered on several projects, along with weaker business levels in oil and gas-related activities. On the plus side, margins improved at VINCI Construction UK and VINCI Construction International Network and remained at a good level at Soletanche Freyssinet.

VINCI Immobilier: Ebit totalled €5 million, with Ebit margin of 1.1%, as opposed to €17 million and 4.4% in the first half of 2018, as a result of greater seasonal variations in development activity than in previous years.

Recurring operating income rose 8.7% to €2,341 million (€2,154 million in the first half of 2018). 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 and amounted to €100 million (€79 million in the first half of 2018);
- other recurring operating items, producing €153 million of income versus €134 million in the first half of 2018. That increase was the result of higher earnings at companies accounted for under the equity method, particularly at VINCI Airports.

Recurring operating income by business line

(in € millions)	First half 2019	First half 2018	2019/2018 change
Concessions	1,954	1,728	13.1%
VINCI Autoroutes	1,402	1,313	6.8%
VINCI Airports	518	374	38.5%
Other concessions	34	41	-
Contracting	373	403	(7.5%)
VINCI Energies	348	311	11.7%
Eurovia	(25)	(24)	(2.5%)
VINCI Construction	50	116	(56.8%)
VINCI Immobilier	12	24	(49.2%)
Holding companies	2	(1)	-
Recurring operating income	**2,341**	**2,154**	**8.7%**

Non-recurring operating items produced income of €7 million in the first half of 2019, as opposed to €18 million in the first half of 2018 including the positive impact of measuring Gefyra at fair value after its consolidation method was changed.

After taking account of both recurring and non-recurring items, **operating income** was €2,348 million in the first half of 2019, up 8.1% relative to the first-half 2018 figure of €2,171 million.

3.2 Net income

Consolidated net income attributable to owners of the parent amounted to €1,359 million (6.3% of revenue), up 4.5% or €59 million compared with the first half of 2018 (€1,300 million and 6.6% of revenue).

Earnings per share, after taking account of dilutive instruments, amounted to €2.43, up 4.7% compared with the first half of 2018 (€2.32).

The cost of net financial debt was €270 million in the first half of 2019 (€236 million in the first half of 2018). The fall in the cost of the Group's gross long-term euro-denominated debt, following refinancing operations in 2018 and 2019 at lower rates than those of the debts repaid, did not fully offset the increase in average debts outstanding resulting from the financing and integration of recent acquisitions, particularly at VINCI Airports. In the first half of 2019, the average interest rate on long-term gross financial debt was 2.10% (2.25% in 2018 and 2.48% in the first half of 2018).

Other financial income and expense resulted in a net expense of €31 million, compared with income of €19 million in the first half of 2018. 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 €39 million (€17 million in the first half of 2018);
- an €18 million gain relating to capitalised borrowing costs on current concession investments (gain of €43 million in the first half of 2018);
- lease-related financial expenses following the application of IFRS 16 (expense of €15 million);
- positive currency effects amounting to €5 million (negative effect of €6 million in the first half of 2018).

Tax expense totalled €635 million in the first half of 2019, giving an effective tax rate of 33.0%, compared with €629 million and 33.5% in the first half of 2018.

Earnings attributable to non-controlling interests totalled €52 million (€26 million in the first half of 2018). That increase resulted in large part from the integration of London Gatwick airport.

4. Cash flows

Ebitda amounted to €3,625 million in the first half of 2019, up 23.5% from the first half of 2018 (€2,937 million). Ebitda margin was 16.7% versus 14.9% in the year-earlier period. Adjusted for the impact caused by the first-time adoption of IFRS 16 "Leases" since 1 January 2019, Ebitda amounted to €3,371 million (15.5% of revenue), a year-on-year increase of almost 15%.

Ebitda in the **Concessions** business rose 12.5% to €2,692 million (€2,392 million in the first half of 2018). It equalled 70.2% of revenue (69.8% in the first half of 2018).
VINCI Autoroutes' Ebitda rose 5.0% to €2,004 million versus €1,908 million in the first half of 2018. The Ebitda margin therefore increased to 76.8%, as opposed to 75.0% in the year-earlier period.
Ebitda at VINCI Airports rose 38% to €608 million (€441 million in the first half of 2018). The Ebitda margin fell from 59.5% in the first half of 2018 to 56.8% in the first half of 2019 because of the effect of integrating recent acquisitions.

Ebitda in the **Contracting** business amounted to €877 million, equal to 4.9% of revenue. Adjusted for the first-time adoption of IFRS 16, it was €647 million, equal to 3.6% of revenue (€554 million and 3.4% in the first half of 2018).

Ebitda by business line

(in € millions)	First half 2019	% of revenue (*)	First half 2018	% of revenue (*)	2019/2018 change
Concessions	2,692	70.2%	2,392	69.8%	+12.5%
VINCI Autoroutes	2,004	76.8%	1,908	75.0%	+5.0%
VINCI Airports	608	56.8%	441	59.5%	+37.7%
Other concessions	80	-	42	-	-
Contracting	877	4.9%	554	3.4%	+58.2%
VINCI Immobilier	11	2.3%	15	3.8%	(26.9%)
Holding companies	46	-	(24)	-	-
Total Ebitda	**3,625**	**16.7%**	**2,937**	**14.9%**	**+23.5%**

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

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 – decreased to €1,354 million in the first half of 2019 versus €1,535 million in the first half of 2018, with the improvement mainly driven by Eurovia and VINCI Construction.

Tax payments rose by €77 million to €529 million (€452 million in the first half of 2018 including a rebate of €116 million relating to the remainder of the 3% dividend tax).

Net interest paid totalled €250 million in the first half of 2019, lower than the €285 million seen in the first half of 2018.

Dividends paid by companies accounted for under the equity method amounted to €110 million in the first half of 2019 as opposed to €138 million in the first half of 2018.

Cash flow from operating activities[2] totalled €1,602 million, up €800 million relative to the first-half 2018 figure of €803 million.

After accounting for operating investments net of disposals amounting to €525 million, up €50 million on the year-earlier figure of €476 million, and repayments of lease debts (€254 million), **operating cash flow** was €823 million (€327 million in the first half of 2018).

Growth investments in concessions and public-private partnerships (PPPs) totalled €507 million (€463 million in the year-earlier period). This figure includes €375 million invested by VINCI Autoroutes (€346 million in the first half of 2018) and €119 million by VINCI Airports, mainly in Brazil (€107 million in the first half of 2018).

[2] 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.

Free cash flow was positive at €316 million, versus an outflow of €136 million in the first half of 2018. It included a €1,191 million inflow in Concessions and a €987 million outflow in Contracting (€1,055 million inflow and €1,337 million outflow respectively in the first half of 2018).

Financial investments[3], net of disposals, totalled around €8 billion. As well as acquisitions by VINCI Energies in Europe (€0.1 billion) and by VINCI Immobilier in France (€0.1 billion), they mainly consisted of VINCI Airports' acquisition of a 50.01% stake in London Gatwick airport, representing a total amount of €7.7 billion on the acquisition date. The Gatwick investment breaks down into a cash payment of €3.1 billion to buy the shares and the assumption of debts in a net amount of €4.6 billion (€3.8 billion of external debt and €0.8 billion of debt owed to shareholders).
In the first half of 2018, financial investments amounted to €1.1 billion, including VINCI Energies' acquisitions in the United States and Singapore and Eurovia's acquisitions in France and Canada.

Transactions involving VINCI's capital generated a cash inflow of €88 million as opposed to an outflow of €100 million in the first half of 2018. They include:

- a €392 million capital increase subscribed by non-controlling interests in London Gatwick airport after VINCI acquired its controlling stake;
- capital increases by VINCI SA, involving the creation of 2.8 million new shares and totalling €202 million, including €184 million relating to Group savings plans and €18 million relating to the exercise of stock options;
- purchases of VINCI shares in the market for €500 million as part of the share buyback programme, with 5.9 million shares purchased at an average price of €84.14 per share.

Dividends paid by the Group in the first half of 2019 totalled €1,092 million (€1,011 million in the first half of 2018), including €1,065 million paid by VINCI SA as the final dividend for 2018 (€1.92 per share). The remainder includes dividends paid to non-controlling shareholders by subsidiaries not wholly owned by the Group.

As a result of these cash flows, net financial debt increased by €8.7 billion in the first half of 2019, taking the total to €24.2 billion at 30 June 2019.

[3] Including the net debt of acquired companies.

5. Balance sheet and net financial debt

Non-current assets amounted to €55.6 billion at 30 June 2019 (€42.5 billion at 30 June 2018, €44.5 billion at 31 December 2018), including €42.3 billion in the Concessions business (€31.6 billion at 30 June 2018, €32.8 billion at 31 December 2018) and €12.6 billion in Contracting (€10.6 billion at 30 June 2018, €11.3 billion at 31 December 2018).

After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €5.5 billion, down €0.7 billion compared with 31 December 2018, capital employed was €50.1 billion at 30 June 2019 (€37.8 billion at 30 June 2018 and €38.3 billion at 31 December 2018). Capital employed in the Concessions business amounted to €40.7 billion, accounting for 81% of the total (80% at 30 June 2018 and 81% at 31 December 2018). VINCI Energies accounted for 10% of capital employed at 30 June 2019 as opposed to 12% at 30 June 2018 and 10% at 31 December 2018.

The application of IFRS 16 from 1 January 2019 meant that the Group recognised rights of use totalling €1.7 billion under non-current assets, along with related lease liabilities of €1.5 billion, at 30 June 2019.

The Group's equity totalled €21.4 billion at 30 June 2019, up €3.1 billion compared with 30 June 2018 (€18.3 billion) and up €1.6 billion compared with 31 December 2018 (€19.8 billion). It included €2.7 billion relating to non-controlling interests (€0.6 billion at 30 June and 31 December 2018), including €2.1 billion for London Gatwick airport.
The number of shares, excluding treasury shares, was 600,341,977 at 30 June 2019 (597,515,984 at 31 December 2018). Treasury shares amounted to 7.7% of the total capital at 30 June 2019 (7.2% at 31 December 2018, 6.8% at 30 June 2018).

Net financial debt at end-June 2019 was €24.2 billion, up €7.6 billion relative to 30 June 2018 (€16.7 billion) and up €8.7 billion relative to 31 December 2018 (€15.6 billion). That figure reflects long-term gross financial debt of €27.7 billion (€15.6 billion at 31 December 2018) and managed net cash of €3.5 billion (€2.6 billion at 31 December 2018).
For the Concessions business, including its holding companies, net financial debt stood at €34.1 billion, up €7.1 billion relative to 31 December 2018 (€27.0 billion), including €3.7 billion of debt owed by London Gatwick airport. The Contracting business showed net financial debt of €2.0 billion, stable compared with 30 June 2018 and up €1.1 billion compared with 31 December 2018 (€0.9 billion). The holding companies and other activities posted a net financial surplus of €11.9 billion, down €0.4 billion relative to 31 December 2018 (€12.4 billion). Of that surplus, €18.5 billion consisted of the net balance of loans granted to Group subsidiaries and subsidiaries' investments in holding companies.
The ratio of net financial debt to equity was 1.1 at 30 June 2019 (0.8 at 31 December 2018). The ratio of net financial debt to Ebitda on a rolling 12-month basis was 3.2 at 30 June 2019 (2.3 at 31 December 2018).

Liquidity at end-June 2019 amounted to €11.7 billion, versus €8.6 billion at end-June 2018 and €13.6 billion at 31 December 2018. The liquidity figure comprises €3.5 billion of managed net cash and €8.2 billion of unused confirmed bank credit facilities: one held by VINCI for €8.0 billion expiring in June 2023 and the other by the London Gatwick airport in the amount of £300 million, due to expire in June 2024, used for a total of £95 million at 30 June 2019.

Net financial surplus (debt)

(in € millions)	30/06/2019	of which external	Total net financial debt	30/06/2018	of which external	31/12/2018	of which external	Change 30/06/2019 vs. 30/06/2018	Change 30/06/2019 vs. 31/12/2018
Concessions	(34,131)	(19,419)	x6.5	(26,640)	(16,454)	(27,029)	(16,000)	(7,491)	(7,102)
VINCI Autoroutes	(19,500)	(14,405)	x4.9	(20,146)	(15,159)	(20,345)	(14,659)	646	845
VINCI Airports	(12,049)	(4,208)	x10.9	(3,892)	(693)	(4,951)	(759)	(8,158)	(7,098)
Other concessions	(2,582)	(806)		(2,603)	(602)	(1,734)	(582)	21	(849)
Contracting	(2,044)	1,270		(2,008)	1,147	(908)	1,380	(37)	(1,137)
VINCI Energies	(1,577)	225	x1.7	(1,888)	173	(1,330)	256	311	(248)
Eurovia	(656)	62		(463)	(8)	(331)	(67)	(194)	(326)
VINCI Construction	189	982		343	982	752	1,191	(154)	(563)
Holding companies and miscellaneous	11,935	(6,091)		11,973	(1,367)	12,382	(934)	(39)	(448)
Total	**(24,241)**	**(24,241)**	**x3.2**	**(16,674)**	**(16,674)**	**(15,554)**	**(15,554)**	**(7,566)**	**(8,686)**

6. Order book

At 30 June 2019, the Contracting order book stood at €36.2 billion, an increase of more than 9% compared with 31 December 2018 and almost 11% over 12 months. Relative to 30 June 2018, the order book fell by almost 2% in France and rose by more than 22% outside France. Recently acquired companies – mainly by Eurovia in the United States – contributed €0.6 billion to the order book at 30 June 2019.

VINCI Energies' order book stood at €9.4 billion at 30 June 2019, up almost 12% compared with 31 December 2018 (up 15% in France and up 9% outside France) and up more than 7% over 12 months (up 9% in France and up 6% outside France). It represented almost nine months of VINCI Energies' average business activity.

Eurovia's order book stood at €8.2 billion, up more than 17% since the start of the year (up 10% in France and up 22% outside France) and up almost 27% relative to end-June 2018 (down 1% in France and up 49% outside France). It represented more than 10 months of Eurovia's average business activity.

VINCI Construction's order book stood at €18.6 billion at 30 June 2019, up 5% compared with 31 December 2018 (down 3% in France and up 13% outside France) and up 6% over 12 months (down 6% in France and up 20% outside France). It represented more than 15 months of VINCI Construction's average business activity.

Order book (*)

(in € billions)	30/06/2019	of which France	of which outside France	30/06/2018	31/12/2018
VINCI Energies	9.4	4.3	5.1	8.7	8.4
Eurovia	8.2	2.9	5.3	6.5	7.0
VINCI Construction	18.6	8.5	10.2	17.5	17.7
Contracting	**36.2**	**15.6**	**20.6**	**32.7**	**33.1**
VINCI Immobilier	**0.7**	**0.7**	**-**	**0.9**	**0.8**

(*) Unaudited figures.

7. Interim dividend

On 30 July 2019, the Board of Directors decided to pay an interim dividend of €0.79 per share in respect of 2019, up 5.3% relative to the interim dividend paid in 2018 (€0.75).

This interim dividend will be paid in cash on 7 November 2019 (ex-dividend date: 5 November 2019).

8. Main transactions with related parties

The main transactions with related parties are described in Note K.27 to the condensed half-year consolidated financial statements.

9. Risk factors

The main risk factors that VINCI could face are described in Section D "Risk factors and management procedures" of the Report of the Board of Directors contained in the 2018 registration document.

Condensed half-year consolidated financial statements at 30 June 2019

Half-year consolidated financial statements

Key figures

(in € millions)	First half 2019	First half 2018	Change first half 2019/2018	Full year 2018
Revenue (*)	**21,729**	**19,758**	**10.0%**	**43,519**
Revenue generated in France (*)	12,262	11,480	6.8%	24,768
% of revenue (*)	*56.4%*	*58.1%*		*56.9%*
Revenue generated outside France (*)	9,467	8,278	14.4%	18,751
% of revenue (*)	*43.6%*	*41.9%*		*43.1%*
Operating income from ordinary activities	2,289	2,099	9.1%	4,997
% of revenue (*)	*10.5%*	*10.6%*		*11.5%*
Recurring operating income	2,341	2,154	8.7%	4,924
Operating income	2,348	2,171	8.1%	4,920
Net income attributable to owners of the parent	**1,359**	**1,300**	**4.5%**	**2,983**
% of revenue (*)	*6.3%*	*6.6%*		*6.9%*
Diluted earnings per share *(in €)*	2.43	2.32	4.7%	5.32
Dividend per share *(in €)*	0.79 (**)	0.75	5.3%	2.67
Cash flows from operations before tax and financing costs	**3,625 (***)**	**2,937**	**23.5% (***)**	**6,898**
Operating investments and growth investments in concessions and PPPs	(1,032)	(939)	9.9%	(1,963)
of which operating investments (net of disposals)	(525)	(476)	10.4%	(986)
of which growth investments in concessions and PPPs	(507)	(463)	9.4%	(977)
Free cash flow (after investments)	**316**	**(136)**	**-331.3%**	**3,179**
Equity including non-controlling interests	21,434	18,333	3,101	19,818
Net financial debt	(24,241)	(16,674)	(7,566)	(15,554)

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Interim dividend to be paid on 7 November 2019.
(***) Of which the impact of IFRS 16 (positive impact of €254 million), a change of +14.8% excluding IFRS 16 impact.

