HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2021

Management report for the first half of 2021

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"The first half of 2021 brought a sharp upturn in revenue and earnings compared with 2020. Free cash flow was positive, despite seasonal business variations that traditionally have a negative impact in the early part of the year.

"Business levels and earnings at VINCI Energies and VINCI Construction were outstanding, exceeding levels seen in 2019. Order intake remained strong and the order book rose to a new record level, giving the Group good visibility as it looks forward to the post-Covid era.

"For VINCI Autoroutes, although heavy vehicle traffic was buoyant, light vehicle traffic was still affected by some ongoing travel restrictions. The gradual easing of those restrictions in early May led to rapid growth in traffic, which is now above 2019 levels.

"For VINCI Airports, as in the world's air transport sector as a whole, passenger numbers remained low as a direct consequence of Covid-related travel restrictions. However, demand for air transport remains strong around the world. Although some airports are seeing a return to passenger numbers close to 2019 levels, trends vary depending on the geographic region. Against this backdrop, the Group continued its development, winning the concession for Manaus International Airport and six other small airports in Brazil.

"In April, VINCI announced the signing of an agreement with the ACS group to acquire its energy business. This unique opportunity fits with the Group's strategy to create a global player in energy-related engineering, works and services and to develop renewable energy projects.

"VINCI is continuing to roll out and accelerate its environmental ambition. In late 2020, to encourage everyone across the Group to genuinely share and adopt this ambition, we launched our Environment Awards, open to all VINCI staff members around the world. The impressive dedication and enthusiasm demonstrated by our people, and the number and diversity of the projects submitted, show that the Group's entities are committed to implementing this ambition.

"This collective effort supports our commitment to all-round performance, both in the economic success of our business activities, but also in relation to their workforce-related, social and environmental impacts."

Xavier Huillard
VINCI Chairman and CEO

Key figures

(in € millions)	First half 2021	First half 2020	Change first half 2021/2020	First half 2019	Full year 2020
Revenue (*)	**22,607**	**18,493**	**+ 22.3%**	**21,729**	**43,234**
Revenue generated in France (*)	12,365	9,484	+ 30%	12,262	22,912
% of revenue (*)	*54.7%*	*51.3%*		*56.4%*	*53.0%*
Revenue generated outside France (*)	10,242	9,009	+ 14%	9,467	20,322
% of revenue (*)	*45.3%*	*48.7%*		*43.6%*	*47.0%*
Operating income from ordinary activities	1,598	267	1,332	2,289	2,859
% of revenue (*)	*7.1%*	*1.4%*		*10.5%*	*6.6%*
Recurring operating income	1,467	118	1,349	2,341	2,511
Operating income	1,467	-	1,468	2,348	2,459
Net income attributable to owners of the parent excluding non-current changes in deferred taxes in the United Kingdom	877	(244)	1,121	1,359	1,292
Diluted earnings per share - excluding this effect *(in €)*	1.53	(0.44)	1.97	2.43	2.29
Net income attributable to owners of the parent	**682**	**(294)**	**976**	**1,359**	**1,242**
% of revenue (*)	*3.0%*	*(1.6%)*		*6.3%*	*2.9%*
Diluted earnings per share *(in €)*	1.19	(0.53)	1.72	2.43	2.20
Dividend per share *(in €)*	0.65		0.65	0.79	2.04
Cash flows from operations before tax and financing costs	**3,132**	**1,803**	**1,329**	**3,625**	**5,919**
Operating investments (net of disposals)	(543)	(497)	(46)	(525)	(994)
Operating cash-flow	**811**	**388**	**423**	**823**	**5,075**
Investments in concessions and PPPs	(430)	(569)	139	(507)	(1,085)
Free cash flow	**381**	**(182)**	**563**	**316**	**3,990**
Equity including non-controlling interests	23,232	20,919	2,313	21,434	23,024
Net financial debt	(18,597)	(22,142)	3,545	(24,241)	(17,989)

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

The first half of 2021 brought a considerable year-on-year increases in revenue and income, as well as very solid free cash flow. Compared with the first half of 2019, results from VINCI Energies and VINCI Construction improved, while the figures from concessions continued to suffer from persistently low levels of air traffic and, to a lesser extent, road traffic.

Consolidated revenue totalled €22.6 billion in the first half of 2021, up 22.3% relative to the first half of 2020 and up 21.7% like for like. Compared with the first half of 2019, revenue grew 4%

Ebitda amounted to €3,132 million (€1,803 million in the first half of 2020 and €3,625 million in the first half of 2019), equal to 13.9% of revenue (compared with 9.7% in the first half of 2020 and 16.7% in the first half of 2019).

Operating income from ordinary activities (Ebit) stood at €1,598 million, significantly up on the first half of 2020 (€267 million), yet still below the level achieved the first half of 2019 (€2,289 million). Ebit margin came out at 7.1% (1.4% in the first half of 2020 and 10.5% in the first half of 2019).

Recurring operating income reached €1,467 million (€118 million in the first half of 2020 and €2,341 million in the first half of 2019), including the impact of share-based payments (IFRS 2), the contribution from companies accounted for under the equity method, which remained negative for VINCI Airports, and other recurring operating items.

The Group generated €682 million in consolidated net income attributable to owners of the parent of, resulting in earnings per share[1] of €1.19 (as opposed to a net loss of €294 million and a loss per share of €0.53 in the first half of 2020 as well as net income of €1,359 million and earnings per share of €2.43 in the first half of 2019). This figure includes a non-recurring expense in respect of deferred tax liabilities after the UK announced it will increase corporation tax from 19% to 25% from 2023. Primarily affecting the contribution from London Gatwick airport, this expense represents a total of nearly €200 million, with no impact on the cash position. Stripping out this effect, consolidated net income attributable to owners of the parent totalled €877 million (€1.53 per share).

Operating cash flow (before taking account of growth investments in concessions) amounted to €811 million, level on the first half of 2019 (€823 million, and €388 million in the first half of 2020). Free cash flow came out at €381 million, significantly up on the last two periods (an outflow of €182 million in the first half of 2020 and an inflow of €316 million in the first half of 2019).
Net financial debt stood at €18.6 billion at 30 June 2021, down over €3.5 billion over a 12-month period and up €0.6 billion relative to 31 December 2020. VINCI maintained a large amount of liquidity (€17.3 billion at 30 June 2021), comprising €9.0 billion of managed net cash,

[1] After taking into account dilutive instruments

€0.3 billion in outstanding commercial papers and €8.0 billion of unused confirmed bank credit facilities.

At VINCI Energies and VINCI Construction, order intake totalled €22.4 billion in the first half of 2021, almost level year on year despite a very challenging base due to major contracts won by the Group in the first half of 2020. This solid performance reflects the signature of a number of significant contracts in the first half of 2021 and the positive shift in order intake concerning mid-sized contracts in France.

At 30 June 2021, the order book stood at €46.0 billion, up 9% on 31 December 2020 and up 7% on 12 months, representing almost 14 months of average business activity at VINCI Energies and VINCI Construction. International business made up 62% of the order book at end-June 2021.

1. Key events in the period

1.1 Main changes in scope

VINCI Immobilier
In January 2021, VINCI Immobilier acquired a 50.1% stake in Urbat Promotion, a property developer that specialises in the construction of affordable homes in the south of France. This acquisition brought VINCI Immobilier's total stake in the company to 100%, after it purchased a 49.9% stake in January 2019.

VINCI Energies
VINCI Energies has made around 20 acquisitions in Europe and the US since the start of the year, representing full year revenue of approximately €100 million.