From 1 January 2019, the Group has applied IFRS 16 "Leases" according to the "simplified retrospective" approach, recognising the cumulative effects of first-time adoption on opening equity at 1 January 2019. As a result, the 2018 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note A.4.

Consolidated income statement for the period

(in € millions)	Notes	First half 2019	First half 2018	Full year 2018
Revenue (*)	**1-2**	**21,729**	**19,758**	**43,519**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		323	286	633
Total revenue		22,052	20,043	44,152
Revenue from ancillary activities		108	108	202
Operating expenses	4	(19,871)	(18,052)	(39,357)
Operating income from ordinary activities	**1-4**	**2,289**	**2,099**	**4,997**
Share-based payments (IFRS 2)	26	(100)	(79)	(206)
Profit/(loss) of companies accounted for under the equity method	4-10	121	81	88
Other recurring operating items		32	53	45
Recurring operating income	**4**	**2,341**	**2,154**	**4,924**
Non-recurring operating items	4	7	18	(4)
Operating income	**4**	**2,348**	**2,171**	**4,920**
Cost of gross financial debt		(290)	(249)	(491)
Financial income from cash investments		20	13	29
Cost of net financial debt	**5**	**(270)**	**(236)**	**(462)**
Other financial income and expense	6	(31)	19	17
Income tax expense	7	(635)	(629)	(1,418)
Net income		**1,412**	**1,326**	**3,057**
Net income attributable to non-controlling interests		52	26	74
Net income attributable to owners of the parent		**1,359**	**1,300**	**2,983**
Basic earnings per share *(in €)*	8	2.45	2.34	5.38
Diluted earnings per share *(in €)*	8	2.43	2.32	5.32

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

Consolidated comprehensive income statement for the period

(in € millions)	First half 2019 Attributable to owners of the parent	First half 2019 Attributable to non-controlling interests	First half 2019 Total	First half 2018 Attributable to owners of the parent	First half 2018 Attributable to non-controlling interests	First half 2018 Total	Full year 2018 Attributable to owners of the parent	Full year 2018 Attributable to non-controlling interests	Full year 2018 Total
Net income	**1,359**	**52**	**1,412**	**1,300**	**26**	**1,326**	**2,983**	**74**	**3,057**
Changes in fair value of cash flow and net investment hedging instruments (*)	(1)	-	(1)	(19)	-	(19)	(51)	-	(51)
Hedging costs	3	-	3	3	-	3	3	-	3
Tax (**)	39	-	40	(4)	-	(4)	(3)	-	(3)
Currency translation differences	(62)	(68)	(130)	17	2	19	22	2	23
Share in net income of companies accounted for under the equity method	(84)	-	(84)	32	-	32	18	-	18
Other comprehensive income that may be recycled subsequently to net income	**(106)**	**(68)**	**(174)**	**29**	**2**	**31**	**(11)**	**2**	**(10)**
Equity instruments	-	-	-	1	-	1	-	-	-
Actuarial gains and losses on retirement benefit obligations	(125)	(3)	(128)	(23)	-	(23)	(46)	-	(46)
Tax	31	1	32	6	-	6	15	-	15
Share in net income of companies accounted for under the equity method	-	-	-	(1)	-	(1)	(1)	-	(1)
Other comprehensive income that may not be recycled subsequently to net income	**(94)**	**(3)**	**(97)**	**(16)**	**-**	**(16)**	**(31)**	**-**	**(31)**
Total other comprehensive income recognised directly in equity	**(200)**	**(71)**	**(271)**	**13**	**2**	**15**	**(42)**	**2**	**(41)**
Total comprehensive income	**1,160**	**(19)**	**1,141**	**1,314**	**28**	**1,341**	**2,940**	**76**	**3,016**

(*) 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. Includes a €134 million decrease for cash flow hedges and a €133 million increase for net investment hedges.

(**) Tax effects relating to changes in the fair value of cash flow hedging financial instruments (effective portion) and hedging costs.

Consolidated balance sheet

Assets

(in € millions)	Notes	30/06/2019	30/06/2018	31/12/2018
Non-current assets				
Concession intangible assets	12	26,957	26,647	27,118
Goodwill	9	11,216	9,406	9,792
Other intangible assets	14.1	7,045	431	632
Property, plant and equipment	14.2	9,547	4,658	5,359
Investments in companies accounted for under the equity method	10	1,761	1,552	1,674
Other non-current financial assets	11-13	1,492	1,263	1,332
Derivative financial instruments – non-current assets		1,120	550	511
Deferred tax assets		323	257	317
Total non-current assets		**59,461**	**44,763**	**46,736**
Current assets				
Inventories and work in progress	15	1,367	1,139	1,173
Trade and other receivables	15	13,852	12,868	13,584
Other current operating assets	15	5,258	5,349	5,033
Other current non-operating assets		45	46	52
Current tax assets		165	259	280
Other current financial assets		41	34	37
Derivative financial instruments – current assets		227	232	258
Cash management financial assets	22	585	174	245
Cash and cash equivalents	22	6,356	5,997	7,960
Total current assets		**27,895**	**26,098**	**28,621**
Total assets		**87,356**	**70,861**	**75,357**

Consolidated balance sheet

Equity and liabilities

(in € millions)	Notes	30/06/2019	30/06/2018	31/12/2018
Equity				
Share capital	19.1	1,501	1,491	1,494
Share premium		10,534	10,253	10,339
Treasury shares	19.2	(2,685)	(2,161)	(2,323)
Consolidated reserves		9,282	7,886	7,767
Currency translation reserves		(264)	(215)	(213)
Net income attributable to owners of the parent		1,359	1,300	2,983
Amounts recognised directly in equity	19.3	(1,007)	(817)	(861)
Equity attributable to owners of the parent		**18,720**	**17,737**	**19,185**
Non-controlling interests		2,714	596	633
Total equity		**21,434**	**18,333**	**19,818**
Non-current liabilities				
Non-current provisions	16	1,266	1,065	1,135
Provisions for employee benefits	25	1,718	1,519	1,519
Bonds	21	22,787	14,529	16,588
Other loans and borrowings	21	3,351	2,907	3,023
Derivative financial instruments – non-current liabilities		663	276	206
Non-current lease liabilities	17	1,068	-	-
Other non-current liabilities		374	269	345
Deferred tax liabilities		2,817	1,648	1,676
Total non-current liabilities		**34,043**	**22,214**	**24,491**
Current liabilities				
Current provisions	15	4,358	4,181	4,452
Trade payables	15	7,885	7,707	8,240
Other current operating liabilities	15	12,660	11,855	12,862
Other current non-operating liabilities		489	416	500
Current tax liabilities		303	241	282
Current lease liabilities	17	458	-	-
Derivative financial instruments – current liabilities		85	77	76
Current borrowings	21	5,642	5,838	4,635
Total current liabilities		**31,879**	**30,314**	**31,048**
Total equity and liabilities		**87,356**	**70,861**	**75,357**

Consolidated cash flow statement

(in € millions)	Notes	First half 2019	First half 2018	Full year 2018
Consolidated net income for the period (including non-controlling interests)		**1,412**	**1,326**	**3,057**
Depreciation and amortisation		1,431	1,076	2,242
Net increase/(decrease) in provisions and impairment		26	(32)	(16)
Share-based payments (IFRS 2) and other restatements		(30)	(100)	21
Gain or loss on disposals		(27)	(49)	(88)
Change in fair value of financial instruments		34	(22)	(39)
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated companies		(123)	(84)	(104)
Cost of net financial debt recognised	5	270	236	462
Capitalised borrowing costs		(18)	(43)	(56)
Financial expense on lease contracts	6	15	-	-
Current and deferred tax expense recognised		635	629	1,418
Cash flows from operations before tax and financing costs	**1**	**3,625**	**2,937**	**6,898**
Changes in operating working capital requirement and current provisions	15.1	(1,354)	(1,535)	(266)
Income taxes paid (*)		(529)	(452)	(1,222)
Net interest paid		(250)	(285)	(444)
Dividends received from companies accounted for under the equity method		110	138	176
Cash flows (used in)/from operating activities (*)	**I**	**1,602**	**803**	**5,142**
Purchases of property, plant and equipment and intangible assets		*(562)*	*(529)*	*(1,095)*
Proceeds from sales of property, plant and equipment and intangible assets		*36*	*54*	*109*
Operating investments (net of disposals)	1	(525)	(476)	(986)
Investments in concession fixed assets (net of grants received)		*(498)*	*(470)*	*(986)*
Financial receivables (PPP contracts and others)		*(8)*	*7*	*8*
Growth investments in concessions and PPPs	1	(507)	(463)	(977)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated) (**)		*(3,320)*	*(615)*	*(1,570)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*12*	*5*	*81*
Net financial investments		(3,309)	(610)	(1,489)
Other		(102)	(63)	(165)
Net cash flows (used in)/from investing activities	**II**	**(4,443)**	**(1,612)**	**(3,617)**
Share capital increases and decreases and repurchases of other equity instruments		202	380	469
Transactions on treasury shares	19.2	(502)	(475)	(639)
Non-controlling interests in share capital increases and decreases of subsidiaries		392	-	-
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(5)	(5)	(25)
Dividends paid	20	(1,092)	(1,011)	(1,443)
- to shareholders of VINCI SA		*(1,065)*	*(974)*	*(1,391)*
- to non-controlling interests		*(26)*	*(36)*	*(53)*
Proceeds from new long-term borrowings		4,227	1,778	4,163
Repayments of long-term borrowings		(2,118)	(1,876)	(2,707)
Repayments of lease liabilities and financial expense on lease contracts		(254)	-	-
Change in cash management assets and other current financial debts		119	1,146	135
Net cash flows (used in)/from financing activities	**III**	**971**	**(62)**	**(48)**
Other changes	IV	69	(39)	(398)
Change in net cash	**I+II+III+IV**	**(1,801)**	**(911)**	**1,079**
Net cash and cash equivalents at beginning of period		**6,782**	**5,703**	**5,703**
Net cash and cash equivalents at end of period	**22**	**4,980**	**4,792**	**6,782**
Change in cash management assets and other current financial debts		(119)	(1,146)	(135)
(Proceeds from)/repayment of loans		(2,109)	97	(1,456)
Other changes		(4,657)	(714)	(1,042)
Of which liabilities assumed in a business combination		*(4,688)*	*(420)*	*(792)*
Change in net financial debt		**(8,686)**	**(2,673)**	**(1,553)**
Net financial debt at beginning of period		**(15,554)**	**(14,001)**	**(14,001)**
Net financial debt at end of period	**21**	**(24,241)**	**(16,674)**	**(15,554)**

(*) Including in the first half of 2018 the impact of non-recurring tax effects: a disbursement of €113 million.
(**) Including the acquisition of London Gatwick Airport in the first half of 2019 for €3,080 million.
In 2018, investments by VINCI Airports (Belgrade Nikola Tesla Airport in Serbia and Airports Worldwide), VINCI Energies (PrimeLine Utility Services and Wah Loon Engineering) and Eurovia (Lane Construction's Plants & Paving division).

Reconciliation of indicators for performance monitoring with the consolidated cash flow statement

(in € millions)	First half 2019	First half 2018	Full year 2018
Cash flows (used in)/from operating activities	**1,602**	**803**	**5,142**
Operating investments (net of disposals)	(525)	(476)	(986)
Repayments of lease liabilities and financial expense on lease contracts	(254)	-	-
Operating cash flow	**823**	**327**	**4,156**
Growth investments in concessions and PPPs	(507)	(463)	(977)
Cash flow (after investments)	**316**	**(136)**	**3,179**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	(3,320)	(615)	(1,570)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	12	5	81
Net effect of changes in scope of consolidation including liabilities assumed in a business combination	(4,631)	(404)	(1,149)
Net financial investments	(7,939)	(1,013)	(2,638)
Other	(102)	(63)	(165)
Total net financial investments	**(8,041)**	**(1,076)**	**(2,803)**

Consolidated statement of changes in equity

	Equity attributable to owners of the parent									
(in € millions)	Share capital	Share premium	Treasury shares	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Balance at 01/01/2018	**1,478**	**9,886**	**(1,751)**	**6,375**	**2,747**	**(276)**	**(780)**	**17,679**	**572**	**18,251**
Net income for the period	-	-	-	-	1,300	-	-	1,300	26	1,326
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	17	(35)	(18)	2	(16)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	19	13	31	-	31
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,300**	**36**	**(22)**	**1,314**	**28**	**1,341**
Increase in share capital	13	367	-	-	-	-	-	380	-	380
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(410)	(65)	-	-	-	(475)	-	(475)
Allocation of net income and dividend payments	-	-	-	1,773	(2,747)	-	-	(974)	(36)	(1,011)
Share-based payments (IFRS 2)	-	-	-	53	-	-	-	53	-	53
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	1	-	-	-	1	-	1
Changes in consolidation scope	-	-	-	(2)	-	2	-	-	36	36
Other	-	-	-	(249)	-	24	(15)	(240)	(3)	(243)
Balance at 30/06/2018	**1,491**	**10,253**	**(2,161)**	**7,886**	**1,300**	**(215)**	**(817)**	**17,737**	**596**	**18,333**
Net income for the period	-	-	-	-	1,683	-	-	1,683	48	1,731
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	5	(46)	(42)	-	(42)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(1)	(13)	(14)	-	(14)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,683**	**4**	**(60)**	**1,627**	**48**	**1,675**
Increase in share capital	3	85	-	-	-	-	-	88	-	88
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(162)	(2)	-	-	-	(164)	-	(164)
Allocation of net income and dividend payments	-	-	-	(416)	-	-	-	(416)	(16)	(432)
Share-based payments (IFRS 2)	-	-	-	85	-	-	-	85	-	85
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(4)	-	-	-	(4)	(2)	(6)
Changes in consolidation scope	-	-	-	2	-	(2)	-	-	5	5
Other	-	-	-	217	-	-	15	232	3	235
Published balance at 31/12/2018	**1,494**	**10,339**	**(2,323)**	**7,767**	**2,983**	**(213)**	**(861)**	**19,185**	**633**	**19,818**
Impact of changed method (*)	-	-	-	(2)	-	-	-	(2)	-	(3)
Revised Balance at 31/12/2018 published	**1,494**	**10,339**	**(2,323)**	**7,765**	**2,983**	**(213)**	**(861)**	**19,183**	**633**	**19,815**
Net income for the period	-	-	-	-	1,359	-	-	1,359	52	1,412
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	(62)	(53)	(115)	(71)	(186)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	8	(93)	(85)	-	(85)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,359**	**(54)**	**(146)**	**1,160**	**(19)**	**1,141**
Increase in share capital	7	195	-	-	-	-	-	202	392	594
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(362)	(139)	-	-	-	(502)	-	(502)
Allocation of net income and dividend payments	-	-	-	1,918	(2,983)	-	-	(1,065)	(26)	(1,092)
Share-based payments (IFRS 2)	-	-	-	70	-	-	-	70	-	70
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	2	-	(2)	-	1	1	2
Changes in consolidation scope	-	-	-	(5)	-	5	-	-	1,734	1,734
Other	-	-	-	(328)	-	1	(1)	(328)	(1)	(329)
Balance at 30/06/2019	**1,501**	**10,534**	**(2,685)**	**9,282**	**1,359**	**(264)**	**(1,007)**	**18,720**	**2,714**	**21,434**

(*) Change in accounting methods related to the first-time adoption of IFRS 16 "Leases" on 1 January 2019, described in Note A.4.

Notes to the consolidated financial statements

A. Accounting policies, measurement methods and change in method

1. Accounting policies

The accounting policies used at 30 June 2019 are consistent with those used in preparing the consolidated financial statements at 31 December 2018, except for the standards and/or amendments adopted by the European Union and mandatorily applicable as from 1 January 2019 (*).

The Group's condensed half-year consolidated financial statements at 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 30 July 2019. 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 2018, as set out in registration document D.19-0079, filed with the AMF on 27 February 2019.

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

New standards and interpretations applicable from 1 January 2019

The impact of applying IFRS 16 "Leases" from 1 January 2019 is described in Note A.4.
The other standards and interpretations mandatorily applicable from 1 January 2019 have no material impact on VINCI's consolidated financial statements at 30 June 2019. These are mainly:

- IFRIC 23 "Uncertainty over Income Tax Treatments";
- Amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- Amendments to IAS 28 "Investments in Associates and Joint Ventures";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- Annual Improvements 2015-2017.

IFRIC 23 "Uncertainty over Income Tax Treatments": IFRIC 23 supplements IAS 12 "Income Taxes" by specifying arrangements for measuring and recognising uncertainty relating to income tax. The Group has not identified any material impact in terms of equity at 1 January 2019 following the implementation of IFRIC 23.

Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2019

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 2019:

- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Amendments to IFRS 3 "Definition of a Business";

A study of the impacts and practical consequences of applying these amendments is under way. However, they do not contain any provisions that are contrary to the Group's current accounting practices.

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

2. Consolidation methods

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

In accordance with IFRS 11, the Group's joint arrangements fall into two categories (joint ventures and joint operations) depending on the nature of the rights and obligations held by each party. Classification is generally determined by the legal form of the project vehicle. The Group exercises a joint control over each joint arrangement.
Joint operations: most joint arrangements in the Contracting business are joint operations because of the legal form of the vehicles used. In France, for example, parties generally use *sociétés en participation* (SEPs) to contractualise their joint works activities.
In some situations, where the facts and circumstances show that a company's activities amount to providing production to the parties, it is regarded as a joint operation even where the vehicle's legal form does not establish transparency between the joint operators' assets and those of the joint arrangement. In that situation, the parties have the rights to substantially all of the economic benefits associated with the company's assets, and will settle its liabilities.
Within the VINCI Group, this situation concerns certain coating plants held and used by Eurovia in its road infrastructure construction and renovation activities.
Joint ventures: 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. This is also the case for other partnerships of the Group realised through an entity with a legal personality and when the partners do not have right to the entire production of the joint venture.

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

There is one Group subsidiary with material non-controlling interests, i.e. the holding company that owns all of London Gatwick Airport's operations: the information required by IFRS 12 regarding non-controlling interests will be provided in the notes to the full-year financial statements. The Group's consolidation scope does not include any other individually material joint venture or associate. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flow. VINCI does not own any interest in structured entities as defined by IFRS 12.

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

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 the estimates presented below:

- measurement of profit or loss on construction and service contracts using the progress towards completion method;
- values used in impairment tests;
- measurement of share-based payment expense under IFRS 2;
- measurement of retirement benefit obligations;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefit obligations (IAS 19);
- determination of discount rates and lease terms to be used to determine the value of rights of use and related liabilities in relation to leases (IFRS 16);
- 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, shares in unconsolidated subsidiaries and affiliates, 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 assets measured at amortised cost as defined by IFRS 9 “Financial instruments”) is stated in Note I.24 “Book and fair value of financial instruments by accounting category” below.

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

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

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

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

- Level 1 – price quoted on an active market. Marketable securities, some shares in unconsolidated subsidiaries and affiliates 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 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, where business volumes are lower 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 proportion 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.

As a result, first-half revenue and earnings cannot be extrapolated over the full year.

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

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

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

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

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

3.3.2 Estimation of the tax expense

The tax expense for the first half year is determined by applying the estimated average tax rate for the whole of 2019 (including deferred tax) to pre-tax income. This rate may be adjusted for the tax effects of unusual items recognised in the period.

3.3.3 Retirement benefit obligations

No new comprehensive actuarial assessment is carried out for the half-year consolidated financial statements. The expense for the half year in respect of retirement benefit obligations is half the expense calculated for 2019 on the basis of actuarial assumptions at 31 December 2018. Impacts arising from changes in assumptions relating to post-employment benefits in the first half of 2019 (discount rate and long-term inflation rate) are recognised under "Other comprehensive income".

4. Change in accounting methods

4.1 IFRS 16 "Leases"

On 1 January 2019, the Group applied IFRS 16 to leases in existence on the transition date according to the "simplified retrospective" approach. Therefore 2018 figures, presented for comparison purposes, have not been adjusted in accordance with the transitional provisions of IFRS 16.

IFRS 16 "Leases" results in major changes in the way that lessees recognise leases. It is replacing the IAS 17 accounting standard along with the IFRIC 4, SIC 15 and SIC 27 interpretations. IFRS 16 requires lessees to use a single method for recognising leases, affecting the balance sheet in a similar way to finance leases as recognised until 31 December 2018 in accordance with IAS 17.
The Group is not a party to any material leases in which it is the lessor, other than some intragroup leases. The accounting treatment of leases in which it is the lessor has not been substantially changed under IFRS 16 as compared with the accounting rules applicable until 31 December 2018.
The Group applies the IFRS 16 provisions described below for all its leases relating to underlying assets whose value, in brand-new condition, is significant and/or where the lease term is more than 12 months taking into account renewal options included in the lease contract.

Impact of the first-time adoption of IFRS 16 on the financial statements at 1 January 2019

The leases to which the Group is a party mainly concern properties, vehicles and certain equipment required for the construction and maintenance businesses. Before IFRS 16 came into force, the Group designated each lease as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all the risks and rewards incidental to ownership of the asset; otherwise, the lease was classified as an operating lease. Finance leases resulted in the recognition of a non-current asset with a balancing entry consisting of a liability, and lease payments were allocated to repayment of the liability and interest. The asset was depreciated over the lease term or its useful life where it was probable that a purchase option included in the lease would be exercised. For operating leases, no non-current assets were recognised on the balance sheet and lease expenses were recognised on the income statement, spread over the lease term in equal proportions. Lease payments paid in advance or still payable were recognised on the balance sheet under the working capital requirement.

Leases designated as finance leases at 31 December 2018

On the transition date, the Group did not adjust the value of assets and liabilities related to leases designated as finance leases under IAS 17. The assets were reclassified as usage rights and finance lease liabilities are now presented under overall lease liabilities. The provisions of IFRS 16 will be applied to events that may take place after the transition date.

Leases designated as operating leases at 31 December 2018

Since IFRS 16 came into force, the Group has recognised a lease liability reflecting the sum of lease payments still to be made, discounted at the marginal interest rate of the liability determined according to the method explained below, with a balancing entry consisting of the right to use the underlying asset. According to the simplified approach, the amount of usage rights is equal to the amount of the lease liability recognised (in some cases adjusted for lease payments paid in advance or still payable).

Leases with term less than 12 months or relating to low-value assets are still recognised in the income statement with no impact on the Group's balance sheet.

Lease terms include the minimum lease terms and any renewal periods provided for in the lease. In France, a nine-year period has most commonly been adopted for property leases. Outside France, lease terms have been assessed on the basis of local law and the expected use of the premises. The Group is continuing discussions with IFRIC about assessing lease terms and, depending on the final outcome, the Group could reassess its lease terms and review the impact of implementing IFRS 16 based on the provisions that may be decided by the standard-setter.

Variable lease payments or services related to the lease are not taken into account in determining the amount of the right of use and the lease liabilities, and are recognised as expenses when incurred.

To determine the marginal interest rate used to calculate the lease liability, the Group took into account the weighted average duration of payments, country risk and specific risk for each Group business line.

Deferred tax has been recognised on the difference between usage rights and lease liabilities falling within the scope of IFRS 16, similar to the approach taken for finance leases.

As set out below, the first-time application of IFRS 16 resulted in a decrease in equity attributable to owners of the parent amounting to €2 million net of deferred tax at 1 January 2019.

Consolidated balance sheet at 1 January 2019

Assets

(in € millions)	01/01/2019 reported	IFRS 16 impacts	01/01/2019 adjusted
Non-current assets			
Concession intangible assets	27,118	-	27,118
Goodwill	9,792	-	9,792
Other intangible assets	632	-	632
Property, plant and equipment	5,359	1,272	6,632
Investments in companies accounted for under the equity method	1,674	-	1,674
Other non-current financial assets	1,332	-	1,332
Derivative financial instruments - non-current assets	511	-	511
Deferred tax assets	317	78	395
Total non-current assets	**46,736**	**1,351**	**48,087**
Current assets			
Inventories and work in progress	1,173	-	1,173
Trade and other receivables	13,584	-	13,584
Other current operating assets	5,033	(15)	5,018
Other current non-operating assets	52	-	52
Current tax assets	280	-	280
Other current financial assets	37	-	37
Derivative financial instruments - current assets	258	-	258
Cash management financial assets	245	-	245
Cash and cash equivalents	7,960	-	7,960
Total current assets	**28,621**	**(15)**	**28,605**
Total assets	**75,357**	**1,335**	**76,692**

Equity and liabilities

(in € millions)	01/01/2019 reported	IFRS 16 impacts	01/01/2019 adjusted
Equity			
Share capital	1,494	-	1,494
Share premium	10,339	-	10,339
Treasury shares	(2,323)	-	(2,323)
Consolidated reserves	7,767	(2)	7,765
Currency translation reserves	(213)	-	(213)
Net income attributable to owners of the parent	2,983	-	2,983
Amounts recognised directly in equity	(861)	-	(861)
Equity attributable to owners of the parent	**19,185**	**(2)**	**19,183**
Non-controlling interests	633	-	633
Total equity	**19,818**	**(3)**	**19,815**
Non-current liabilities			-
Non-current provisions	1,135	-	1,135
Provisions for employee benefits	1,519	-	1,519
Bonds	16,588	-	16,588
Other loans and borrowings	3,023	(123)	2,900
Derivative financial instruments - non-current liabilities	206	-	206
Non-current Lease liabilities	-	986	986
Other non-current liabilities	345	-	345
Deferred tax liabilities	1,676	78	1,754
Total non-current liabilities	**24,491**	**941**	**25,433**
Current liabilities	-	-	-
Current provisions	4,452	-	4,452
Trade payables	8,240	4	8,244
Other current operating liabilities	12,862	1	12,862
Other current non-operating liabilities	500	-	500
Current tax liabilities	282	-	282
Current Lease liabilities	-	435	435
Derivative financial instruments - current liabilities	76	-	76
Current borrowings	4,635	(44)	4,592
Total current liabilities	**31,048**	**397**	**31,444**
Total equity and liabilities	**75,357**	**1,335**	**76,692**

Reconciliation between off-balance sheet lease commitments and IFRS 16 lease liabilities

(in € millions)	At 1 January 2019
Off-balance sheet commitments at 31 December 2018	**1,500**
Marginal average debt ratio	2.1%
Off-balance sheet commitments discounted at 1 January 2019	**1,327**
Commitments related to short-term contracts or low value assets	(67)
Liabilities related to finance leases IAS 17	166
Renewal options and other unidentified adjustments in off-balance sheet commitment	(6)
Lease liabilities at 1 January 2019	**1,421**

B. Changes in consolidation scope

1. Changes in consolidation scope

The main changes in the period concern acquisitions made by the Group as part of its growth strategy, particularly the acquisition of the holding company that owns London Gatwick airport by VINCI Airports, around 15 companies by VINCI Energies in France and elsewhere in Europe, and a 49.9% stake in Urbat company by VINCI Immobilier.
Other changes relate mainly to legal restructuring within the Group.

	30/06/2019			30/06/2018			31/12/2018		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**2,010**	1,101	909	**1,987**	1,111	876	**2,003**	1,114	889
Joint ventures (*)	**143**	89	54	**147**	91	56	**158**	101	57
Associates (*)	**41**	20	21	**40**	20	20	**41**	20	21
Total	**2,194**	**1,210**	**984**	**2,174**	**1,222**	**952**	**2,202**	**1,235**	**967**

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

1.1 Acquisition of London Gatwick airport

On 13 May 2019, VINCI Airports completed the acquisition of a 50.01% stake in the holding company that controls Gatwick Airport Limited, the company that has full ownership of London Gatwick airport, the United Kingdom's second-largest airport. This deal to take control of that company involved the Group paying €3.080 billion in cash (£2.660 billion) and the assumption of a shareholder loan in the amount of €396 million (£342 million). The group that owns London Gatwick airport has been fully consolidated in VINCI's consolidated financial statements since 13 May 2019.

In accordance with IFRS 3, VINCI is assessing the fair value of the identifiable assets and liabilities acquired, and determining the related deferred tax effects. Values were provisionally allocated to identifiable assets and liabilities on the date control was acquired, based on information available. They may be adjusted during the 12 months following the acquisition on the basis of new information obtained relating to the facts and circumstances prevailing at the time of the acquisition.

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

(in € millions)	London Gatwick airport
Fair value of assets and liabilities acquired	
Others intangible assets	6,641
Property, plant and equipment	2,968
Other non-current financial assets	19
Deferred tax assets	250
Total non-current assets	**9,879**
Trade, other operating receivables, inventories and work in progress	62
Other current assets	22
Cash and cash equivalents	35
Total current assets	**118**
Non-controlling interests	1,734
Provisions and other non-current liabilities	102
Loans and financial debt	4,622
Non-current lease liabilities	74
Deferred tax liabilities	1,473
Total non-current liabilities	**8,006**
Current borrowings	53
Current lease liabilities	2
Trade payables	170
Other current liabilities (including tax liabilities)	31
Total current liabilities	**257**
Net assets acquired	**1,735**
Acquisition-date fair value of the total consideration transferred	**3,080**
Provisional goodwill	**1,345**

Provisional goodwill, determined above, represents the future economic benefits that VINCI expects to derive from the acquisition of London Gatwick airport. It has been allocated to the VINCI Airports business segment.

London Gatwick airport made a €152 million contribution to VINCI's revenue, a €65 million contribution to its operating income from ordinary activities and a €10 million contribution to its net income in the first half of 2019.

Over the whole of the first half of 2019, London Gatwick airport's revenue, operating income from ordinary activities and net income, on the basis of the same assumptions as those retained at the acquisition date, would have been €323 million, €191 million and €33 million respectively (unaudited figures).

2.2 Acquisitions and disposals in previous periods

The main acquisitions in 2018 concerned VINCI Airports (Airports Worldwide), VINCI Energies (PrimeLine Utility Services and Wah Loon Engineering) and Eurovia (Plants & Paving division of Lane Construction).
In relation to these companies, VINCI assessed the fair value of the identifiable assets and liabilities acquired in accordance with IFRS 3. The values allocated to identifiable acquired assets and liabilities on the dates when control was acquired in 2018 were not adjusted materially in the first half of 2019. The allocation of purchase prices resulted in the recognition of the following provisional or definitive goodwill amounts at 30 June 2019:

- VINCI Airports: Airports Worldwide (€114 million);
- VINCI Energies: PrimeLine Utility Services (€569 million), Wah Loon Engineering (€107 million);
- Eurovia: Plants & Paving (€185 million).

Details of these transactions are provided in Note B.2. "Changes in consolidation scope" of the 2018 registration document.

C. Financial indicators by business line and geographical area

1. Information by operating segment

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

The Group consists of two core businesses (Concessions and Contracting) and a business line that reports directly to the holding company, namely VINCI Immobilier. Each business in turn consists of business lines.

Concessions

- VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour and Arcos).
- VINCI Airports: management of airports in France and abroad under full ownership, concession contracts and/or delegated management.
- Other concessions VINCI Highways (motorway and road infrastructure, mainly outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (stadium management).

Contracting

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

VINCI Immobilier: property development (residential properties, business properties, managed residences and property services).

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 2019

		Contracting						
(in € millions)	Concessions	VINCI Energies	Eurovia	VINCI Construction	Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue (*)	**3,836**	**6,370**	**4,353**	**7,013**	**17,737**	**470**	**(313)**	**21,729**
Concession subsidiaries' works revenue	447	-	-	-	-	-	(124) (**)	323
Total revenue	4,282	6,370	4,353	7,013	17,737	470	(437)	22,052
Operating income from ordinary activities	**1,844**	**378**	**(10)**	**64**	**432**	**13**	**-**	**2,289**
% of revenue (*)	*48.1%*	*5.9%*	*-0.2%*	*0.9%*	*2.4%*	*-*	*-*	*10.5%*
Recurring operating income	**1,954**	**348**	**(25)**	**50**	**373**	**14**	**-**	**2,341**
Operating income	**1,965**	**348**	**(30)**	**50**	**369**	**14**	**-**	**2,348**
Cash flow statement								
Cash flows from operations before tax and financing costs	**2,692**	**508**	**130**	**238**	**877**	**57**	**-**	**3,625**
% of revenue (*)	*70.2%*	*8.0%*	*3.0%*	*3.4%*	*4.9%*	*-*	*-*	*16.7%*
Depreciation and amortisation	*835*	*183*	*177*	*219*	*579*	*17*	*-*	*1,431*
Operating investments (net of disposals)	(79)	(69)	(130)	(189)	(388)	(59)	-	(525)
Repayment of lease liabilities (***)	(9)	(119)	(36)	(74)	(230)	(15)	-	(254)
Operating cash flow	**1,686**	**(156)**	**(306)**	**(513)**	**(976)**	**112**	**-**	**823**
Growth investments in concessions and PPPs	(496)	1	-	(12)	(11)	-	-	(507)
Free cash flow (after investments)	**1,191**	**(155)**	**(306)**	**(525)**	**(987)**	**112**	**-**	**316**
Balance sheet								
Capital employed at 30/06/2019	**40,675**	**5,056**	**2,178**	**1,518**	**8,752**	**1,119**	**-**	**50,547**
of which investments in companies accounted for under the equity method	*1,168*	*9*	*113*	*278*	*400*	*194*	*-*	*1,761*
of which right-of-use of lease transactions	*260*	*667*	*250*	*372*	*1,289*	*121*	*-*	*1,671*
Net financial surplus (debt)	**(34,131)**	**(1,577)**	**(656)**	**189**	**(2,044)**	**11,935**	**-**	**(24,241)**

(*) 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.
(***) Including associated financial costs.