Formation of the new VINCI Construction business line
At the start of 2021, VINCI Construction and Eurovia were combined under the authority of Pierre Anjolras. The new structure makes it possible to optimise operations and boost synergy by combining them within the same business line, named VINCI Construction.

ACS Industrial Services
On 1 April, VINCI announced it had signed an agreement with the Spanish group ACS to acquire its energy business. The transaction is consistent with VINCI's strategy to build a global player in energy contracting, develop a platform for renewables projects, broaden the portfolio of concessions and extend its average maturity. It will also enable VINCI to enhance its contribution to the climate transition.
The scope of the acquisition covers:
- Most of the ACS Industrial Services contracting business, representing a workforce of around 45,000 employees in some 50 countries.
- Eight greenfield concessions under development and/or construction, mainly in the electrical transmission field.
- ACS's renewables development platform, which has a long and recognised track-record of developing renewables concessions projects.

The transaction price is based on an enterprise value of €4.2 billion, which leads to an estimated purchase price at closing of approximately €4.9 billion. The acquisition is subject to customary regulatory approvals, including merger control, and is anticipated to close around the end of 2021.

VINCI Concessions
On 23 April 2021, VINCI Concessions entered into an agreement for exclusive negotiations with Eiffage with a view to file a simplified tender offer, followed by a squeeze-out, if the conditions for implementation are met, for the shares of Société Marseillaise du Tunnel Prado Carénage (SMTPC) at a price of €23.0 per share (cum dividend).
The final agreements would be entered into after going through the information and consultation process with the employee representative bodies of VINCI Concessions and SMTPC. The completion of these agreements will remain subject to the approval of the relevant competition authorities. Thus, VINCI Concessions and Eiffage will only act in concert if the final agreements are signed and the authorisations are obtained.

Details of these transactions were included in the notes to the consolidated financial statements (note A2 - Changes in the scope of consolidation).

1.2 Commercial successes for VINCI Energies and VINCI Construction

VINCI Construction and VINCI Energies order intake in the first half of 2021 amounted to €22.4 billion, dipping slightly (2%) year on year given the major contracts won in the first half of 2020 (in particular the HS2 project in the UK, worth €3.3 billion). Order intake fell 10% at VINCI Construction and rose 15% at VINCI Energies. It was boosted by several major contracts won, the most significant were as follows:

VINCI Energies
- Building 1,500 km of power lines and distribution networks and 11 transformer stations in Benin.
- Renewing the maintenance contract for the post and parcel sorting machines for the groupe La Poste in France for a further five years.
- Connecting the electrical grid to the Sweden's largest solar power plant in Härad.
- Designing and installing the new cloud architecture for the city of Utrecht (Netherlands) and managing the system for a period of seven years.
- Designing and developing the IT infrastructure for Italy's largest vaccination centre, located in Milan.
- Completing the multi-technical work packages in the project to build the highest tower in Africa (404 meters) in Abidjan, Côte d'Ivoire.

VINCI Construction

- Building the Femern tunnel, the world's longest immersed road and rail tunnel connecting Denmark and Germany.
- Completing the works package 2 on the Lyon-Turin rail line to build 46 km of tunnels in Savoie (France).
- Building a liquefied natural gas tank on the Isle of Grain in the UK.
- Upgrading a stretch of one of the main routes in Melbourne, Australia.
- Developing the Highway 40 in Grande Prairie, Canada.

1.3 Financing activities

New financing

In March, Gatwick Airport Finance plc – the holding company of Gatwick Airport Ltd – issued £450 million of senior secured notes maturing in 2026, with a coupon of 4.375%.

In April, London Gatwick issued £300 million of senior secured notes maturing in 2032 with a coupon of 2.5%, in order to refinance its £300 million credit line set up in April 2020.

On 30 June 2021, VINCI successfully issued a 10.5-year €750 million bond carrying an annual coupon of 0.5%. The funds were received on 9 July.

Debt repayments

In May, Cofiroute repaid a €1.1 billion bond, issued in 2006 and increased in 2007, with a coupon of 5%.

At 30 June 2021, the Group's long-term gross financial debt totalled €27.6 billion, with an average maturity of 7.7 years (7.7 years at 31 December 2020).

1.4 Other key events

VINCI Airports

In April, following a call for tenders initiated by ANAC (Agência Nacional de Aviação Civil), VINCI Airports was awarded a 30-year concession for seven airports in northern Brazil, including Manaus. Gateway to the Amazon region and neighbouring Brazilian states, these airports welcomed 4.7 million passengers in 2019 and are essential for opening up a vast region of 3.8 million km^2.

On 23 July 2021, VINCI Airports signed a contract with the Haute-Savoie department to become the concession holder of the Annecy Mont-Blanc airport for a period of 15 years as of 1 January 2022.

VINCI Concessions

The synergy developed over many years at VINCI between its construction and concessions businesses have enabled it to win two PPP contracts for motorways in 2021:

- In April, the consortium consisting of VINCI Highways (lead company) and Meridiam (50/50) completed the financing of the PPP contract for the D4 motorway in the Czech Republic. The construction work for the first motorway public-private partnership in the country will be carried out by Eurovia.
- In July, VINCI won the contract for the new B247 federal road in Germany. The first federal road to be delivered and operated under a PPP scheme in Germany, the project consolidates VINCI Concessions' position as the country's leading motorway concession company, with a total of five PPPs, developed in synergy with VINCI Construction's local subsidiaries, which will be carrying out the work.

VINCI Construction

On 21 June 2021, VINCI Construction France handed over the renovated buildings for La Samaritaine to the LVMH group following the complex and technical revamp of the 70,000 m^2 space in the heart of Paris. The work, which started in 2015, involved up to 700 employees daily, including experts in listed heritage renovation.

2. Revenue

Consolidated revenue totalled €22.6 billion in the first half of 2021, up 22.3% on an actual basis relative to the first half of 2020 and up 21.7% like for like (net of a positive scope effect of 1.2% and a negative foreign currency effect of 0.6%). The recovery was particularly significant in France, where operations were heavily affected by the first lockdown imposed on 17 March 2020. Compared with the first of 2019, revenue grew 4 % on an actual basis.

Concessions revenue equalled €2.9 billion, up 11.9% on an actual basis (12.7% like for like) relative to the first half of 2020, but down 24% on an actual basis relative to the first half of 2019.

VINCI Energies revenue came out at €7.2 billion, up 12% on the first half of 2019 and 16.8% on the first half of 2020.

VINCI Construction revenue amounted to €12.2 billion, up 7.2% on an actual basis relative to the first half of 2019 and 26.6% relative to the first half of 2020.

In France, revenue totalled €12.4 billion, up 0.8% on the same period in 2019 and up 30.4% on an actual basis (29.4% at constant scope) relative to the first half of 2020. Revenue grew 24% in concessions, 25% at VINCI Energies, 32% at VINCI Construction, and 70% at VINCI Immobilier.

Outside France, revenue stood at €10.2 billion, up 13.7% on an actual basis and 13.6% like for like relative to the first half of 2020. This includes a positive scope effect of 1.4% and a negative foreign currency effect of 1.3%, primarily due to the depreciation of the US dollar against the euro. Revenue grew 8.2% on an actual basis relative to the first half of 2019. During the period, 45% of total Group revenue came from outside France (49% in the first half of 2020 and 44% in the first half of 2019).