First half 2018

(in € millions)	Concessions	Contracting: VINCI Energies	Contracting: Eurovia	Contracting: VINCI Construction	Contracting: Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue (*)	**3,426**	**5,857**	**3,725**	**6,562**	**16,144**	**393**	**(205)**	**19,758**
Concession subsidiaries' works revenue	387	-	-	-	-	-	(101) (**)	286
Total revenue	3,813	5,857	3,725	6,562	16,144	393	(306)	20,043
Operating income from ordinary activities	**1,642**	**336**	**(17)**	**118**	**436**	**20**	**-**	**2,099**
% of revenue (*)	*47.9%*	*5.7%*	*-0.5%*	*1.8%*	*2.7%*	*-*	*-*	*10.6%*
Recurring operating income	**1,728**	**311**	**(24)**	**116**	**403**	**23**	**-**	**2,154**
Operating income	**1,752**	**303**	**(24)**	**117**	**396**	**23**	**-**	**2,171**
Cash flow statement								
Cash flows from operations before tax and financing costs	**2,392**	**315**	**53**	**186**	**554**	**(10)**	**-**	**2,937**
% of revenue (*)	*69.8%*	*5.4%*	*1.4%*	*2.8%*	*3.4%*	*-*	*-*	*14.9%*
Depreciation and amortisation	*745*	*67*	*117*	*145*	*329*	*2*	*-*	*1,076*
Operating investments (net of disposals)	(22)	(67)	(129)	(147)	(342)	(112)	-	(476)
Operating cash flow	**1,522**	**(217)**	**(535)**	**(589)**	**(1,341)**	**146**	**-**	**327**
Growth investments in concessions and PPPs	(467)	1	-	2	3	-	-	(463)
Free cash flow (after investments)	**1,055**	**(216)**	**(535)**	**(587)**	**(1,337)**	**146**	**-**	**(136)**
Balance sheet								
Capital employed at 30/06/2018	**30,320**	**4,392**	**1,496**	**847**	**6,735**	**724**	**-**	**37,779**
of which investments in companies accounted for under the equity method	*1,043*	*7*	*107*	*280*	*394*	*115*	*-*	*1,552*
Net financial surplus (debt)	**(26,640)**	**(1,888)**	**(463)**	**343**	**(2,008)**	**11,973**	**-**	**(16,674)**

(*) 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.

2018

(in € millions)	Concessions	Contracting: VINCI Energies	Contracting: Eurovia	Contracting: VINCI Construction	Contracting: Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue (*)	**7,261**	**12,603**	**8,934**	**14,231**	**35,769**	**1,104**	**(615)**	**43,519**
Concession subsidiaries' works revenue	823	-	-	-	-	-	(190) (**)	633
Total revenue	8,084	12,603	8,934	14,231	35,769	1,104	(806)	44,152
Operating income from ordinary activities	**3,429**	**727**	**345**	**400**	**1,472**	**95**	**-**	**4,997**
% of revenue (*)	*47.2%*	*5.8%*	*3.9%*	*2.8%*	*4.1%*	*-*	*-*	*11.5%*
Recurring operating income	**3,456**	**664**	**329**	**359**	**1,351**	**116**	**-**	**4,924**
Operating income	**3,480**	**654**	**320**	**355**	**1,328**	**111**	**-**	**4,920**
Cash flow statement								
Cash flows from operations before tax and financing costs	**4,963**	**749**	**513**	**553**	**1,815**	**120**	**-**	**6,898**
% of revenue (*)	*68.4%*	*5.9%*	*5.7%*	*3.9%*	*5.1%*	*-*	*-*	*15.9%*
Depreciation and amortisation	*1,537*	*146*	*256*	*299*	*700*	*5*	*-*	*2,242*
Operating investments (net of disposals)	(45)	(172)	(285)	(353)	(810)	(131)	-	(986)
Operating cash flow	**3,444**	**473**	**150**	**(169)**	**453**	**259**	**-**	**4,156**
Growth investments in concessions and PPPs	(980)	3	-	-	2	-	-	(977)
Free cash flow (after investments)	**2,465**	**475**	**150**	**(170)**	**455**	**259**	**-**	**3,179**
Balance sheet								
Capital employed at 31/12/2018	**31,115**	**3,981**	**1,676**	**576**	**6,233**	**923**	**-**	**38,270**
of which investments in companies accounted for under the equity method	*1,143*	*8*	*109*	*293*	*411*	*120*	*-*	*1,674*
Net financial surplus (debt)	**(27,029)**	**(1,330)**	**(331)**	**752**	**(908)**	**12,382**	**-**	**(15,554)**

(*) 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 2019

(in € millions)	Concessions			Total
	VINCI Autoroutes	VINCI Airports	Other concessions	
Income statement				
Revenue (*)	**2,608**	**1,070**	**158**	**3,836**
Concession subsidiaries' works revenue	358	86	2	447
Total revenue	2,966	1,156	161	4,282
Operating income from ordinary activities	**1,407**	**432**	**5**	**1,844**
% of revenue (*)	*53.9%*	*40.4%*	*3.2%*	*48.1%*
Recurring operating income	**1,402**	**518**	**34**	**1,954**
Operating income	**1,402**	**518**	**45**	**1,965**
Cash flow statement				
Cash flows from operations before tax and financing costs	**2,004**	**608**	**80**	**2,692**
% of revenue (*)	*76.8%*	*56.8%*	*50.8%*	*70.2%*
Depreciation and amortisation	*616*	*171*	*48*	*835*
Operating investments (net of disposals)	(9)	(64)	(6)	(79)
Repayment of lease liabilities (**)	(2)	(3)	(4)	(9)
Operating cash flow	**1,210**	**457**	**19**	**1,686**
Growth investments in concessions and PPPs	(375)	(119)	(2)	(496)
Free cash flow (after investments)	**835**	**338**	**17**	**1,191**
Balance sheet				
Capital employed at 30/06/2019	**21,103**	**16,428**	**3,145**	**40,675**
of which investments in companies accounted for under the equity method	*14*	*994*	*159*	*1,168*
of which right-of-use of lease transactions	*9*	*211*	*40*	*260*
Net financial surplus (debt)	**(19,500)**	**(12,049)**	**(2,582)**	**(34,131)**

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

First half 2018

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**2,543**	**741**	**141**	**3,426**
Concession subsidiaries' works revenue	293	74	19	387
Total revenue	2,836	816	161	3,813
Operating income from ordinary activities	**1,318**	**322**	**2**	**1,642**
% of revenue (*)	*51.8%*	*43.4%*	*1.8%*	*47.9%*
Recurring operating income	**1,313**	**374**	**41**	**1,728**
Operating income	**1,313**	**374**	**65**	**1,752**
Cash flow statement				
Cash flows from operations before tax and financing costs	**1,908**	**441**	**42**	**2,392**
% of revenue (*)	*75.0%*	*59.5%*	*30.0%*	*69.8%*
Depreciation and amortisation	*603*	*116*	*26*	*745*
Operating investments (net of disposals)	(10)	(3)	(9)	(22)
Operating cash flow	**1,101**	**388**	**33**	**1,522**
Growth investments in concessions and PPPs	(346)	(107)	(14)	(467)
Free cash flow (after investments)	**755**	**281**	**19**	**1,055**
Balance sheet				
Capital employed at 30/06/2018	**21,539**	**5,776**	**3,005**	**30,320**
of which investments in companies accounted for under the equity method	*14*	*907*	*122*	*1,043*
Net financial surplus (debt)	**(20,146)**	**(3,892)**	**(2,603)**	**(26,640)**

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

2018

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**5,356**	**1,607**	**298**	**7,261**
Concession subsidiaries' works revenue	604	184	35	823
Total revenue	5,961	1,791	333	8,084
Operating income from ordinary activities	**2,686**	**689**	**54**	**3,429**
% of revenue (*)	*50.2%*	*42.9%*	*18.1%*	*47.2%*
Recurring operating income	**2,635**	**806**	**15**	**3,456**
Operating income	**2,634**	**806**	**40**	**3,480**
Cash flow statement				
Cash flows from operations before tax and financing costs	**3,895**	**941**	**127**	**4,963**
% of revenue (*)	*72.7%*	*58.6%*	*42.5%*	*68.4%*
Depreciation and amortisation	*1,221*	*245*	*71*	*1,537*
Operating investments (net of disposals)	(19)	(12)	(14)	(45)
Operating cash flow	**2,607**	**711**	**126**	**3,444**
Growth investments in concessions and PPPs	(673)	(274)	(33)	(980)
Free cash flow (after investments)	**1,934**	**438**	**93**	**2,465**
Balance sheet				
Capital employed at 31/12/2018	**21,132**	**6,994**	**2,989**	**31,115**
of which investments in companies accounted for under the equity method	*14*	*988*	*141*	*1,143*
Net financial surplus (debt)	**(20,345)**	**(4,951)**	**(1,734)**	**(27,029)**

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

2. Breakdown of revenue by geographical area

(in € millions)	First half 2019	%	First half 2018	%	Full year 2018	%
France	**12,262**	**56.4%**	**11,480**	**58.1%**	**24,768**	**56.9%**
Germany	1,371	6.3%	1,265	6.4%	3,002	6.9%
United Kingdom	1,301	6.0%	1,083	5.5%	2,222	5.1%
Central and Eastern Europe (*)	884	4.1%	864	4.4%	2,202	5.1%
Portugal	468	2.2%	436	2.2%	942	2.2%
Other European countries	1,748	8.0%	1,542	7.8%	3,355	7.7%
Europe (**)	**18,034**	**83.0%**	**16,671**	**84.4%**	**36,491**	**83.9%**
of which European Union	*17,522*	*80.6%*	*16,180*	*81.9%*	*35,426*	*81.4%*
North America	1,204	5.5%	764	3.9%	1,992	4.6%
Central and South America	596	2.7%	558	2.8%	1,146	2.6%
Africa	687	3.2%	524	2.7%	1,342	3.1%
Russia, Asia Pacific and Middle East	1,209	5.6%	1,241	6.3%	2,548	5.9%
International excluding Europe	**3,696**	**17.0%**	**3,087**	**15.6%**	**7,028**	**16.1%**
International excluding France	**9,467**	**43.6%**	**8,278**	**41.9%**	**18,751**	**43.1%**
Revenue (***)	**21,729**	**100.0%**	**19,758**	**100.0%**	**43,519**	**100.0%**

(*) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.
(**) Of which eurozone: €15,119 million in the first half of 2019 (69.6% of total revenue), €14,108 million in the first half of 2018 (71.4% of total revenue) and €30,819 million for full year 2018 (70.8% of total revenue).
(***) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

Revenue generated outside France amounted to €9,467 million in the first half of 2019, up 14.4% from the first half of 2018. It accounted for 43.6% of revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (41.9% in the first half of 2018 and 43.1% in full-year 2018).

3. Reconciliation between capital employed and the financial statements

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

(in € millions)	Note	30/06/2019	30/06/2018	31/12/2018
Capital employed – Assets		**76,242**	**62,179**	**64,607**
Concession intangible assets	12	26,957	26,647	27,118
- Deferred tax on business combination fair value adjustments		(2,684)	(1,653)	(1,647)
Goodwill, gross	9	11,437	9,620	10,016
Other intangible assets	14.1	7,045	431	632
Property, plant and equipment	14.2	9,547	4,658	5,359
Investments in companies accounted for under the equity method	10	1,761	1,552	1,674
Other non-current financial assets	11-13	2,612	1,812	1,843
- Derivative financial instruments (non-current assets)		(1,120)	(550)	(511)
Inventories and work in progress	15	1,367	1,139	1,173
Trade and other receivables	15	13,852	12,868	13,584
Other current operating assets	15	5,258	5,349	5,033
Other current non-operating assets		45	46	52
Current tax assets		165	259	280
Capital employed – Liabilities		**(25,695)**	**(24,400)**	**(26,336)**
Current provisions	15	(4,358)	(4,181)	(4,452)
Trade payables	15	(7,885)	(7,707)	(8,240)
Other current operating liabilities	15	(12,660)	(11,855)	(12,862)
Other current non-operating liabilities		(489)	(416)	(500)
Current tax liabilities		(303)	(241)	(282)
Total capital employed		**50,547**	**37,779**	**38,270**

D. Main income statement items

4. Operating income

(in € millions)	First half 2019	First half 2018	Full year 2018
Revenue (*)	**21,729**	**19,758**	**43,519**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	323	286	633
Total revenue	22,052	20,043	44,152
Revenue from ancillary activities (**)	108	108	202
Purchases consumed	(4,647)	(4,320)	(9,833)
External services	(2,567)	(2,684)	(5,503)
Temporary employees	(622)	(483)	(1,122)
Subcontracting (including concession operating companies' construction costs)	(4,412)	(3,959)	(8,848)
Taxes and levies	(513)	(480)	(1,124)
Employment costs	(5,816)	(5,305)	(10,877)
Other operating income and expense	28	38	98
Depreciation and amortisation (***)	(1,431)	(1,076)	(2,242)
Net provision expense	108	217	94
Operating expenses	**(19,871)**	**(18,052)**	**(39,357)**
Operating income from ordinary activities	**2,289**	**2,099**	**4,997**
% of revenue (*)	*10.5%*	*10.6%*	*11.5%*
Share-based payments (IFRS 2)	(100)	(79)	(206)
Profit/(loss) of companies accounted for under the equity method	121	81	88
Other recurring operating items	32	53	45
Recurring operating income	**2,341**	**2,154**	**4,924**
Goodwill impairment expense	-	-	(11)
Impact from changes in scope and gain/(loss) on disposals of shares	7	18	7
Total non-recurring operating items	*7*	*18*	*(4)*
Operating income	**2,348**	**2,171**	**4,920**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Revenue from ancillary activities mainly comprises rental income, sale of equipment, materials and merchandise, study work and fees other than those generated by concession operators.
(***) Including €250 million in the first half of 2019 related to amortisation of right-of-use of lease transactions following implementation of IFRS 16 "Leases" (see Note A.4. "Changes in accounting methods").

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

Recurring operating income is obtained by taking operating income from ordinary activities (Ebit) and adding the impacts associated with share-based payments (IFRS 2), the income or losses of companies accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.). It is intended to present the Group's operational performance excluding the impact of non-recurring items during the period.

Operating income is calculated by taking recurring operating income and adding non-recurring income and expense, which mainly includes goodwill impairment losses, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

Non-recurring operating items were not material in the first half of 2019. In the first half of 2018, they included impacts related to changes in control over entities in the consolidation scope.

5. Cost of net financial debt

The cost of net financial debt amounted to €270 million in the first half of 2019, up €34 million compared with the first half of 2018 (€236 million). Increase in cost of net financial debt remained constrained, despite the rise in the average amount of outstanding debt resulting from funding and integration made by the Group in 2018 and 2019, due to refinancing that took place in 2018 and 2019 at interest rates lower than those of the debt repaid.

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

(in € millions)	First half 2019	First half 2018	Full year 2018
Financial liabilities at amortised cost	(351)	(314)	(635)
Financial assets and liabilities at fair value through profit and loss	20	14	29
Derivatives designated as hedges: assets and liabilities	97	71	152
Derivatives at fair value through profit and loss: assets and liabilities	(36)	(7)	(9)
Total cost of net financial debt	**(270)**	**(236)**	**(462)**

6. Other financial income and expense

Other financial income and expense break down as follows:

(in € millions)	First half 2019	First half 2018	2018
Effect of discounting to present value	(39)	(17)	(31)
Borrowing costs capitalised	18	43	56
Foreign exchange gains and losses	5	(6)	(9)
Financial expenses on lease liabilities	(15)	-	-
Total other financial income and expense	**(31)**	**19**	**17**

The effect of discounting to present value relates mainly to provisions for retirement benefit obligations in an amount of €13 million (€14 million in the first half of 2018), obligations to maintain the condition of concession assets (€11 million) and fixed fees at more than one year in relation to Salvador airport in Brazil and Belgrade airport in Serbia (€8 million as opposed to €4 million in the first half of 2018).