Revenue by business line

	First half 2021	First half 2020	Change first half 2021/2020		First half 2019
(in € millions)			Actual	Comparable	
Concessions	2,900	2,592	+ 11.9%	+ 12.7%	3,836
VINCI Autoroutes	2,393	1,892	+ 26.5%	+ 26.5%	2,608
VINCI Airports	371	592	(37.3%)	(36.1%)	1,070
Other concessions	136	108	+ 25.7%	+ 34.8%	158
VINCI Energies	7,162	6,133	+ 16.8%	+ 14.9%	6,370
VINCI Construction	12,151	9,602	+ 26.6%	+ 27.2%	11,337
VINCI Immobilier	742	436	+ 70.1%	+ 54.9%	470
Intragroup eliminations	*(348)*	*(270)*			*(284)*
Revenue(*)	**22,607**	**18,493**	**+ 22.3%**	**+ 21.7%**	**21,729**
Concession subsidiaries' works revenue	*326*	*400*	*(18.6%)*	*(17.0%)*	*447*
Intragroup eliminations	*(54)*	*(69)*			*(124)*
Concession subsidiaries' revenue derived from works carried out by non-Group companies	**272**	**331**	**(17.9%)**	**(16.0%)**	**323**
Total consolidated revenue	**22,879**	**18,824**	**+ 21.5%**	**+ 21.0%**	**22,052**

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

CONCESSIONS: €2,900 million (up 11.9% on an actual basis, up 12.7% like for like)

VINCI Autoroutes: revenue equalled €2,393 million, down 8% on the first half of 2019, but up 26.5% on the first half of 2020. Traffic increased 28.6% (light vehicles up 31.7% and heavy vehicles up 16.2%) compared with the first half of 2020. Compared with the first half of 2019, traffic contracted 13.7%. Heavy vehicle traffic remained strong (up 2.0%) buoyed by well sustained economic activity in France and the expansion of online retailing. However, light vehicle traffic continued to be hit by measures restricting travel, falling 16.5%. Traffic rapidly bounced back when people in France were allowed to travel beyond a 10-km radius from their homes in early May.

VINCI Airports: revenue came out at €371 million, down 37% from €592 million in the first half of 2020 and down 65% from €1,070 million in the first half of 2019. Passenger numbers dropped 50% relative to the first half of 2020 and 81% relative to the first half of 2019. The decline in commercial aircraft movements was more limited (down 63%). Performance varied by geographic region, with a return to normal in the US, the Dominican Republic and Costa Rica, while traffic remained significantly below pre-pandemic levels in Europe, despite an uptick in June in Portugal, France and Serbia, and traffic stayed very low at London Gatwick, in Japan and Cambodia.

Other concessions: revenue totalled €136 million, up 26% on the first half of 2020, but still 14% below the figure recorded in the first half of 2019. VINCI Highways revenue came out level on the first half of 2019, primarily driven by Lima Expresa (which holds the concession for the Lima ring road in Peru), Gefyra (which holds the concession for the Rion–Antirion bridge in Greece), VINCI Stadium and Mesea (the company in charge of maintaining and operating the South Europe Atlantic high-speed rail line between Tours and Bordeaux).

VINCI Energies: revenue amounted to €7,162 million, up 16.8% on an actual basis and 14.9% like for like relative to the first half of 2020 as well as up 12.4% on an actual basis relative to the first half of 2019.
The increase was driven by a buoyant economic environment and, to a lesser extent, the impact of external growth operations. Around 20 acquisitions have been finalised since the start of 2021, representing annual revenue of approximately €100 million.
In France, revenue rose to €3,305 million (46% of total contracting revenue), up 12.3% on an actual basis relative to the first half of 2019 and up 25.3% on an actual basis relative to the first half of 2020 (24.8% like for like).
Outside France, revenue increased to €3,858 million (54% of total contracting revenue), up 10.3% on an actual basis (7.6% like for like) relative to the first half of 2020 and up 12.5% relative to the first half of 2019. Revenue grew in Europe, North America, Africa and Asia/Oceania, but decreased in Brazil and the Middle East.

VINCI Construction: revenue increased to €12,151 million, up 26.6% on an actual basis and 27.2% like for like relative to the first half of 2020 as well as up 7.2% on an actual basis relative to the first half of 2019.
In France, revenue amounted to €6,139 million (51% of total construction revenue), up 32.3% on an actual basis and 32.0% like for like relative to the first half of 2020, a period during which most worksites were forced to shut down for over a month. Revenue is close to that of the first half of 2019 (-2.1% on an actual basis). Activity remained high in public works and civil engineering (boosted by the Grand Paris Express programme) as well as in road, rail and earth works. Building construction activity was driven by several major projects in the Greater Paris region.
Outside France, revenue reached €6,012 million (49% of total construction revenue), up 21.2% on an actual basis and 22.7% like for like relative to the first half of 2020 as well as up 18.7% on an actual basis relative to the first half of 2019. Over the first six months of 2021, several major projects ramped up, including two works packages on the HS2 project in the UK.

VINCI Immobilier: revenue totalled €742 million, up 70.1% on an actual basis and 54.9% like for like relative to the first half of 2020, as well as up 57.8% on an actual basis relative to the first half of 2019.
Revenue, including the Group's share in joint developments, came out at €804 million, up 52% (excluding Urbat Promotion) compared with the first half of 2020 and 34% on the first half of 2019. The increase was in particular boosted by a high level of production of non-residential developments already in the pipeline.
The number of homes reserved in France rose to 3,281, up approximately 10% on the first half of 2019 following the integration of Urbat Promotion. Stripping out this effect, the number of reservations remained level on the first half of 2019, buoyed by strong demand and in spite of the continued delays in obtaining planning permission.

Revenue by geographical area

				Change first half 2021/2020		
(in € millions)	First half 2021	% of total	First half 2020	Actual	At constant exchange rates	First half 2019
France	**12,365**	**54.7%**	**9,484**	**+ 30.4%**	**+ 30.4%**	**12,262**
Germany	1,466	6.5%	1,436	+ 2.0%	+ 2.0%	1,371
United Kingdom	1,506	6.7%	1,234	+ 22.0%	+ 21.2%	1,301
Central and Eastern Europe	946	4.2%	851	+ 11.2%	+ 11.7%	884
Rest of Europe	2,143	9.5%	1,980	+ 8.2%	+ 7.9%	2,216
Europe excluding France	**6,060**	**26.8%**	**5,501**	**+ 10.2%**	**+ 10.0%**	**5,771**
Americas	2,257	10.0%	1,843	+ 22.4%	+ 31.3%	1,800
Of which United States	*996*	*4.4%*	*1,060*	*(6.1%)*	*+ 4.3%*	*892*
Africa	720	3.2%	627	+ 14.8%	+ 18.0%	687
Russia, Asia Pacific and Middle East	1,205	5.3%	1,037	+ 16.2%	+ 14.4%	1,209
International excluding Europe	**4,182**	**18.5%**	**3,508**	**+ 19.2%**	**+ 23.7%**	**3,696**
Total International	**10,242**	**45.3%**	**9,009**	**+ 13.7%**	**+ 15.2%**	**9,467**
Revenue(*)	**22,607**	**100.0%**	**18,493**	**+ 22.3%**	**+ 23.0%**	**21,729**

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

3. Results

3.1 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) reached €1,598 million, significantly higher than in the first half of 2020 (€267 million) yet still below the level achieved in the first half of 2019 (€2,289 million). Ebit margin came out at 7.1% (compared with 1.4% in the first half of 2020 and 10.5% in the first half of 2019).