Capitalised borrowing costs mainly relate to Arcos, ASF and three airports (Salvador in Brazil, Belgrade in Serbia and London Gatwick in the United Kingdom).

After the first-time adoption of IFRS 16 on 1 January 2019, operating lease liabilities are now recorded on the balance sheet. In the first half of 2019, lease liabilities gave rise to an expense of €15 million.

7. Income tax expense

Tax totalled €635 million, as opposed to €629 million in the first half of 2018.

The effective tax rate was 33.0% (33.5% in the first half of 2018). The decrease is primarily due to a change in the tax rate of French subsidiaries (from 34.43% in 2018 to 32.02% in the first half of 2019) partly offset by the effects from the replacement of the CICE "*Crédit d'Impôt Compétitivité Emploi*", which is not taxable, with a reduction in taxed social security contributions.

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, mainly 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 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 2019	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**598,829,560**		
Treasury shares	(44,575,158)		
Basic earnings per share	**554,254,402**	**1,359**	**2.45**
Subscription options	81,155		
Group savings plan	304,214		
Performance shares	4,182,209		
Diluted earnings per share	**558,821,980**	**1,359**	**2.43**

First half 2018	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**592,840,957**		
Treasury shares	(38,307,658)		
Basic earnings per share	**554,533,299**	**1,300**	**2.34**
Subscription options	421,509		
Group savings plan	155,049		
Performance shares	4,333,936		
Diluted earnings per share	**559,443,793**	**1,300**	**2.32**

Full year 2018	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**595,046,296**		
Treasury shares	(40,269,807)		
Basic earnings per share	**554,776,489**	**2,983**	**5.38**
Subscription options	347,209		
Group savings plan	90,843		
Performance shares	5,206,228		
Diluted earnings per share	**560,420,769**	**2,983**	**5.32**

E. Investments in other companies

9. Goodwill

Changes in the period were as follows:

(in € millions)	30/06/2019	31/12/2018
Net at beginning of period	**9,792**	**8,600**
Goodwill recognised during the period	1,415	1,127
Impairment losses	-	(11)
Entities no longer consolidated	-	-
Currency translation differences	(31)	39
Other movements	40	38
Net at end of period	**11,216**	**9,792**

The increase in goodwill during the period resulted mainly from the recognition of goodwill relating to the acquisition of London Gatwick airport (see Note B.1.1 "Acquisition of London Gatwick airport"). At 30 June 2019, it is estimated provisionally, allocated to VINCI Airports CGU, amounted to €1,296 million. The other changes mainly relate to goodwill adjustments recognised in the last 12 months.

The main goodwill items at 30 June 2019 were as follows:

	30/06/2019			31/12/2018
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
VINCI Energies France	2,395	-	2,395	2,375
VINCI Airports	2,394	-	2,394	1,081
ASF group	1,935	-	1,935	1,935
VINCI Energies Germany	635	-	635	631
VINCI Energies North America	620	-	620	609
VINCI Energies Benelux	369	-	369	334
VINCI Energies Scandinavia	328	-	328	333
VINCI Highways	255	-	255	247
VINCI Energies Switzerland	201	-	201	199
Entrepose	201	-	201	201
Eurovia USA	185	-	185	166
Soletanche Bachy	171	-	171	171
VINCI Energies Australia - New Zealand	142	-	142	142
Nuvia	127	-	127	127
VINCI Energies Singapore	112	-	112	111
VINCI Energies Spain	108	-	108	107
ETF	108	-	108	108
Other goodwill	1,153	(221)	932	917
Total	**11,437**	**(221)**	**11,216**	**9,792**

10. Investments in companies accounted for under the equity method: associates and joint ventures

10.1 Movements during the period

(in € millions)	30/06/2019 Associates	30/06/2019 Joint ventures	30/06/2019 Total	31/12/2018 Associates	31/12/2018 Joint ventures	31/12/2018 Total
Value of shares at beginning of period	**1,154**	**520**	**1,674**	**1,127**	**446**	**1,573**
of which Concessions	*745*	*398*	*1,143*	*722*	*333*	*1,054*
of which Contracting	*408*	*90*	*497*	*403*	*87*	*490*
of which VINCI Immobilier	*2*	*32*	*34*	*2*	*27*	*29*
Increase in share capital of companies accounted for under the equity method	-	13	13	-	18	18
Group share of profit or loss for the period	32	89	121	75	13	88
Group share of other comprehensive income for the period	(7)	(77)	(85)	(4)	22	17
Dividends paid	(32)	(78)	(110)	(52)	(124)	(176)
Changes in consolidation scope and other	16	46	62	(28)	18	(10)
Reclassifications (*)	11	74	86	37	128	165
Value of shares at end of period	**1,175**	**587**	**1,761**	**1,154**	**520**	**1,674**
of which Concessions	*764*	*404*	*1,168*	*745*	*398*	*1,143*
of which Contracting	*409*	*83*	*492*	*408*	*90*	*497*
of which VINCI Immobilier	*2*	*100*	*101*	*2*	*32*	*34*

(*) Reclassifications of shares in the negative net equity of equity-accounted companies under provisions for financial risks.
NB: definitions of associates and joint ventures are provided in Note A.2. "Consolidation methods".

At 30 June 2019, the Group's interests in associates included, for the Concessions business, the stake in the ADP group (€727 million) and, for the Contracting business, the stake in the CFE group (€228 million).

The amounts recorded under "Group share of other comprehensive income for the period" relate mainly to the impact of 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 2019 Associates	First half 2019 Joint ventures	First half 2019 Total	First half 2018 Associates	First half 2018 Joint ventures	First half 2018 Total	2018 Associates	2018 Joint ventures	2018 Total
Net income	**32**	**89**	**121**	**36**	**45**	**81**	**75**	**13**	**88**
of which Concessions	*21*	*67*	*88*	*24*	*21*	*44*	*43*	*(33)*	*10*
of which Contracting	*11*	*14*	*25*	*13*	*16*	*29*	*33*	*22*	*55*
of which VINCI Immobilier	-	*8*	*8*	-	*7*	*8*	-	*24*	*24*
Other comprehensive income	(7)	(77)	(85)	3	29	31	(4)	22	17
of which Concessions	*(8)*	*(74)*	*(82)*	-	*25*	*26*	*1*	*23*	*24*
of which Contracting	-	*(4)*	*(3)*	*2*	*3*	*6*	*(6)*	*(1)*	*(7)*
Comprehensive income	**25**	**12**	**36**	**39**	**74**	**113**	**70**	**35**	**105**
of which Concessions	*13*	*(7)*	*6*	*24*	*46*	*70*	*44*	*(10)*	*34*
of which Contracting	*12*	*10*	*22*	*15*	*20*	*35*	*27*	*21*	*48*
of which VINCI Immobilier	-	*8*	*8*	-	*7*	*8*	-	*24*	*24*

10.3 Commitments made in respect of associates and joint ventures

At 30 June 2019, Group funding commitments to equity-accounted companies (via capital or shareholder loans) amounted to €90 million (€162 million at 31 December 2018). These commitments relate mainly to project companies in the Concessions business including Santiago airport in Chile and the public-private partnership contract for the motorway bypassing the city of Regina in Canada for which funding commitments amounted to €42 million and €22 million respectively at 30 June 2019 (€87 million and €22 million at 31 December 2018). After the provision of funding in the first half of 2019, commitments relating to Bameo, which holds the concession for dams on the Aisne and Meuse rivers, and Via 40 Express, which holds the concession for the motorway between Bogotá and Girardot in Colombia, fell by €15 million and €13 million respectively.

Collateral security has 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 2019 was €43 million and included shares in WVB East End Partners (the company holding the concession for the Ohio River Bridges – East End Crossing project in the United States) for €14 million, Synérail (GSM-R) for €14 million and SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €10 million.

10.4 Investment commitments given by associates and joint ventures

At 30 June 2019, the Group's share of investment commitments given by companies accounted for by the equity method amounted to €629 million (€642 million at 31 December 2018).
They relate mainly to projects involving infrastructure under construction in the Concessions business, including the planned new Via 40 Express motorway in Colombia (€242 million), the section of A7 motorway in Lower Saxony, Germany (€107 million), Santiago airport in Chile (€93 million) and sections 7 and 8 of the M11 motorway between Moscow and St Petersburg (€67 million).

11. Other non-current financial assets

(in € millions)	30/06/2019	31/12/2018
Amortised cost financial assets	1,174	1,059
PPP financial receivables (*)	180	172
Equity instruments	139	101
Other non-current financial assets	**1,492**	**1,332**

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

Non-current financial assets measured at amortised cost

Financial assets measured at amortised cost mainly comprise receivables relating to shareholdings, such as shareholders' advances to Concessions business or PPP project companies for €851 million (€774 million at 31 December 2018).
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 €34 million at 30 June 2019 (€30 million at 31 December 2018).

During the period, the change broke down as follows:

(in € millions)	First half 2019	Full year 2018
Beginning of period	**1,059**	**830**
Acquisitions during period	105	248
Acquisitions as part of business combinations	20	1
Impairment losses	-	(4)
Disposals during period	(19)	(65)
Other movements and currency translation differences	9	48
End of period	**1,174**	**1,059**

Equity instruments

Equity instruments mainly include shareholdings in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

F. Concession and PPP contracts

12. Concession intangible assets

12.1 Breakdown of concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Gross				
01/01/2018	**32,278**	**4,370**	**2,017**	**38,665**
Acquisitions during period (*)	630	184	68	881
Disposals during period	(2)	(6)	-	(8)
Currency translation differences	-	17	11	28
Changes in scope and other	23	686	269	979
Grants received	(2)	-	-	(2)
31/12/2018	**32,927**	**5,251**	**2,365**	**40,542**
Acquisitions during period (*)	370	92	2	464
Disposals during period	-	-	-	(1)
Currency translation differences	-	13	59	72
Changes in scope and other	3	(21)	2	(17)
Grants received	-	-	-	-
30/06/2019	**33,299**	**5,334**	**2,428**	**41,061**
Amortisation and impairment losses				
01/01/2018	**(11,471)**	**(458)**	**(197)**	**(12,126)**
Amortisation during period	(1,063)	(138)	(64)	(1,265)
Impairment losses	-	(5)	(3)	(8)
Disposals during period	-	2	-	2
Currency translation differences	-	(11)	-	(11)
Other	(14)	(2)	-	(16)
31/12/2018	**(12,548)**	**(612)**	**(264)**	**(13,424)**
Amortisation during period	(541)	(83)	(36)	(660)
Impairment losses	-	(3)	-	(3)
Disposals during period	-	-	-	-
Currency translation differences	-	(2)	(3)	(4)
Other	(7)	(2)	(4)	(12)
30/06/2019	**(13,096)**	**(703)**	**(306)**	**(14,104)**
Net				
01/01/2018	**20,807**	**3,912**	**1,820**	**26,539**
31/12/2018	**20,379**	**4,639**	**2,101**	**27,118**
30/06/2019	**20,204**	**4,631**	**2,122**	**26,957**

(*) Including capitalised borrowing costs.

In the first half of 2019, acquisitions amounted to €464 million (€427 million in the first half of 2018).
They include investments by the ASF group for €178 million (€198 million in the first half of 2018), by Arcos for €107 million (€30 million), by VINCI Airports for €87 million (€72 million) and by Cofiroute for €72 million (€63 million).

Concession intangible assets include assets under construction for a gross amount of €1,517 million at 30 June 2019 (€1,210 million at 31 December 2018). These relate mainly to subsidiaries of VINCI Autoroutes for €1,249 million (including €592 million for ASF, €150 million for Escota and €233 million for Cofiroute) and of VINCI Airports for €263 million.

The main features of concession and PPP contracts are described in Note F. "Concession and PPP contracts" in the 2018 registration document.

12.2 Commitments made under concession contracts – intangible asset model

Contractual investment, renewal or financing obligations

(in € millions)	30/06/2019	31/12/2018
ASF Group	1,152	1,245
Cofiroute	820	869
Belgrade airport (Serbia)	462	460
Arcos	273	403
ANA Group (Portugal)	97	79
Cambodia airports	45	32
Salvador airport (Brazil)	35	116
Other	280	222
Total	**3,163**	**3,425**

The contractual investment obligations of motorway concession companies (ASF group, Cofiroute, Arcos, Arcour) mainly consist of undertakings made under concession contracts, multi-year master plans as part of the 2015 motorway stimulus plan and the motorway investment plan approved in 2018. Progress with works by VINCI Autoroutes companies in the first half of 2019 led to a €271 million reduction in their commitments to €2,245 million at 30 June 2019.

On 17 January 2018, France's prime minister announced the government's decision not to proceed with plans to build the proposed Notre Dame des Landes airport close to Nantes. In June 2018, the Group received a letter of intent from the French government to terminate the concession contract by 2021. The VINCI Concessions' contractual investment amounts to €35 million.

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

(in € millions)	Amount	Start date	End date
Lamsac	718	2016	2037
Arcour	643	2008	2047
Aerodom	358	2017	2029
Aéroports de Lyon (ADL)	225	2016	2032
Gefyra	198	1997	2029
Belgrade airport	181	2018	2035
Arcos	64	2018	2045

13. PPP financial receivables (controlled companies)

13.1 Movements during the period

PPP financial receivables related to concession and PPP contracts managed by the Group are presented on the consolidated balance sheet, for their part at more than one year, under the “Other non-current financial assets” item (see Note E.11 “Other non-current financial assets”). 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 2019, it amounted to €7 million (€6 million at 31 December 2018).

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

(in € millions)	First half 2019	Full year 2018
Beginning of period	**172**	**177**
Acquisitions during period	18	12
Impairment losses	-	-
Redemptions	(9)	(20)
Other movements and currency translation differences	-	3
End of period	**180**	**172**

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

Contractual investment, renewal or financing obligations

Under their concession and PPP contracts, certain Group subsidiaries undertake to make investments. Where the financial asset or bifurcated model applies, they receive a guarantee of payment from the concession grantor in return for their investment commitment.
At 30 June 2019, investment undertakings with respect to contracts under the financial asset or bifurcated models amounted to €41 million (€48 million at 31 December 2018). They mainly relate to the public-private partnership for the La Cotinière fishing port at Saint Pierre d’Oléron at VINCI Construction.

Collateral security connected with the financing of PPPs

Some companies have given collateral security to guarantee the financing of their investments relating to infrastructure under concession. This collateral amounted to €151 million at 30 June 2019 (€153 million at 31 December 2018), including Caraibus in Martinique for €71 million, Park Azur in Nice for €35 million and MMArena (Le Mans stadium) for €31 million.

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

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

G. Other balance sheet items and business-related commitments

14. Property, plant and equipment and other intangible assets

14.1 Other intangible assets

(in € millions)	Patents and licences	Software	Other intangible assets	Total
Gross				
31/12/2018	262	485	460	1,207
30/06/2019	257	525	6,862	7,643
Depreciation and impairment losses				
31/12/2018	(53)	(409)	(113)	(575)
30/06/2019	(49)	(431)	(118)	(598)
Net				
31/12/2018	**209**	**76**	**347**	**632**
30/06/2019	**207**	**94**	**6,744**	**7,045**

At 30 June 2019, other intangible assets amounted to €7,045 million (€632 million at 31 December 2018). Other intangible assets include €6,621 million of right to operate London Gatwick airport at 30 June 2019. This right to operate is considered as a perpetual license, in accordance with IAS 38 "Intangible Assets". This right to operate will not be amortised and will be subject to an annual impairment test and as soon as there is an indication that it may have lost value.

14.2 Property, plant and equipment

(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Right of use for concession operating fixed assets	Right of use for real estate	Right of use for other movable items	Total
Net								
31/12/2018	1,306	777	900	2,377	-	-	-	5,359
01/01/2019	1,304	772	898	2,236	9	894	519	6,632
30/06/2019	**1,254**	**901**	**2,517**	**3,204**	**10**	**909**	**752**	**9,547**

Property, plant and equipment included assets under construction for €942 million at 30 June 2019 (€544 million at 31 December 2018)

At 31 December 2018, property, plant and equipment included €150 million of assets under finance leases. The latter are now presented under lease usage rights after the application of IFRS 16.

At 30 June 2019, rights of use related to lease contracts amount to €1,671 million, compared with €1,422 million at 1st January 2019.