Operating income from ordinary activities/operating income

(in € millions)	First half 2021	% of revenue(*)	First half 2020	% of revenue(*)	Change first half 2021/2020	First half 2019
Concessions	944	32.6%	545	21.0%	399	1,844
VINCI Autoroutes	1,180	49.3%	701	37.0%	479	1,407
VINCI Airports	(251)	(67.6%)	(127)	(21.4%)	(124)	432
Other concessions	15	-	(29)	-	44	5
VINCI Energies	428	6.0%	186	3.0%	241	378
VINCI Construction	213	1.8%	(441)	(4.6%)	654	53
VINCI Immobilier	11	1.5%	(27)	(6.3%)	39	5
Holding companies	2	-	4	-	(1)	8
Operating income from ordinary activities (Ebit)	**1,598**	**7.1%**	**267**	**1.4%**	**1,332**	**2,289**
Share-based payments (IFRS 2)	(115)	-	(90)	-	(26)	(100)
Income/(loss) of companies accounted for under the equity method	(17)	-	(88)	-	71	121
Other recurring operating items	1	-	29	-	(28)	32
Recurring operating income	**1,467**	**6.5%**	**118**	**0.6%**	**1,349**	**2,341**
Non-recurring operating items	-	-	(119)	-	119	7
Operating income	**1,467**	**6.5%**	**-**	**(0.0%)**	**1,468**	**2,348**

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 work carried out by non-Group companies.

In **concessions**, Ebit amounted to €944 million, equal to 32.6% of revenue, up €399 million on the first half of 2020 (€545 million and 21% of revenue) but still below the level achieved in the first half of 2019 (€1,844 million and 48% of revenue).

At **VINCI Autoroutes**, Ebit totalled €1,180 million, equal to 49.3% of revenue. Although significantly up on the first half of 2020 (€701 million and 37% of revenue) boosted by the recovery in revenue, it remained 16% down on the first half of 2019 (€1,407 million and 53.9% of revenue).

VINCI Airports limited its losses to €251 million in the first half of 2021 (compared with a loss of €127 million in the first half of 2020 and income of €432 million in the first half of 2019). The impact of the pandemic was not felt before mid-March 2020, after a very strong start to the year. In addition, the cost structure of the business line, which mainly comprise fixed costs, did not make it possible to absorb the slump in revenue, despite drastic cost cutting.

At **VINCI Energies**, Ebit reached €428 million and Ebit margin rose to 6.0%, above levels in the first half of 2019 (€378 million and 5.9%, as well as €186 million and 3.0% in the first half of 2020). The majority of operations and regions contributed to this solid performance, in particular France and Germany.

At **VINCI Construction**, Ebit soared to €213 million, compared with a loss of €441 million in the first half of 2020 and income of €53 million in the first half of 2019. Ebit margin, which had dropped from 0.5% in the first half of 2019 to -4.6% in the first half of 2020 after construction activity was forced to shut down for several weeks in France during the second quarter, rose to 1.8% in the first half of 2021, following on from the improvement initiated in the second half of 2020. It also reflects the reduction of causes of loss by restructuring oil & gas operations and completing a number of complex building projects in France. As certain activities and regions experience considerable seasonal variations that affect coverage of overheads, Ebit margin from the first half of the year is not representative of its expected full-year performance.

At **VINCI Immobilier**, Ebit totalled €11 million with Ebit margin of 1.5%, in improvement compared to the first half of 2019 (€5 million and 1.1% of revenue) and the first half of 2020 (loss of €27 million and -6.3% of revenue).

Recurring operating income came out at €1,467 million compared with €118 million the previous year (€2,341 million in the first half of 2019). This includes:

- €115 million in share-based payment expenses, which corresponds to the benefits granted to employees under the Group's savings and performance share plans, compared with €90 million in the first half of 2020.

• Other recurring operating items producing a net expense of €15 million (compared with a €59 million net expense in the first half of 2020 and net income of €153 million in the first half of 2019), including the contribution of equity-accounted companies, which continued to be negative for VINCI Airports.

Recurring operating income by business line

(in € millions)	First half 2021	% of revenue(*)	First half 2020	% of revenue(*)	Change first half 2021/2020	First half 2019
Concessions	883	30.4%	474	18.3%	409	1,954
VINCI Autoroutes	1,176	49.2%	698	36.9%	478	1,402
VINCI Airports	(293)	(78.8%)	(201)	(34.0%)	(91)	518
Other concessions	(1)	-	(23)	-	22	34
VINCI Energies	387	5.4%	154	2.5%	233	348
VINCI Construction	178	1.5%	(481)	(5.0%)	659	25
VINCI Immobilier	21	2.9%	(29)	(6.7%)	50	12
Holding companies	(1)	-	1	-	(2)	2
Recurring operating income	**1,467**	**6.5%**	**118**	**0.6%**	**1,349**	**2,341**

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

The Group did not registrered any material non-recurring operating items in the first half of 2021. In the first half of 2020, the €119 million net expense included €68 million in impairment of goodwill concerning, for the most part, VINCI Energies in the United States, as well as restructuring costs and asset write-downs, particularly at VINCI Construction and VINCI Airports.

After taking account of both recurring and non-recurring items, operating income totalled €1,467 million in the first half of 2021, after falling to zero in the first half of 2020 and €2,348 million in the first half of 2019.

3.2 Net income

In the first half of 2021, the Group generated consolidated net income attributable to owners of the parent of €682 million (3.0% of revenue) compared with a net loss of €294 million in the first half of 2020 and net income of €1,359 million (6.3% of revenue) in the first half of 2019. This includes a non-recurring expense in respect of deferred tax liabilities after the UK announced it will increase corporation tax from 19% to 25% from 2023. Primarily affecting the contribution from London Gatwick airport, this expense represents nearly €200 million, with no impact on the cash position. Excluding this effect, consolidated net income attributable to owners of the parent was €877 million.

Net earnings per share for the first half of 2021, after taking account of dilutive instruments, came out at €1.19 (compared with a net loss per share of €0.53 in the first half of 2020 and net earnings per share of €2.43 in the first half of 2019).

The cost of net financial debt came out at €319 million in the first half of 2021 (€303 million in the first half of 2020) rising primarily as a result of higher levels of outstanding debt from London Gatwick airport in the UK. Over the rest of the scope of consolidation, solid cash generation throughout the second half of 2020 and the 2020 refinancing operations to access lower rates than those of the debt repaid enabled the Group to reduce the costs of financial debt, despite negative interest rates. In the first half of 2021, the average interest rate on long-term gross financial debt amounted to 2.3%, level on the first half of 2020 and the full year.

Other financial income and expense resulted in net income of €17 million, compared with a net expense of €9 million in the first half of 2020. In the first half of 2021, this line comprised:

• A €14 million expense in respect of the cost of discounting retirement benefit obligations and provisions for the obligation to maintain the condition of concession intangible assets (€3 million expense in the first half of 2020).
• A €22 million gain relating to capitalised borrowing costs on current concession investments (gain of €19 million in the first half of 2020).
• €21 million in IFRS 16 lease expenses (level on the first half of 2020).
• A €28 million gain in the fair value of equity instruments, mainly concerning the shareholding in the ADP Group.

The tax expense for the first half of 2021 totalled €798 million, including the €386 million expense generated by the tax rise introduced by the UK (from 19% to 25% from 2023), causing the Group to re-evaluate the deferred tax liabilities arising in relation to the valuation difference on the company that owns London Gatwick, which has no impact in cash. Stripping out this effect, the Group tax expense would come out at €412 million, leading to an effective tax rate of 34.9%.

Losses attributable to non-controlling interests amounted to €314 million (loss of €124 million in the first half of 2020), which includes the €299 million loss attributable to London Gatwick Airport, €191 million of which relates to the re-evaluation of deferred taxes.

4. Cash flows

(in € millions)	First half 2021	First half 2020	Change first half 2021/2020
Cash flow from operations before tax and financing costs (Ebida)	**3,132**	**1,803**	**1,329**
% of revenue	13.9%	9.7%	
Changes in operating working capital requirement and current provisions	(735)	471	(1,206)
Income taxes paid	(453)	(774)	320
Net interest paid	(326)	(351)	25
Dividends received from companies accounted for under the equity method	37	31	6
Cash flow from operating activities	**1,655**	**1,180**	**475**
Net operating investments	(543)	(497)	(46)
Repayments of lease liabilities and financial expense on lease contracts	(302)	(296)	(6)
Operating cash flow	**811**	**388**	**423**
Growth investments in concessions	(430)	(569)	139
Free cash flow	**381**	**(182)**	**563**
of which Concessions	830	(47)	876
of which VINCI Energies and VINCI Construction	(368)	(250)	(118)
of which VINCI Immobilier and holding companies	(80)	115	(195)
Net financial investments	(138)	(121)	(17)
Others	(33)	(23)	(9)
Free cash flow after growth financing	**211**	**(326)**	**536**
Capital increases and reductions	605	77	528
Transactions and treasury shares	-	(336)	336
Dividend paid	(1,173)	(9)	(1,164)
Subtotal capital transactions	**(568)**	**(267)**	**(301)**
Net cash flow during the period	**(357)**	**(593)**	**236**
Other changes	(251)	105	(356)
Change in net financial debt	**(608)**	**(488)**	**(120)**
Net financial debt	**(18,597)**	**(22,142)**	**3,545**

Ebitda amounted to €3,132 million in the first half of 2021 (compared with €1,803 million in the first half of 2020 and €3,625 million in the first half of 2019), equal to 13.9% of revenue, compared with 9.7% in the first half of 2020 and 16.7% in the first half of 2019.

Ebitda from **concessions** rose 25% to €1,879 million (€1,502 million in the first half of 2020 and €2,692 million in the first half of 2019), equal to 64.8% of revenue (57.9% in the first half of 2020 and 70.2% in the first half of 2019).

Ebitda at **VINCI Autoroutes** soared 36.4% to €1,805 million (€1,324 million in the first half of 2020). It remains below the level of the first half of 2019 (€2,004 million). Ebitda margin came out at 75.4% in the first half of 2021, close to the 76.8% margin of the first half of 2019 (69.9% in the first half of 2020).

Ebitda at **VINCI Airports** was close to zero in the first half of 2021 (€140 million in the first half of 2020 and €608 million in the first half of 2019).

Ebitda at **VINCI Energies** rose to €518 million, equal to 7.2% of revenue, compared with €361 million and 5.9% of revenue in the in the first half of 2020 as well as €508 million and 8.0% of revenue in the first half of 2019.

Ebitda at **VINCI Construction** totalled €555 million, equal to 4.6% of revenue, compared with a €57 million loss and -0.6% of revenue in the first half of 2020 as well as €368 million and 3.2% of revenue in the first half of 2019.

Ebitda by business line

(in € millions)	First half 2021	% of revenue(*)	First half 2020	% of revenue(*)	Change first half 2021/2020	First half 2019
Concessions	1,879	64.8%	1,502	57.9%	377	2,692
VINCI Autoroutes	1,805	75.4%	1,324	69.9%	482	2,004
VINCI Airports	(3)	(0.9%)	140	23.7%	(144)	608
Other concessions	77	-	38	-	39	80
VINCI Energies	518	7.2%	361	5.9%	156	508
VINCI Construction	555	4.6%	(57)	(0.6%)	612	368
VINCI Immobilier	22	3.0%	(18)	(4.0%)	40	11
Holding companies	158	-	14	-	143	46
Ebitda	**3,132**	**13.9%**	**1,803**	**9.7%**	**1,329**	**3,625**

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

The change in the working capital requirement relating to business activities and current provisions usually represents a deterioration in the first half of the year due to seasonal variations in operations at VINCI Energies and VINCI Construction. Accordingly, it deteriorated by €735 million, well below the drop recorded in the first half of 2019 (€1,354 million). These figures must be assessed in the light of the remarkable improvement of the working capital requirement achieved from the second quarter of 2020, when a particularly high levels of trade receivables were collected at VINCI Energies and VINCI Construction, and advances rose considerably after the Group won several major construction projects.

Income taxes paid fell by €321 million to €453 million (€774 million in the first half of 2020 and €529 million in the first half of 2019).

Net interest paid came out at €326 million in the first half of 2021, down €25 million on the first half of 2020 (€351 million).

Dividends paid by companies accounted for under the equity method amounted to €37 million in the first half of 2021 (€31 million in the first half of 2020).

Cash flow from operating activities[2] therefore totalled €1,655 million, up €475 million on the first half of 2020 (€1,180 million) and €53 million on the first half of 2019 (€1,602 million).

After accounting for €543 million in operating investments net of disposals, up €46 million on the first half of 2020 (€497 million) and €302 million of lease liability repayments (level on the first half of 2020), **operating cash flow**[2] came out at €811 million (€388 million in the first half of 2020), similar to the numbers recorded in the first half of 2019 (€823 million).
Growth investments in concessions and public-private partnerships totalled €430 million (€569 million in the first half of 2020 and €507 million in the first half of 2019), which includes investments of €361 million made by VINCI Autoroutes (€377 million in the first half of 2020) and €68 million made by VINCI Airports (€189 million in the first half of 2020), in particular in Serbia.

Free cash flow[2] came out positive at €381 million (compared with a negative cash flow of €182 million in the first half of 2020 and a positive cash flow of €316 million in the first half of 2019), which comprises an inflow of €830 million in concessions (including a €1,023 million inflow at VINCI Autoroutes and a €286 million outflow at VINCI Airports) and an outflow of €368 million at VINCI Energies and VINCI Construction (outflows of €47 million and €250 million, respectively, in the first half of 2020 as well as an inflow of €1,191 million and an outflow of €987 million, respectively, in the first half of 2019).

Financial investments, net of disposals, which totalled €170 million, primarily related to the acquisition of Urbat Promotion by VINCI Immobilier and other acquisitions made by VINCI Energies. In the first half of 2020, this figure amounted to €144 million.

Transactions involving VINCI's capital generated a cash inflow of €605 million (compared with an outflow of €259 million in the first half of 2020), which included €613 million in capital increases by VINCI SA in relation to Group savings plans, creating 8.4 million shares. Share buy-backs were suspended in March 2020 and the share buy-back plan approved by the Shareholders' General Meeting of 8 April 2021 has not been implemented to date.

Cash dividends paid by the Group in the first half of 2021 amounted to €1,173 million, including €1,157 million disbursed by VINCI in respect of the 2020 dividend of €2.04 per share.

As a result of these cash flows, together with the negative foreign exchange effect, net financial debt increased by €0.6 million over the first half of 2021, taking the total to €18.6 billion at 30 June 2021.

[2] See glossary

5. Balance sheet and net financial debt

Non-current assets amounted to €55.0 billion at 30 June 2021 (€55.3 billion at 30 June 2020 and €55.1 billion at 31 December 2020), including €40.5 billion in the concessions business (€41.4 billion at 30 June 2020 and €40.9 billion at 31 December 2020) and €13.4 billion for VINCI Energies and VINCI Construction (€13.2 billion at 30 June 2020 and €13.3 billion at 31 December 2020).