15. Working capital requirement and current provisions

15.1 Change in working capital requirement

					Changes 30/06/2019 - 31/12/2018	
(in € millions)		30/06/2019	30/06/2018	31/12/2018	Changes in operating WCR	Other changes (*)
Inventories and work in progress (net)		1,367	1,139	1,173	177	17
Trade and other receivables		13,852	12,868	13,584	112	156
Other current operating assets		5,258	5,349	5,033	196	28
Inventories and operating receivables	I	**20,477**	**19,357**	**19,790**	**485**	**202**
Trade payables		(7,885)	(7,707)	(8,240)	575	(220)
Other current operating liabilities		(12,660)	(11,855)	(12,862)	188	14
Trade and other operating payables	II	**(20,545)**	**(19,562)**	**(21,102)**	**763**	**(206)**
Working capital requirement (excluding current provisions)	I+II	**(68)**	**(205)**	**(1,311)**	**1,247**	**(4)**
Current provisions		**(4,358)**	**(4,181)**	**(4,452)**	**106**	**(12)**
of which part at less than one year of non-current provisions		*(198)*	*(198)*	*(234)*	*-*	*36*
Working capital requirement (including current provisions)		**(4,426)**	**(4,386)**	**(5,764)**	**1,354**	**(16)**

(*) 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 2019 and full-year 2018 were as follows:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2018	**4,172**	**1,741**	**(1,383)**	**(195)**	**48**	**(29)**	**(33)**	**4,322**
Obligation to maintain the condition of concession assets	827	135	(94)	(14)	47	-	2	903
After-sales service	406	105	(99)	(30)	9	-	-	391
Losses on completion and construction project liabilities	1,336	738	(718)	(58)	49	-	(1)	1,346
Disputes	541	138	(114)	(52)	-	-	(1)	513
Restructuring costs	30	18	(17)	(3)	3	-	-	31
Other current liabilities	974	400	(298)	(39)	(1)	-	(1)	1,035
Reclassification of the part at less than one year	208	-	-	-	(16)	42	-	234
31/12/2018	**4,322**	**1,534**	**(1,339)**	**(196)**	**92**	**42**	**(2)**	**4,452**
Obligation to maintain the condition of concession assets	903	74	(34)	(3)	(13)	-	1	927
After-sales service	391	51	(46)	(7)	(4)	-	-	384
Losses on completion and construction project liabilities	1,346	528	(530)	(21)	30	-	2	1,355
Disputes	513	53	(66)	(6)	-	-	1	493
Restructuring costs	31	1	(9)	(1)	-	-	-	22
Other current liabilities	1,035	110	(163)	(20)	15	-	1	978
Reclassification of the part at less than one year	234	-	-	-	(24)	(13)	-	198
30/06/2019	**4,452**	**817**	**(849)**	**(58)**	**3**	**(13)**	**6**	**4,358**

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 in particular 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 €442 million (€418 million at 31 December 2018) and Cofiroute for €271 million (€258 million at 31 December 2018).
Provisions also include expenses to be incurred by airport concession companies (maintenance and repairs to runways, traffic lanes and other paved surfaces) for €188 million (€189 million at 31 December 2018) including €77 million for the ANA group (€74 million at 31 December 2018).

Provisions for other current liabilities include provisions for worksite restoration and removal costs for €183 million (€176 million at 31 December 2018).

16. Non-current provisions

Changes in other non-current provisions reported in the balance sheet (excluding employee benefits) were as follows in the first half of 2019 and full-year 2018:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2018	**945**	**201**	**(140)**	**(32)**	**56**	**29**	**(6)**	**1,053**
Financial risks	685	4	(30)	(4)	170	-	-	826
Other liabilities	576	165	(125)	(26)	(47)	-	1	544
Reclassification of the part at less than one year	(208)	-	-	-	16	(42)	-	(234)
31/12/2018	**1,053**	**169**	**(155)**	**(29)**	**139**	**(42)**	**1**	**1,135**
Financial risks	826	6	(2)	-	86	-	-	915
Other liabilities	544	35	(47)	(15)	32	-	-	549
Reclassification of the part at less than one year	(234)	-	-	-	24	13	-	(198)
30/06/2019	**1,135**	**40**	**(49)**	**(15)**	**142**	**13**	**-**	**1,266**

Provisions for financial risks

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

Provisions for other liabilities

Provisions for other liabilities, not directly linked to the operating cycle, include provisions for disputes and arbitration, some of which are described in Note K.28 "Note on litigation". These amounted to €549 million at 30 June 2019 (€544 million at 31 December 2018), including €368 million at more than one year (€326 million at 31 December 2018).

17. Lease liabilities

On 1 January 2019, as a result of the first-time adoption of IFRS 16 "Leases", the Group recognised €1,421 million of liabilities with respect to leases on the transition date.

At 30 June 2019, lease liabilities amounted to €1,526 million including €1,068 million for the part at more than one year and €458 million for the part at less than one year.

The net increase of €104 million in the first half of 2019 breaks down as follows:
- new lease liabilities contracted since 1 January 2019: a €343 million increase;
- lease liabilities repaid during the period: a €238.6 million decrease.

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

18.1 Other contractual obligations of an operational nature

(in € millions)	30/06/2019	31/12/2018
Purchase and capital expenditure obligations (*)	494	339

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

The Group adopted IFRS 16 "Leases" on 1 January 2019. At 31 December 2018, operating lease commitments amounted to €1,500 million, including €1,024 million relating to property and €476 million relating to moveable items. The reconciliation between operating lease commitments and liabilities recognised on the balance sheet at 1 January 2019 is detailed in Note A.4. "Change in accounting policies".

Purchase and capital expenditure obligations relate mainly to Eurovia for its quarrying rights, VINCI Energies and VINCI Immobilier. The €155 million increase in the first half of 2019 arose principally from purchase undertakings relating to London Gatwick airport for €79 million and restatement of property-related operating lease liabilities falling outside the scope of IFRS 16 for €50 million (mostly in connection with Eurovia).

18.2 Other commitments made and received

(in € millions)	30/06/2019	31/12/2018
Collateral security	2,577	70
Other commitments made (received)	870	791

Collateral security (mortgages and collateral for finance) may be given in addition to commitments. In Contracting, this relates mainly to VINCI Energies and Eurovia. The increase in the first half of 2019 related to assets mortgaged by London Gatwick airport for €2.5 billion (mainly land).

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

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

- E.10.3 "Commitments made in respect of associates and joint ventures";
- F.12.2 "Commitments made under concession contracts – intangible asset model";
- F.13.2 "Commitments made under concession and PPP contracts – financial asset and/or bifurcated model";
- J.25 "Provisions for employee benefits".

Commitments made and received by the Group in connection with construction and service contracts and are detailed in Note G.15.3 of the 2018 registration document.

H. Equity

19. Information on equity

Capital management policy

In the first half of 2019, VINCI continued its policy of purchasing its own shares under the programme approved by the Shareholders' General Meeting held on 17 April 2018 and the new programme approved by the Shareholders' General Meeting of 17 April 2019, for a period of 18 months and relating to a maximum amount of purchases of €2 billion at a maximum share price of €120. In the first half of 2019, 5,942,424 shares were bought at an average price of €84.14, for a total of €500 million.
On 26 June 2019, VINCI signed a share purchase agreement with an authorised intermediary, expiring on 26 September 2019 and for a variable number of shares up to a maximum amount of €200 million. At 30 June 2019, liabilities under that agreement, presented under "Other current financial liabilities", amounted to €200 million.

Treasury shares (see Note H.19.2 "Treasury shares") are allocated to financing external growth transactions and to covering performance share plans and the employer contributions to international employee share ownership plans. They may also be cancelled.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 30 June 2019, over 50% of the Group's employees were VINCI shareholders, through unit funds invested in VINCI shares. Since those funds own 8.73% 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.

19.1 Share capital

At 30 June 2019, the parent company's share capital was represented by 600,341,977 ordinary shares of €2.5 nominal value each.

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

	30/06/2019	31/12/2018
Number of shares at beginning of period	**597,515,984**	**591,216,948**
Increases in share capital	2,825,993	6,299,036
Cancelled treasury shares		
Number of shares at end of period	**600,341,977**	**597,515,984**
Number of shares issued and fully paid	600,341,977	597,515,984
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	46,352,427	42,749,600
of which shares allocated to cover performance share plans and employee share ownership plans	*17,189,472*	*13,586,645*

19.2 Treasury shares

Changes in treasury shares were as follows:

	30/06/2019	31/12/2018
Number of shares at beginning of period	**42,749,600**	**36,317,368**
Purchases of shares	5,942,424	7,667,561
Allocation of 2015 performance shares to employees		(935,763)
Allocation of 2016 performance shares to employees	(2,009,323)	
Allocation of 2017 performance shares to employees		
Allocation of 2018 performance shares to employees		
Employer contribution in connection with the Castor International plan	(330,274)	(299,566)
Number of shares at end of period	**46,352,427**	**42,749,600**

At 30 June 2019, the total number of treasury shares held was 46,352,427. These were recognised as a deduction from consolidated equity for €2,685 million.
A total of 17,189,472 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 29,162,955 shares are intended to be used as payment in external growth transactions or to be sold.

19.3 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

		30/06/2019			31/12/2018		
(in € millions)		Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Hedging costs							
Reserve at beginning of period (*)		**2**	**-**	**2**	**(3)**	**-**	**(3)**
Gross reserve before tax effect at balance sheet date	**I**	**5**	**-**	**5**	**2**	**-**	**2**
Cash flow hedge and net investment hedges							
Reserve at beginning of period (*)		**(663)**	**-**	**(664)**	**(589)**	**-**	**(590)**
Changes in fair value of companies accounted for under the equity method		(124)	-	(124)	1	-	1
Other changes in fair value in the period		(21)	-	(22)	(93)	-	(93)
Fair value items recognised in profit or loss		21	-	21	42	-	42
Changes in consolidation scope and miscellaneous		(1)	-	(1)	(24)	-	(24)
Gross reserve before tax effect at balance sheet date	**II**	**(789)**	**(1)**	**(789)**	**(663)**	**-**	**(664)**
of which gross reserve relating to companies accounted for under the equity method		*(674)*	-	*(674)*	*(549)*	-	*(549)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**(784)**	**(1)**	**(784)**	**(661)**	**-**	**(662)**
Associated tax effect		237	-	237	167	-	167
Reserve net of tax (items that may be recycled to income)	**III**	**(547)**	**-**	**(547)**	**(495)**	**-**	**(495)**
Equity instruments							
Reserve at beginning of period		**1**	**-**	**1**	**1**	**-**	**1**
Reserve net of tax at end of period	**IV**	**-**	**-**	**-**	**1**	**-**	**1**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(367)**	**-**	**(367)**	**(346)**	**-**	**(345)**
Actuarial gains and losses recognised in the period		(125)	(3)	(128)	(46)	-	(46)
Associated tax effect		31	1	32	15	-	15
Changes in consolidation scope and miscellaneous		-	-	-	9	-	9
Reserve net of tax at end of period	**V**	**(461)**	**(3)**	**(464)**	**(367)**	**-**	**(367)**
Total reserve net of tax (items that may not be recycled to income)	**IV+V**	**(461)**	**(3)**	**(463)**	**(366)**	**-**	**(366)**
Total amounts recognised directly in equity	**III+IV+V**	**(1,007)**	**(3)**	**(1,010)**	**(861)**	**-**	**(861)**

(*) At 31 December 2018, the amounts were adjusted in accordance with the first-time adoption on 1 January 2018 of IFRS 9 "Financial Instruments" (see Note A.4. of the 2018 annual report).

The amounts recorded directly in equity relate to cash flow hedging transactions (negative effect of €889 million), net investment hedging transactions (positive effect of €99 million) and actuarial gains and losses on retirement benefit obligations (negative effect of €464 million). Transactions relating to the hedging of interest rate risk had a negative effect of €877 million, comprising:

- a negative effect of €663 million relating to companies accounted for under the equity method, mainly relating to LISEA (negative effect of €419 million) and other companies managing infrastructure projects on a PPP or concession basis;
- a negative effect of €214 million concerning fully consolidated subsidiaries, including VINCI Autoroutes for a negative effect of €88 million and VINCI SA for a negative effect of €78 million.

These transactions are described in Note J.25.1.2 "Cash flow hedges" in the 2018 registration document.

20. Dividends

VINCI paid the final dividend in respect of 2018 in cash on 25 April 2019 for an amount of €1,065 million.

Dividends paid by VINCI SA to its shareholders in respect of 2018 and 2017 break down as follows:

	2018	2017
Dividend per share *(in €)*		
Interim dividend	0.75	0.69
Final dividend	1.92	1.76
Net total dividend	**2.67**	**2.45**
Amount of dividend *(in € millions)*		
Interim dividend	416	384
Final dividend	1,065	974
Net total dividend	**1,481**	**1,358**

I. Financing and financial risk management

21. Net financial debt

At 30 June 2019, net financial debt, as defined by the Group, stood at €24.2 billion, up €8.7 billion compared with 31 December 2018. It breaks down as follows:

Analysis by accounting heading	(in € millions)		30/06/2019 Non-current	30/06/2019 Current (1)	30/06/2019 Total	31/12/2018 Non-current	31/12/2018 Current (1)	31/12/2018 Total
Financial liabilities at amortised cost	Bonds		(22,787)	(1,708)	(24,495)	(16,588)	(1,576)	(18,164)
	Other bank loans and other financial debt		(3,351)	(478)	(3,829)	(2,900)	(439)	(3,339)
	Finance lease debt restated (2)		-	-	-	(123)	(44)	(166)
	Long-term financial debt (3)		**(26,138)**	**(2,186)**	**(28,324)**	**(19,611)**	**(2,059)**	**(21,669)**
	Commercial paper		-	(1,784)	(1,784)	-	(1,281)	(1,281)
	Other current financial liabilities		-	(240)	(240)	-	(41)	(41)
	Bank overdrafts		-	(1,375)	(1,375)	-	(1,178)	(1,178)
	Financial current accounts, liabilities		-	(56)	(56)	-	(77)	(77)
	I - Gross financial debt		**(26,138)**	**(5,642)**	**(31,779)**	**(19,611)**	**(4,635)**	**(24,246)**
	of which impact of fair value hedges		*(951)*	*(43)*	*(994)*	*(413)*	*(27)*	*(440)*
	including impact of recognising Gatwick's debt at fair value in VINCI's consolidated financial statements (4)		*(466)*	-	*(466)*	-	-	-
Financial assets at amortised cost	Loans and collateralised financial receivables		-	-	-	-	-	-
	Financial current accounts, assets		-	38	38	-	29	29
Financial assets at fair value through profit and loss	Cash management financial assets		-	547	547	-	216	216
	Cash equivalents		-	2,101	2,101	-	3,595	3,595
	Cash		-	4,255	4,255	-	4,364	4,364
	II - Financial assets		**-**	**6,940**	**6,940**	**-**	**8,204**	**8,204**
Derivatives	Derivative financial instruments – liabilities		(663)	(85)	(748)	(206)	(76)	(282)
	Derivative financial instruments – assets		1,120	227	1,347	511	258	769
	III - Derivative financial instruments		**457**	**142**	**599**	**305**	**182**	**487**
	Net financial debt	**I+II+III**	**(25,681)**	**1,441**	**(24,241)**	**(19,305)**	**3,751**	**(15,554)**
	Net financial debt breaks down by business as follows:							
	Concessions		*(35,953)*	*1,822*	*(34,131)*	*(26,698)*	*(331)*	*(27,029)*
	Contracting		*(4,178)*	*2,134*	*(2,044)*	*(4,227)*	*3,319*	*(908)*
	Holding companies and VINCI Immobilier		*14,450*	*(2,515)*	*11,935*	*11,619*	*763*	*12,382*

(1) The current part includes accrued interest not matured.
(2) Following application of IFRS 16 "Leases", finance lease debts related to IAS 17 are henceforth presented under lease debt (see Note G.17).
(3) Including the part at less than one year.
(4) Following acquisition of control of London Gatwick Airport by VINCI Airports.

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.

Change in net financial debt

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Changes in consolidation scope	Exchange rate effect	Changes in fair value	Other changes	Total "non-cash"	Ref.	Closing
Bonds	(16,588)	(3,064)	(3)	(3,384)	156	(553)	646	(3,135)	(4)	(22,787)
Other loans and borrowings	(3,023)	386	(3)	(935)	16	-	205	(714)	(4)	(3,351)
Current borrowings	(4,635)	16	-	(120)	5	(1)	(907)	(1,023)	-	(5,642)
of which the part at less than one year of long-term debts	*(1,762)*	*569*	*(3)*	*(3)*	*(1)*	*(1)*	*(707)*	*(711)*	*(4)*	*(1,904)*
of which current financial debts at inception	*(1,398)*	*(413)*	*(2)*	*(72)*	*5*	*-*	*(199)*	*(267)*	*(4)*	*(2,079)*
of which accrued interest on bank debts	*(297)*	*50*	*(4)*	*(39)*	*1*	*-*	*-*	*(37)*	*(4)*	*(284)*
of which bank overdrafts	*(1,178)*	*(190)*	*(1)*	*(6)*	*(1)*	*-*	*(1)*	*(8)*	*(1)*	*(1,375)*
Cash management financial assets	245	294	-	50	1	-	(5)	46	-	585
of which cash management financial assets (excluding accrued interest)	*244*	*294*	*(2)*	*50*	*1*	*-*	*(5)*	*46*	*(4)*	*584*
of which accrued interest on cash management assets	*-*	*-*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*1*
Cash and cash equivalents	7,960	(1,679)	(1)	63	6	1	6	75	(1)	6,356
Derivative financial instruments	487	(30)	-	(305)	55	392	-	142	-	599
of which fair value of derivatives	*353*	*-*	*(3)*	*(306)*	*55*	*392*	*-*	*140*	*(4)*	*493*
of which accrued interest on derivatives	*134*	*(30)*	*(4)*	*2*	*-*	*-*	*-*	*2*	*(4)*	*106*
Net financial debt	**(15,554)**	**(4,077)**	**(5)**	**(4,631)**	**237**	**(161)**	**(55)**	**(4,610)**	**(5)**	**(24,241)**

The €4.1 billion cash outflow during the period was mainly the result of bond issues and the use of cash to finance the London Gatwick Airport acquisition and the refinancing of acquisitions made in US dollars in 2018. The €4.6 billion increase in "non-cash" net financial debt included the assumption of debts owed by London Gatwick Airport after VINCI Airports took control.