After taking account of a net working capital surplus (attributable mainly to VINCI Energies and VINCI Construction) of €7.9 billion, down €0.9 billion on 31 December 2020 (€8.8 billion), capital employed amounted to €47.0 billion at 30 June 2021 (€48.9 billion at 30 June 2020 and €46.3 billion at 31 December 2020). Capital employed in the concessions business amounted to €38.9 billion, accounting for 83% of the total (82% at 30 June 2020 and 85% at 31 December 2020).

Equity totalled €23.2 billion at 30 June 2021, up €2.3 billion on 30 June 2020 (€20.9 billion) and €0.2 billion on 31 December 2020 (€23.0 billion), including €1.9 billion in respect of non-controlling interests (€2.2 billion at 30 June and at 31 December 2020), €1.3 billion of which related to London Gatwick.
The number of shares making up the Group's capital, including treasury shares, rose to 596,880,000 at 30 June 2021 (588,519,218 at 31 December 2020). Treasury shares amounted to 4.0% of capital at 30 June 2021 (4.5% at 31 December 2020).

Net financial debt totalled €18.6 billion at 30 June 2021, down €3.5 billion over 12 months (€22.1 billion at 30 June 2020) but up €0.6 billion on 31 December 2020 (€18.0 billion). This figure breaks down to €27.6 billion in financial debt (€27.9 billion at 31 December 2020) and €9.0 billion in managed net cash (€10.0 billion at 31 December 2020).
Net financial debt for the concessions business and its holding companies stood at €33.5 billion, up €0.8 billion on 31 December 2020 (€32.7 billion). VINCI Energies and VINCI Construction recorded a net financial surplus of €1.4 billion, a €2.1 billion improvement on 30 June 2020 (net financial debt of €0.7 billion) but down €0.6 billion on 31 December 2020 (€2.0 billion). The holding companies and other activities posted a net financial surplus of €13.5 billion, up on 31 December 2020 (€12.8 billion) and including a net balance of loans granted to Group subsidiaries and subsidiaries' investments in holding companies of €14.7 billion.

The ratio of net financial debt to equity came out at 0.8 at 30 June 2021 (0.8 at 31 December 2020). The ratio of net financial debt to Ebitda on a rolling 12-month basis equalled 2.6 at end-June 2021 (3.0 at 31 December 2020).

Liquidity at 30 June 2021 amounted to €17.3 billion (€18.3 billion at 30 June 2020 and €19.2 billion at 31 December 2020), including €9.0 billion in managed net cash, €0.3 billion in outstanding commercial papers (€1.2 billion at 30 June 2020 and €1.0 billion at 31 December 2020) and €8.0 billion in unused confirmed bank credit facilities held by VINCI, €7.7 billion of which is due to expire in November 2025. London Gatwick held a £300 million credit facility expiring in June 2025 that was fully used at 30 June 2021.

Net financial surplus (debt)

(in € millions)	30/06/2021	including external financial surplus (debt)	Net financial debt/Ebitda	30/06/2020	including external financial surplus (debt)	31/12/2020	including external financial surplus (debt)	Change 30/06/2021 / 30/06/2020	Change 30/06/2021 / 31/12/2020
Concessions	(33,465)	(19,644)	x 8,7	(33,777)	(20,143)	(32,718)	(20,409)	312	(747)
VINCI Autoroutes	(18,037)	(13,336)	x 4,9	(19,668)	(14,500)	(18,318)	(14,484)	1,631	281
VINCI Airports	(11,515)	(5,691)	NS	(10,691)	(4,876)	(11,053)	(5,264)	(824)	(462)
Other concessions	(3,913)	(618)		(3,418)	(767)	(3,347)	(661)	(495)	(566)
VINCI Energies	(226)	392	x 0,2	(1,178)	248	(256)	405	953	30
VINCI Construction	1,623	1,268		472	1,173	2,211	1,760	1,151	(588)
Holding companies and miscellaneous	13,470	(613)		12,340	(3,421)	12,774	255	1,130	696
Total	**(18,597)**	**(18,597)**	**x 2,6**	**(22,142)**	**(22,142)**	**(17,989)**	**(17,989)**	**3,545**	**(608)**

6. Order book

At 30 June 2021, the order book of VINCI Energies and VINCI Construction reached a record high of €46.0 billion, up nearly 9% on 31 December 2020 (up 3% in France and up 12% outside France) and 7% over a 12-month period (down 4% in France and up 15% outside France), representing 14 months of average business activity. Orders outside France accounted for 62% of the order book at end-June 2021 (60% at end-December 2020).

VINCI Energies' order book at 30 June 2021 stood at €11.2 billion, up 13% since the start of the year (up 9% in France and up 16% outside France) and 10% over a 12-month period (up 3% in France and up 16% outside France), representing 9 months of average business activity.

VINCI Construction's order book stood at €34.8 billion, up 7 % over a six-month period (level in France and up 11% outside France) and 6.5% over a 12-month period (down 6% in France and up 15% outside France), representing 16 months of average business activity.

Order book(*)

(in € billions)	30/06/2021	of which France	of which outside France	30/06/2020	31/12/2020
VINCI Energies	11.2	5.0	6.3	10.2	9.9
VINCI Construction	34.8	12.4	22.4	32.7	32.5
VINCI Immobilier	1.0	1.0	-	1.1	1.1

(*) Unaudited data

7. Outlook

For **VINCI Energies** and **VINCI Construction**, the Group has raised its guidance: the strong start to the year and the large order books mean that VINCI now expects to achieve revenue and operating margins in excess of 2019 levels at both of these business lines, barring exceptional events.

In **Concessions**, business levels continue to depend on measures taken in response to the Covid-19 situation in France and abroad, and on the resulting travel restrictions. Given the continuing uncertainty as to how the pandemic may develop, it is still not possible at this stage to offer reliable forecasts regarding VINCI Airports passenger numbers for the next few quarters.

For **VINCI Autoroutes** nevertheless, the traffic recovery is expected to continue, barring the implementation of new travel restrictions in France.

Due to these unknowns and the weight of the Concessions business on the Group's overall performance, VINCI cannot provide reliable forecasts for 2021 earnings, which will not recover to 2019 levels in 2021.

However, VINCI has strengths that will enable it to get back onto a trajectory of consistent growth, its energy services, construction and mobility businesses playing a central role in green growth.

8. Interim dividend

On 29 July 2021, the Board of Directors approved the payment of a 2021 interim dividend of €0.65 per share. It will be paid in cash on 18 November 2021 (execution date: 16 November 2021).

9. Main transactions with related parties

The main transactions with related parties are described in Note K.28 to the condensed half-year consolidated financial statements.

10. 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 2020 Universal Registration Document.