The table below reconciles changes in net financial debt with the cash flow statement.

Reconciliation of net financial debt with financing flows shown in the cash flow statement

(in € millions)	Ref.	30/06/2019
Change in net cash	(1)	(1,801)
Change in cash management assets and other current financial debts	(2)	(119)
(Proceeds from)/repayment of loans	(3)	(2,109)
Other changes	(4)	(4,657)
Change in net financial debt	(5)	(8,686)

21.1 Detail of long-term financial debt by business

The breakdown of net long-term financial debt (including the part at less than one year) by business at 30 June 2019 was as follows:

	30/06/2019				31/12/2018			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Bonds	(17,529)	-	(6,967)	(24,495)	(14,238)	-	(3,926)	(18,164)
Other bank loans and other financial debt	(3,478)	(101)	(250)	(3,829)	(3,012)	(81)	(246)	(3,339)
Finance lease debt (*)	-	-	-	-	(22)	(144)	(1)	(166)
Long-term financial debt	**(21,007)**	**(101)**	**(7,217)**	**(28,324)**	**(17,272)**	**(225)**	**(4,172)**	**(21,669)**

(*) Following application of IFRS 16 "Leases", finance lease debts (IAS 17) are now presented under Lease debt (see Note G.17).

At 30 June 2019, long-term net financial debt amounted to €28.3 billion, up €6.6 million compared with the 31 December 2018 figure of €21.7 billion. The change results from the following transactions.

- VINCI SA made the following issues as part of its EMTN (Euro Medium Term Notes) programme:
- in January, a €950 million, 10-year bond issue with a coupon of 1.625%;
- in March, its first sterling bond issue in an amount of £800 million, consisting of £400 million of bonds due to mature in March 2027 with a coupon of 2.25% and £400 million due to mature in September 2034 with a coupon of 2.75%;
- in March, a €75 million private placement of 20-year CMS-linked notes;

in April, VINCI SA also carried out its inaugural 144A bond issue, consisting of $1 billion of bonds due to mature in April 2029 with an annual coupon of 3.750%.

In January, VINCI SA redeemed a €75 million private placement bearing interest at 4.15%;

- in February, as part of its EMTN programme, ASF issued €1 billion of 12-year bonds with a coupon of 1.375% and in the first quarter redeemed a €200 million private placement bearing interest at 4.961% and €970 million of bonds bearing interest at 7.375%;
- debt assumed following the integration of London Gatwick Airport in May 2019, including eight bond issues for a total of £2.5 billion with maturities of between 2024 and 2048 and an average interest rate of 4.625%, and a £300 million credit facility of which £95 million was drawn at 30 June 2019.

Maturity of debts

At 30 June 2019, the weighted average maturity of the Group's long-term financial debt was 8.3 years (6.4 years at 31 December 2018). The average maturity was 8.5 years in Concession subsidiaries, 7.7 years for holding companies and VINCI Immobilier, and 1.8 years in Contracting.

21.2 Credit ratings and financial covenants

Credit ratings

At 30 June 2019, the Group's credit ratings were as follows:

		Rating		
	Agency	**Long term**	**Outlook**	**Short term**
VINCI SA	Standard & Poor's	A -	Positive	A2
	Moody's	A3	Stable	P1
ASF	Standard & Poor's	A -	Positive	A2
	Moody's	A3	Stable	P1
Cofiroute	Standard & Poor's	A -	Positive	A2
Gatwick Funding Limited	Moody's	Baa1	Negative	-
	Fitch	BBB +	-	-

Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios. All such ratios were complied with at 30 June 2019.

Some finance agreements entered into by Group entities provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger a demand for early repayment.

22. Net cash managed and available resources

At 30 June 2019, the Group's available resources amounted to €11.7 billion, including €3.5 billion of net cash managed and €8.2 billion of unused confirmed bank credit facilities.

22.1 Net cash managed

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

	30/06/2019			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**189**	**226**	**1,685**	**2,101**
Marketable securities and mutual funds (UCITS)	-	1	133	134
Negotiable debt securities with an original maturity of less than 3 months (*)	189	225	1,553	1,967
Cash	**926**	**2,203**	**1,126**	**4,255**
Bank overdrafts	**(3)**	**(1,114)**	**(258)**	**(1,375)**
Net cash and cash equivalents	**1,112**	**1,315**	**2,553**	**4,980**
Cash management financial assets	**158**	**87**	**302**	**547**
Marketable securities and mutual funds (UCITS) (**)	4	38	302	343
Negotiable debt securities and bonds with an original maturity of less than 3 months	128	35	1	163
Negotiable debt securities and bonds with an original maturity of more than 3 months	26	14	-	40
Commercial paper issued	**-**	**-**	**(1,784)**	**(1,784)**
Other current financial liabilities	**(24)**	**(15)**	**(200)(***)**	**(240)**
Balance of cash management current accounts	**1,871**	**789**	**(2,679)**	**(19)**
Net cash managed	**3,116**	**2,176**	**(1,807)**	**3,485**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.
(***) Current financial liability linked to the treasury share buy-back contract concluded on 26 June 2019 and due in September 2019 (see Note H.19.).

	31/12/2018			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**64**	**248**	**3,283**	**3,595**
Marketable securities and mutual funds (UCITS)	-	1	1,407	1,409
Negotiable debt securities with an original maturity of less than 3 months (*)	64	247	1,876	2,187
Cash	**684**	**2,316**	**1,364**	**4,364**
Bank overdrafts	**-**	**(992)**	**(186)**	**(1,178)**
Net cash and cash equivalents	**748**	**1,573**	**4,461**	**6,782**
Cash management financial assets	**119**	**96**	**1**	**216**
Marketable securities and mutual funds (UCITS) (**)	-	34	-	34
Negotiable debt securities and bonds with an original maturity of less than 3 months	8	45	1	53
Negotiable debt securities and bonds with an original maturity of more than 3 months	111	17	-	128
Commercial paper issued	**-**	**-**	**(1,281)**	**(1,281)**
Other current financial liabilities	**(17)**	**(23)**	**-**	**(41)**
Balance of cash management current accounts	**585**	**1,761**	**(2,394)**	**(49)**
Net cash managed	**1,435**	**3,407**	**786**	**5,628**

(*) 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 2019, net cash managed by VINCI SA amounted to €335 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 €534 million at 30 June 2019.
This centralisation enables the management of financial resources to be optimised at Group level and the risks relating to the counterparties and investment vehicles used to be better managed.

Other subsidiaries' cash investments are managed in a decentralised manner while complying with the guidelines and instructions issued by VINCI, which define in particular the investment vehicles and the counterparties authorised. The investments amounted to €2.6 billion at 30 June 2019, including €1.2 billion for the Concessions business and €1.4 billion for the Contracting business.

22.2 Other available resources

Revolving credit facilities

VINCI has an €8 billion confirmed syndicated revolving loan facility due to expire in November 2023 with two one-year extension options at the lenders' discretion. It does not contain any default clause relating to non-compliance with financial ratios. This credit facility was undrawn at 30 June 2019.
The company that owns London Gatwick airport has a £300 million credit facility with two one-year extension options at the borrower's discretion. After the first extension option was exercised in June 2019, the facility is due to expire in June 2024. Drawings on that facility amounted to £95 million at 30 June 2019.

Commercial paper

VINCI has a €5 billion commercial paper programme rated A2 by Standard & Poor's and P1 by Moody's. At 30 June 2019, VINCI SA had made use of its programme in an amount of €1.8 billion.

23. 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 2018 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 2018 registration document.

24. 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 2019.
The following table shows the carrying amount and fair value of financial assets and liabilities in the balance sheet by accounting category as defined in IFRS 9:

30/06/2019	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehen sive income	Financial assets at amortised cost	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**
Equity instruments	-	-	130	8	-	-	139	1	-	138	139
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,354	-	1,354	-	1,354	-	1,354
I - Non-current financial assets (*)	**-**	**-**	**130**	**8**	**1,354**	**-**	**1,492**	**1**	**1,354**	**138**	**1,492**
II - Derivative financial instruments – assets	**168**	**1,188**	**-**	**-**	**-**	**-**	**1,356**	**-**	**1,356**	**-**	**1,356**
Cash management financial assets	-	-	547	-	-	-	547	343	204	-	547
Financial current accounts, assets	-	-	-	-	38	-	38	38	-	-	38
Cash equivalents	-	-	2,101	-	-	-	2,101	134	1,967 (**)	-	2,101
Cash	-	-	4,255	-	-	-	4,255	4,255	-	-	4,255
III - Current financial assets	**-**	**-**	**6,903**	**-**	**38**	**-**	**6,940**	**4,770**	**2,170**	**-**	**6,940**
Total assets	**168**	**1,188**	**7,033**	**8**	**1,392**	**-**	**9,789**	**4,771**	**4,880**	**138**	**9,789**
Bonds						(24,495)	(24,495)	(23,638)	(1,410)	-	(25,048)
Other bank loans and other financial debt						(3,829)	(3,829)	-	(3,825)	-	(3,825)
Finance lease debt						-	-	-	-	-	-
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,324)**	**(28,324)**	**(23,638)**	**(5,235)**	**-**	**(28,872)**
V - Derivative financial instruments – liabilities	**(477)**	**(276)**	**-**	**-**	**-**	**-**	**(753)**	**-**	**(753)**	**-**	**(753)**
Other current financial liabilities						(2,024)	(2,024)	-	(2,024)	-	(2,024)
Financial current accounts - liabilities						(56)	(56)	(56)	-	-	(56)
Bank overdrafts						(1,375)	(1,375)	(1,375)	-	-	(1,375)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(3,455)**	**(3,455)**	**(1,432)**	**(2,024)**	**-**	**(3,455)**
Total liabilities	**(477)**	**(276)**	**-**	**-**	**-**	**(31,779)**	**(32,532)**	**(25,069)**	**(8,011)**	**-**	**(33,081)**
Total	**(310)**	**912**	**7,033**	**8**	**1,392**	**(31,779)**	**(22,744)**	**(20,299)**	**(3,131)**	**138**	**(23,292)**

(*) See Notes E.11 and F.13.
(**) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.

The table below shows the carrying amount and fair value of financial assets and liabilities as reported at 31 December 2018 by accounting category as defined by IFRS 9:

31/12/2018	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets at amortised cost	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**
Equity instruments	-	-	95	7	-	-	101	1	-	101	101
Financial assets at amortised cost and PPP	-	-	-	-	1,231	-	1,231	-	1,231	-	1,231
I - Non-current financial assets (*)	**-**	**-**	**95**	**7**	**1,231**	**-**	**1,332**	**1**	**1,231**	**101**	**1,332**
II - Derivative financial instruments – assets	**143**	**633**	**-**	**-**	**-**	**-**	**776**	**-**	**776**	**-**	**776**
Cash management financial assets	-	-	216	-	-	-	216	34	182	-	216
Financial current accounts, assets	-	-	-	-	29	-	29	29	-	-	29
Cash equivalents			3,595				3,595	1,409	2,187 (**)	-	3,595
Cash			4,364				4,364	4,364	-	-	4,364
III - Current financial assets	**-**	**-**	**8,176**	**-**	**29**	**-**	**8,204**	**5,836**	**2,369**	**-**	**8,204**
Total assets	**143**	**633**	**8,270**	**7**	**1,260**	**-**	**10,313**	**5,836**	**4,376**	**101**	**10,313**
Bonds	-	-	-	-	-	(18,164)	(18,164)	(17,152)	(1,466)	-	(18,617)
Other bank loans and other financial debt	-	-	-	-	-	(3,339)	(3,339)	-	(3,410)	-	(3,410)
Finance lease debt	-	-	-	-	-	(166)	(166)	-	(166)	-	(166)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(21,669)**	**(21,669)**	**(17,152)**	**(5,042)**	**-**	**(22,194)**
V - Derivative financial instruments – liabilities	**(110)**	**(180)**	**-**	**-**	**-**	**-**	**(290)**	**-**	**(290)**	**-**	**(290)**
Other current financial liabilities	-	-	-	-	-	(1,322)	(1,322)	-	(1,322)	-	(1,322)
Financial current accounts - liabilities	-	-	-	-	-	(77)	(77)	(77)	-	-	(77)
Bank overdrafts	-	-	-	-	-	(1,178)	(1,178)	(1,178)	-	-	(1,178)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(2,577)**	**(2,577)**	**(1,255)**	**(1,322)**	**-**	**(2,577)**
Total liabilities	**(110)**	**(180)**	**-**	**-**	**-**	**(24,246)**	**(24,535)**	**(18,407)**	**(6,653)**	**-**	**(25,060)**
Total	**33**	**454**	**8,270**	**7**	**1,260**	**(24,246)**	**(14,223)**	**(12,571)**	**(2,277)**	**101**	**(14,747)**

(*) See Notes E.11 et F.13.
(**) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.

J. Employee benefits and share-based payments

25. Provisions for employee benefits

25.1 Provisions for retirement benefit obligations

At 30 June 2019, provisions for retirement benefit obligations amounted to €1,672 million (including €1,625 million at more than one year) compared with €1,472 million at 31 December 2018 (including €1,422 million at more than one year). They comprise provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The increase in the first half of 2019 mainly arose from the fall in discount rates.
The part at less than one year of these provisions (€46 million at 30 June 2019 and €50 million at 31 December 2018) is reported under "Other current non-operating liabilities".

The expense recognised for the first half of 2019 in respect of retirement benefit obligations is half the forecast expense for 2019 determined on the basis of actuarial assumptions at 31 December 2018 and in accordance with IAS 19.
Details of benefits enjoyed by Group employees are provided in Note K.27.1 "Provisions for retirement benefit obligations" in the 2018 registration document.

25.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses. At 30 June 2019, these provisions amounted to €109 million (€110 million at 31 December 2018).

26. Share-based payments

The expense relating to employee benefits was €100 million for the first half of 2019 (€79 million in the first half of 2018), including €64 million in respect of performance share plans (€54 million in the first half of 2018) and €36 million in respect of employee savings plans in France and other countries (€25 million in the first half of 2018).

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

26.1 Performance shares

Information on changes in performance share plans currently in force

	30/06/2019	31/12/2018
Number of shares granted subject to performance conditions at beginning of period	**6,733,994**	**5,407,402**
Shares granted	2,453,497	2,349,324
Shares acquired by beneficiaries	(2,009,323)	(935,763)
Shares cancelled	(173,766)	(86,969)
Number of shares granted subject to performance conditions not vested at end of period	**7,004,402**	**6,733,994**

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

	Plan 17/04/2019	Plan 17/04/2018	Plan 20/04/2017	Plan 19/04/2016
Original number of beneficiaries	3,271	2,947	2,537	2,051
Vesting date of the shares granted	4/17/2022	4/17/2021	4/20/2020	4/19/2019
End of conservation period for shares acquired	N/A	N/A	N/A	N/A
Number of shares granted subject to performance conditions	**2,453,497**	**2,349,324**	**2,325,383**	**2,249,676**
Shares cancelled	-	(25,260)	(97,042)	(240,353)
Shares acquired by beneficiaries	-	-	(1,500)	(2,009,323)
Number of shares granted subject to performance conditions at end of period	**2,453,497**	**2,324,064**	**2,226,841**	**-**

On 5 February 2019, VINCI's Board of Directors decided to grant definitively to beneficiaries meeting the criterion of continuing presence within the Group (i.e. 1,838 staff members) 97.27% of the performance shares in the 2016 plan, i.e. 2,009,323 shares. It was found that the external performance criterion was not 100% fulfilled: the difference between VINCI's TSR between 2016 and 2018 and that of the CAC 40 over the same period was 7.27%, less than the 10% required for the 20% portion of performance shares to be granted in full; the internal performance criterion (covering 80% of the grant) was 100% fulfilled.