Condensed consolidated interim financial statements at 30 June 2021

Consolidated interim financial statements

Consolidated income statement for the period

(in € millions)	Notes	First half 2021	First half 2020	Full year 2020
Revenue (*)	**1-2**	**22,607**	**18,493**	**43,234**
Concession subsidiaries' revenue from work carried out by non-Group companies		272	331	696
Total revenue		22,879	18,824	43,930
Revenue from ancillary activities		115	70	188
Operating expenses	4	(21,396)	(18,628)	(41,260)
Operating income from ordinary activities	**1-4**	**1,598**	**267**	**2,859**
Share-based payments (IFRS 2)	27	(115)	(90)	(239)
Profit/(loss) of companies accounted for under the equity method	4-10	(17)	(88)	(146)
Other recurring operating items		1	29	38
Recurring operating income	**4**	**1,467**	**118**	**2,511**
Non-recurring operating items	4	-	(119)	(52)
Operating income	**4**	**1,467**	**-**	**2,459**
Cost of gross financial debt		(326)	(317)	(609)
Financial income from cash investments		7	14	21
Cost of net financial debt	**5**	**(319)**	**(303)**	**(589)**
Other financial income and expense	6	17	(9)	(47)
Income tax expense	7	(798)	(107)	(807)
Net income		**368**	**(419)**	**1,015**
Net income attributable to non-controlling interests		(314)	(124)	(226)
Net income attributable to owners of the parent		**682**	**(294)**	**1,242**
Basic earnings per share *(in €)*	8	1.20	(0.53)	2.23
Diluted earnings per share *(in €)*	8	1.19	(0.53)	2.20

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

Consolidated comprehensive income statement for the period

(in € millions)	First half 2021	First half 2020	Full year 2020
Net income	**368**	**(419)**	**1,015**
Changes in fair value of cash flow and net investment hedging instruments (*)	(74)	38	130
Hedging costs	(6)	(9)	(22)
Tax (**)	(31)	61	46
Currency translation differences	312	(602)	(795)
Share of profit/(loss) of companies accounted for under the equity method, net	62	(58)	(44)
Other comprehensive income that may be recycled subsequently to net income	**263**	**(570)**	**(684)**
Equity instruments	-	(1)	(2)
Actuarial gains and losses on retirement benefit obligations	46	(36)	143
Tax	(13)	(1)	(27)
Share of profit/(loss) of companies accounted for under the equity method, net	-	-	-
Other comprehensive income that may not be recycled subsequently to net income	**33**	**(37)**	**114**
Total other comprehensive income recognised directly in equity	**295**	**(607)**	**(570)**
Comprehensive income	**663**	**(1,025)**	**445**
of which attributable to owners of the parent	*911*	*(753)*	*757*
of which attributable to non-controlling interests	*(248)*	*(272)*	*(312)*

(*) 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.
In the first half of 2021, those changes consisted of a positive €116 million impact related to cash flow hedges and a negative €190 million impact related to 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	30/06/2021	30/06/2020	31/12/2020
Non-current assets				
Concession intangible assets	12	25,466	26,389	25,886
Goodwill	9	11,794	11,667	11,619
Other intangible assets	15.1	7,202	6,739	6,846
Property, plant and equipment	15.2	9,965	9,750	9,760
Investments in companies accounted for under the equity method	10	953	1,786	1,035
Other non-current financial assets	11-13	2,283	1,405	2,237
Derivative financial instruments - non-current assets		822	1,407	1,250
Deferred tax assets		489	370	493
Total non-current assets		**58,974**	**59,512**	**59,126**
Current assets				
Inventories and work in progress	16	1,604	1,524	1,428
Trade and other receivables	16	13,934	12,902	12,493
Other current assets	16	5,684	5,406	5,719
Current tax assets		276	637	266
Other current financial assets		67	18	30
Derivative financial instruments - current assets		262	331	201
Cash management financial assets	23	111	157	137
Cash and cash equivalents	23	10,341	7,609	11,765
Total current assets		**32,279**	**28,583**	**32,039**
Total assets		**91,254**	**88,095**	**91,165**

Consolidated balance sheet

Equity and liabilities

(in € millions)	Notes	30/06/2021	30/06/2020	31/12/2020
Equity				
Share capital	20.1	1,492	1,516	1,471
Share premium		12,120	10,959	11,527
Treasury shares	20.2	(1,914)	(3,231)	(2,111)
Other equity instruments		-	39	-
Consolidated reserves		10,600	11,553	10,605
Currency translation reserves		(502)	(498)	(723)
Net income attributable to owners of the parent		682	(294)	1,242
Amounts recognised directly in equity	20.3	(1,140)	(1,346)	(1,148)
Equity attributable to owners of the parent		**21,338**	**18,697**	**20,863**
Equity attributable to non-controlling interests	20.4	1,894	2,222	2,161
Total equity		**23,232**	**20,919**	**23,024**
Non-current liabilities				
Non-current provisions	17	1,162	1,266	1,140
Provisions for employee benefits	26	1,716	1,934	1,733
Bonds	22	23,175	23,150	23,136
Other loans and borrowings	22	2,865	3,267	3,548
Derivative financial instruments - non-current liabilities		390	543	434
Non-current lease liabilities	18	1,453	1,337	1,407
Other non-current liabilities		668	683	669
Deferred tax liabilities		2,941	2,523	2,606
Total non-current liabilities		**34,370**	**34,705**	**34,673**
Current liabilities				
Current provisions	16	5,061	4,654	4,973
Trade payables	16	9,579	8,152	8,876
Other current liabilities	16	14,531	14,329	14,668
Current tax liabilities		272	157	221
Current lease liabilities	18	501	490	501
Derivative financial instruments - current liabilities		442	428	319
Current borrowings	22	3,265	4,260	3,909
Total current liabilities		**33,652**	**32,471**	**33,468**
Total equity and liabilities		**91,254**	**88,095**	**91,165**

Consolidated cash flow statement

(in € millions)	Notes	First half 2021	First half 2020	Full year 2020
Consolidated net income for the period (including non-controlling interests)		**368**	**(419)**	**1,015**
Depreciation and amortisation		1,558	1,598	3,171
Net increase/(decrease) in provisions and impairment		82	87	218
Share-based payments (IFRS 2) and other restatements		30	4	89
Gain or loss on disposals		(11)	20	(147)
Change in fair value of financial instruments		(26)	15	33
Share of profit/(loss) of companies accounted for under the equity method and dividends received from unconsolidated companies		15	86	142
Cost of net financial debt recognised	5	319	303	589
Capitalised borrowing costs		(22)	(19)	(40)
Financial expense on leases	6	21	21	42
Current and deferred tax expense recognised		798	107	807
Cash flow from operations before tax and financing costs	**1**	**3,132**	**1,803**	**5,919**
Changes in operating working capital requirement and current provisions	16	(735)	471	2,330
Income taxes paid		(453)	(774)	(1,054)
Net interest paid		(326)	(351)	(590)
Dividends received from companies accounted for under the equity method		37	31	71
Net cash flows (used in)/from operating activities	**I**	**1,655**	**1,180**	**6,675**
Purchases of property, plant and equipment and intangible assets		*(588)*	*(547)*	*(1,117)*
Proceeds from sales of property, plant and equipment and intangible assets		*46*	*51*	*124*
Operating investments (net of disposals)	1	(543)	(497)	(994)
Investments in concession fixed assets (net of grants received)		*(430)*	*(564)*	*(1,043)*
Financial receivables (PPP contracts and others)		*-*	*(5)*	*(42)*
Growth investments in concessions and PPPs	1	(430)	(569)	(1,085)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*(148)*	*(128)*	*(302)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*4*	*1*	*25*
Net financial investments		(144)	(127)	(277)
Other		(33)	(23)	(85)
Net cash flows (used in)/from investing activities	**II**	**(1,149)**	**(1,216)**	**(2,442)**
Share capital increases and decreases and repurchases of other equity instruments		613	83	669
Transactions on treasury shares	20.2	-	(336)	(336)
Non-controlling interests in share capital increases and decreases of subsidiaries		-	-	(1)
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(9)	(6)	(20)
Dividends paid	21	(1,173)	(9)	(721) (*)
- to shareholders of VINCI SA		*(1,157)*	*(1)*	*(694)*
- to non-controlling interests		*(16)*	*(8)*	*(27)*
Proceeds from new long-term borrowings		934	1,657	2,349
Repayments of long-term borrowings		(1,603)	(1,648)	(2,136)
Repayments of lease liabilities and financial expense on leases		(302)	(296)	(607)
Change in cash management assets and other current financial debts		(841)	486	760
Net cash flows (used in)/from financing activities	**III**	**(2,380)**	**(68)**	**(42)**
Other changes	IV	65	(51)	(112)
Change in net cash	**I+II+III+IV**	**(1,810)**	**(156)**	**4,080**
Net cash and cash equivalents at beginning of period		**11,426**	**7,346**	**7,346**
Net cash and cash equivalents at end of period	**23**	**9,616**	**7,190**	**11,426**

(*) Including dividends paid in shares for €422 million.