On 17 April 2019, VINCI's Board of Directors decided to set up a new performance share plan involving conditionally allotting performance shares (2,453,497 shares) to 3,271 employees. They will not be granted definitively until a three-year period has elapsed, subject to beneficiaries being employed by the Group until the end of the vesting period, and subject to the fulfilment of the following performance conditions:

- an internal economic criterion (65% weighting) consisting of the ratio at 31 December 2021 of return on capital employed (ROCE) to the average weighted average cost of capital (WACC), with each of those indicators calculated as an average over the previous three years (2019, 2020 and 2021).

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 economic criterion (20% weighting) consisting of the difference, at 31 December 2021, between:
  - the total return on VINCI shares between 1 January 2019 and 31 December 2021;
  - the total return on the CAC 40 index between 1 January 2019 and 31 December 2021.

Total shareholder returns include dividends.
The difference must be equal to or greater than +5% for all performance shares granted to vest.
If the difference is between 0% and +5%, the number of performance shares that vest will be reduced in proportion and no shares will vest if the difference is less than 0%;

- an external environmental criterion (15% weighting) measured by the "Climate Change" rating delivered by CDP Worldwide to VINCI each year in respect of the 2019, 2020 and 2021 financial years.

This rating must be equal to or higher than B on three occasions for all performance shares granted to vest. If the rating is equal to or higher than B on one or two occasions, the number of performance shares that vest will be reduced in proportion and no shares will vest if the rating is three times less than B.

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:

	2019 plan	2018 plan	2017 plan	2016 plan
Price of VINCI share on date plan was announced *(in €)*	89.68	81.23	73.99	66.18
Fair value of performance share at grant date *(in €)*	74.84	64.12	61.20	56.17
Fair value compared with share price at grant date	83.45%	78.94%	82.71%	84.87%
Original maturity (in years) – vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	-0.40%	-0.32%	-0.29%	-0.41%

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

26.2 Group savings plans

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

Group savings plans – France

In France, VINCI issues new shares reserved for employees three times a year at a subscription price that includes a 5% discount against the average stock market price over 20 trading days before the Board of Directors meeting that set the subscription price. Subscribers also benefit from an employer contribution with an annual maximum of €3,500 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 2018, 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.

Group savings plans – France	Second four-month period of 2019 (2 May – 14 August 2019)
Anticipated return from VINCI shares	4.53%
Subscription price *(in €)*	71.14
Share price at date of Board of Directors' meeting	78.02
Historical volatility of the VINCI share price	19.88%
Estimated number of shares subscribed	698,412
Estimated number of shares issued (subscriptions plus employer contribution)	986,410

Group savings plan – international

In the first half of 2019, 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 plan covered 35 countries in the first half of 2019: Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, Czech Republic, Dominican Republic, Finland, Germany, Greece, Hong Kong, Indonesia, Italy Luxembourg, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom and United States.

The main characteristics of these plans are as follows:

- subscription period: from 20 May to 7 June 2019 for all countries except the United Kingdom (seven successive periods between March and September 2019);
- 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 plan (excluding the UK)	2019	2018	2017	2016
Subscription price *(in €)*	88.08	84.50	77.67	64.90
Closing share price on the last day of the subscription period *(in €)*	90.28	84.32	78.01	64.67
Anticipated dividend pay-out rate	2.60%	2.34%	2.32%	2.55%
Fair value of bonus shares on the last day of the subscription period *(in €)*	83.60	78.66	72.83	59.97

K. Other notes

27. 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 2019 in the nature of transactions conducted by the Group with its related parties from those at 31 December 2018, 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 2018 registration document.

28. Note on litigation

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

The main legal, administrative or arbitration proceedings that were in progress on or had ended by 30 June 2019 were as follows:

- In relation to the compensation claim commenced by SNCF in March 2011 following the decision handed down on 21 March 2006 by the Conseil de la Concurrence (*) (French competition authority), which penalised several companies for collusion in relation to civil engineering works at the Magenta and Saint Lazare Condorcet stations in Paris (EOLE project), the VINCI Group companies reached a settlement with SNCF in March 2016 for the purpose of ending SNCF's claim against them. On 8 March 2016, the Paris Administrative Court noted the reciprocal discontinuance of proceedings and waiver of rights of action between SNCF Mobilités and all VINCI group companies involved in these proceedings, and dismissed SNCF's claim in respect of the other companies concerned. After SNCF appealed against that decision, the proceedings continued between SNCF and the companies outside the Group, which had nevertheless had recourse to the Group companies concerned as guarantors. In a decision on 29 December 2017, the Paris Administrative Appeal Court dismissed SNCF's claim and SNCF appealed against that decision to the Conseil d'Etat. In view of the current situation, the VINCI group considers that this dispute will not have a material effect on its financial situation.

- In a judgment handed down on 17 December 2013, the Paris Regional Court declared time-barred and inadmissible a claim by Région Île-de-France's for compensation for the harm it purportedly suffered because of the anti-competitive practices penalised by the Conseil de la Concurrence(*) on 9 May 2007 in relation to the programme to refurbish schools in the Paris region between 1989 and 1996. After that judgment, on 16 November 2015, the *Tribunal des Conflits* (jurisdiction court) declared the ordinary courts not competent to decide the dispute between the region and various construction companies. More than two years after the jurisdiction court's decision, the region made 88 applications to the Paris Administrative Court relating to 88 school refurbishment contracts, claiming €293 million of damages from 14 companies – including several Group companies – and 11 individuals. A hearing took place on 18 June 2019 and a judgment is expected in the near future. The Group takes the view that these proceedings, whose origin dates back more than 20 years and which concerns a claim that was already found to be time-barred in 2013, represent a contingent liability whose impact it is unable to measure.

- The Czech Republic's roads and motorways department (RMD) has made several claims against Eurovia CS, a Eurovia subsidiary based in the Czech Republic, as well as 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 CZK3.1 billion, of which Eurovia CS's share would be around 75%. Repairs have been carried out since the start of 2014, costing substantially less than that amount, and technical assessments are under way on the worksite. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

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

- Soletanche Bachy France had submitted a request for arbitration to the International Chamber of Commerce after ACT (Aqaba Container Terminal) terminated a contract for the construction of an extension to a container terminal in the port of Aqaba in Jordan. The company was disputing the grounds for terminating the contract, and was claiming $10 million in damages. ACT contended that it had valid grounds for terminating the contract and that it had incurred additional costs in completing the works, and was counter-claiming $44 million in damages. The arbitration tribunal, in an arbitration award dated 30 August 2017, rectified by two rectifications dated 28 September 2017 and 1 May 2018, dismissed the company's claim and ordered it to pay ACT $38.3 million plus $9.1 million of legal expenses. The company has commenced proceedings to oppose the execution of that decision and against the joint contractors. Given the provisions it has set aside, the Group considers, in view of the current situation, that this dispute will not have any material effect on its financial situation.

- In 2011, Freyssinet Canada undertook to make prefabricated beams for PIC under a contract worth C$23 million. Prefabrication work started in 2012 but was suspended in 2013 because the project owner took the view that the beams were defective. PIC terminated the supply contract, resulting in legal proceedings before the Superior Court of Ontario. In those proceedings, Freyssinet Canada is claiming C$11 million for wrongful termination and PIC is claiming C$189 million from Freyssinet Canada and several Soletanche Freyssinet group companies for the replacement of the beams and losses arising from the alleged defects. In view of the current situation, the Group considers that this dispute is unlikely to have a material effect on its financial situation.

- On 10 August 2018, the Colombian competition authority sent a statement of objections to several companies including VINCI Concessions Colombia S.A.S, Via 40 S.A.S and Constructora Conconcreto S.A.S, and to several natural persons, relating to alleged anticompetitive practices in the competitive tender procedure held in 2015 and 2016 by Colombia's national infrastructure agency ANI with a view to awarding a concessions contract for the widening and operation of a road between the cities of Bogotá and Girardot. The concession contract was formed between the ANI and Via 40 S.A.S in October 2016. Via its VINCI Concessions Colombie S.A.S subsidiary, the Group acquired a 50% stake in Via 40 S.A.S on 19 December 2016, and it owns a 20% non-controlling stake in Constructora Conconcreto S.A.S. The companies involved in the procedure dispute the authority's allegations.

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 2018, a material effect on the business, financial performance, net assets or financial situation of the Company or Group.

29. Post-balance sheet events

29.1 Bond issuance denominated in pound sterling

On 5 July 2019, Gatwick Funding Limited issue £300 million of 30-year bonds with a coupon of 2.875%.

29.2 Lamsac

Lamsac, a VINCI Highways subsidiary, operates the Línea Amarilla and Via de Evitamiento express lanes in Lima, capital of Peru, under a concession contract signed with the municipality.

At a press conference on 24 July 2019, Mr. Jorge Muñoz, Mayor of Lima, announced his intention to request the cancellation of the company's concession contract.

As this event was not foreseeable when the half-year report was being prepared and to date no official notification has been sent to Lamsac, VINCI is not currently in a position to estimate reliably the impact of this announcement on the Group's consolidated financial statements.

L. Other consolidation rules and methods

Intragroup transactions

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

Translation of the financial statements of foreign companies and establishments

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

Foreign currency transactions

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

Business combinations

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

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

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

Put options granted to non-controlling shareholders

Put options (options to sell) granted to the non-controlling shareholders of certain Group subsidiaries are recognised under other non-current liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (non-controlling interest and equity attributable to equity holders of the parent for the surplus, if any).

Report of the Statutory Auditors on the 2019 half-year financial information

Report of the Statutory Auditors on the 2019 half-year financial information

For the period from 1 January 2019 to 30 June 2019

To the Shareholders,

In compliance with the assignment entrusted to us by your 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 2019 to 30 June 2019,

- 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 smaller 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.

Without qualifying the conclusion expressed above, we would draw your attention to Note A.4. to the condensed half-yearly consolidated financial statements, which sets out the change in accounting methods relating to the adoption of IFRS 16 "Leases" from 1 January 2019.

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

Neuilly sur Seine and Paris La Défense, 30 July 2019

PricewaterhouseCoopers Audit — Bernard Gainnier, Bertrand Baloche

Deloitte & Associés — Sami Rahal, Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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

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

"I certify that, to the best of my knowledge, the condensed half-year financial statements presented in the half-year financial report have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and of the Group formed by the companies included in the consolidated financial statements, and that the management report for the half-year period (featuring on pages 2 to 13) 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

Glossary

Concession subsidiaries' revenue from works done by non-Group companies: this indicator relates to construction work done by concession companies as programme manager on behalf of concession grantors. Consideration for that work is recognised as an intangible asset or financial asset depending on the accounting model applied to the concession contract, in accordance with IFRIC 12 "Service Concession Arrangements". It excludes work done by Contracting business lines.

Like-for-like revenue growth: this indicator measures the change in revenue at constant scope and exchange rates.

- Constant scope: the scope effect is neutralised as follows.
  - For revenue in year N, revenue from companies that joined the Group in year N is deducted.
  - For revenue in year N-1, the full-year revenue of companies that joined the Group in year N-1 is included, and revenue from companies that left the Group in years N-1 and N is excluded.
- Constant exchange rates: the currency effect is neutralised by applying exchange rates in year N to foreign currency revenue in year N-1.

Operating income from ordinary activities (Ebit): this indicator is included in the income statement.
Ebit measures the operational performance of fully consolidated Group subsidiaries. It excludes share-based payment expense (IFRS 2), other recurring operating items (including the share of the income or loss of companies accounted for under the equity method) and non-recurring operating items.

Recurring operating income: this indicator is included in the income statement. Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events during the period. It is obtained by taking operating income from ordinary activities (Ebit) and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the Group's share of the income or losses of subsidiaries accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.).

Operating income: this indicator is included in the income statement.
Operating income is calculated by taking recurring operating income and adding non-recurring income and expense (see below).

Non-recurring operating items: non-recurring income and expense mainly includes goodwill impairment losses, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

Other financial income and expense: comprises mainly discounting effects, the impact of capitalised borrowing costs, foreign exchange gains and losses related to other financial items; change in value of item not designated as hedging instruments and financial expenses on lease liabilities since IFRS 16 implementation.

Cash flow from operations before tax and financing costs (Ebitda): the reconciliation between this indicator and consolidated net income for the period is presented in the cash flow statement.
Ebitda corresponds to recurring operating income adjusted for additions to depreciation and amortisation (including those related to usage rights relating to leases since the application of IFRS 16 on 1 January 2019), changes in non-current provisions and non-current asset impairment, gains and losses on asset disposals. It also includes restructuring charges included in non-recurring operating items.

Ebitda margin, Ebit margin and recurring operating margin: ratios of Ebitda, Ebit, or recurring operating income to revenue excluding concession subsidiaries' revenue from works done by non-Group companies.

Operating cash flow: operating cash flow is a measurement of cash flows generated by the Group's ordinary activities. It is made up of Ebitda, the change in operating working capital requirement and current provisions, interest paid, income taxes paid, dividends received from companies accounted for under the equity method, operating investments net of disposals and repayments of lease liabilities and the associated financial expense. Operating cash flow does not include growth investments in concessions and public-private partnerships (PPPs). The reconciliation between this indicator and consolidated net income for the period is presented in the cash flow statement.

Free cash flow: free cash flow is made up of operating cash flow and growth investments in concessions and PPPs. The reconciliation between this indicator and consolidated net income for the period is presented in the Group cash flow statement.

Net financial surplus/debt: this corresponds to the difference between financial assets and financial debt. If the assets outweigh the liabilities, the balance represents a net financial surplus, and if the liabilities outweigh the assets, the balance represents net financial debt. Financial debt includes bonds and other borrowings and financial debt (including liabilities relating to financial instruments and finance lease transactions until 31 December 2018 – see Note A.4 "Change in accounting methods" in the notes to the Group's consolidated financial statements at 30 June 2019). Financial assets include cash and cash equivalents and assets relating to derivative instruments. The reconciliation between this indicator and balance sheet items is detailed in the notes to the Group's consolidated financial statements.

Cost of net financial debt: the cost of net financial debt comprises all financial income and expense relating to net financial debt as defined above. It therefore includes interest expense and income from interest rate derivatives allocated to gross debt, along with financial income from investments and cash equivalents. It no longer includes financial expenses associated with finance leases from 1 January 2019 following the application of IFRS 16. The reconciliation between this indicator and the income statement is detailed in the notes to the Group's consolidated financial statements.

Order book:

- In the Contracting business (VINCI Energies, Eurovia, VINCI Construction), the order book represents the volume of business yet to be carried out on projects where the contract is in force (in particular after service orders have been obtained or after conditions precedent have been met) and financed.
- At VINCI Immobilier, the order book corresponds to the revenue, recognised on a progress-towards-completion basis, that is yet to be generated on a given date with respect to property sales confirmed by a notarised deed or with respect to property development contracts on which the works order has been given by the project owner.

Order intake:

- In the Contracting business lines (VINCI Energies, Eurovia, VINCI Construction), a new order is recorded when the contract has been not only signed but is also in force (for example, after the service order has been obtained or after conditions precedent have been met) and when the project's financing is in place. The amount recorded in order intake corresponds to the contractual revenue.

- At VINCI Immobilier, order intake corresponds to the value of properties sold off-plan or sold after completion in accordance with a notarised deed, or revenue from property development contracts where the works order has been given by the project owner.
  For joint property developments:
  - If VINCI Immobilier has sole control over the development company, it is fully consolidated. In that case, 100% of the contract value is included in order intake;
  - If the development company is jointly controlled, it is accounted for under the equity method and its order intake is not included in the total.

VINCI Airports passenger traffic: this is the number of passengers who have travelled on commercial flights from a VINCI Airports airport during a given period.

VINCI Airports aircraft movements: this is the number of commercial aircraft movements recorded at a VINCI Airports airport during a given period.

VINCI Autoroutes motorway traffic: this is the number of kilometres travelled by light and heavy vehicles on the motorway network managed by VINCI Autoroutes during a given period.

Public-private partnership – concessions and partnership contracts: public-private partnerships are forms of long-term public-sector contracts through which a public authority calls upon a private-sector partner to design, build, finance, operate and maintain a facility or item of public infrastructure and/or manage a service.
In France, a distinction is drawn between concessions (for works or services) and partnership contracts.
Outside France, there are categories of public contracts – known by a variety of names – with characteristics similar to those of the French concession and partnership contracts.
In a concession, the concession-holder receives a toll (or other form of remuneration) directly from users of the infrastructure or service, on terms defined in the contract with the public-sector authority that granted the concession. The concession-holder therefore bears "traffic level risk" related to the use of the infrastructure.
In a partnership contract, the private partner is paid by the public authority, the amount being tied to performance targets, regardless of the infrastructure's level of usage. The private partner therefore bears no traffic level risk.

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