Change in net financial debt during the period

(in € millions)	Notes	First half 2021	First half 2020	Full year 2020
Net financial debt at beginning of period		**(17,989)**	**(21,654)**	**(21,654)**
Change in net cash		(1,810)	(156)	4,080
Change in cash management assets and other current financial debts		841	(486)	(760)
(Proceeds from)/repayment of loans		669	(9)	(213)
Other changes		(309)	162	558
Debts assumed during business combinations		*(9)*	*(4)*	*(43)*
Change in net financial debt		**(608)**	**(488)**	**3,665**
Net financial debt at end of period	**22**	**(18,597)**	**(22,142)**	**(17,989)**

Consolidated statement of changes in equity

	Equity attributable to owners of the parent										
(in € millions)	**Share capital**	**Share premium**	**Treasury shares**	**Other equity instruments**	**Consolida-ted reserves**	**Net income**	**Currency translation reserves**	**Amounts recognised directly in equity**	**Total attributable to owners of the parent**	**Non-controlling interests**	**Total**
Balance at 01/01/2020	**1,513**	**10,879**	**(3,083)**	**-**	**9,252**	**3,260**	**(18)**	**(1,364)**	**20,438**	**2,604**	**23,042**
Net income for the period	-	-	-	-	-	(294)	-	-	(294)	(124)	(419)
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	(477)	76	(401)	(148)	(549)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	-	(58)	(58)	-	(58)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(294)**	**(477)**	**18**	**(753)**	**(272)**	**(1,025)**
Increase in share capital	2	80	-	-	-	-	-	-	83	-	83
Decrease in share capital	-	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(148)	-	(188)	-	-	-	(336)	-	(336)
Allocation of net income and dividend payments	-	-	-	39	2,527	(3,260)	-	-	(694)	(8)	(702)
Share-based payments (IFRS 2)	-	-	-	-	62	-	-	-	62	-	62
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(3)	-	-	-	(3)	2	(1)
Changes in consolidation scope	-	-	-	-	2	-	(2)	-	-	(104)	(104)
Other	-	-	-	-	(100)	-	-	-	(100)	(1)	(101)
Balance at 30/06/2020	**1,516**	**10,959**	**(3,231)**	**39**	**11,553**	**(294)**	**(498)**	**(1,346)**	**18,697**	**2,222**	**20,919**
Net income for the period	-	-	-	-	-	1,536	-	-	1,536	(102)	1,434
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	(205)	166	(40)	62	23
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	(20)	34	14	-	14
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**1,536**	**(225)**	**199**	**1,510**	**(40)**	**1,470**
Increase in share capital	18	568	-	-	-	-	-	-	586	-	586
Decrease in share capital	(63)	-	1,118	-	(1,055)	-	-	-	-	(1)	(1)
Transactions on treasury shares	-	-	3	-	(3)	-	-	-	-	-	-
Allocation of net income and dividend payments	-	-	-	(39)	39	-	-	-	-	(19)	(19)
Share-based payments (IFRS 2)	-	-	-	-	105	-	-	-	105	-	105
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(4)	-	-	-	(4)	-	(4)
Changes in consolidation scope	-	-	-	-	2	-	(1)	(1)	-	(1)	(1)
Other	-	-	-	-	(31)	-	-	-	(31)	(1)	(32)
Balance at 31/12/2020	**1,471**	**11,527**	**(2,111)**	**-**	**10,605**	**1,242**	**(723)**	**(1,148)**	**20,863**	**2,161**	**23,024**
Net income for the period	-	-	-	-	-	682	-	-	682	(314)	368
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	237	(69)	167	67	234
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	(15)	77	61	-	61
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**682**	**221**	**7**	**911**	**(248)**	**663**
Increase in share capital	21	592	-	-	-	-	-	-	613	-	613
Decrease in share capital	-	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	197	-	(197)	-	-	-	-	-	-
Allocation of net income and dividend payments	-	-	-	-	85	(1,242)	-	-	(1,157)	(16)	(1,173)
Share-based payments (IFRS 2)	-	-	-	-	84	-	-	-	84	-	84
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(2)	-	-	-	(2)	(4)	(5)
Changes in consolidation scope	-	-	-	-	-	-	-	-	-	1	1
Other	-	-	-	-	24	-	1	-	25	(1)	24
Balance at 30/06/2021	**1,492**	**12,120**	**(1,914)**	**-**	**10,600**	**682**	**(502)**	**(1,140)**	**21,338**	**1,894**	**23,232**

Notes to the consolidated interim financial statements

A. Key events and changes in consolidation scope

1. Key events

Assessment of financial performance

The Group's business levels and earnings recovered significantly compared with the first half of 2020. However, they remained affected by the Covid-19 pandemic, particularly in airport concessions and to a lesser extent in motorway concessions.

- Consolidated revenue totalled €22.6 billion in the first half of 2021, up 22.3% relative to the first half of 2020.
- Operating income from ordinary activities was sharply higher than in the first half of 2020, amounting to €1,598 million, equal to 7.1% of revenue (1.4% in the first half of 2020).
- Recurring operating income – including a slightly negative contribution from companies accounted for under the equity method – totalled €1,467 million (€118 million in the first half of 2020).
- The Group generated consolidated net income attributable to owners of the parent of €682 million, compared with a net loss of €294 million in the first half of 2020. This includes a non-recurring deferred tax expense following the United Kingdom's decision to raise its corporate income tax rate from 19% to 25% in 2023. This expense of close to €200 million relates mainly to the contribution of London Gatwick Airport, but has no cash impact.
- Net financial debt was €18.6 billion at 30 June 2021, down €3.5 billion over 12 months and up €0.6 billion relative to 31 December 2020.

The management report for the first half contains information on the operating performance of the Group's various business lines.

Reorganisation of the VINCI Construction business line

Since early 2021, VINCI Construction and Eurovia have been combined and placed under the authority of Pierre Anjolras. This new organisation is allowing VINCI to optimise these two companies' operating methods and to develop synergies between them by integrating them within a single management unit. This new organisation is now called VINCI Construction.

Financing transactions and liquidity management

The main financing transactions in the first half concerned Cofiroute and London Gatwick Airport, and are described in Note I, "Financing and financial risk management".

At 30 June 2021, VINCI had total liquidity (including commercial paper) of €17.3 billion, comprising:
- managed net cash of €9.0 billion;
- an unused confirmed syndicated bank credit facility of €8.0 billion due to expire in November 2024, renewed for one year in November 2020 in an amount of €7.7 billion;
- €0.3 billion of commercial paper in issue at 30 June 2021 (€1.2 billion at 31 December 2020).

Signature of an agreement to acquire the energy business of ACS

On 31 March 2021, to continue its development, VINCI signed an agreement with ACS to acquire its business in the energy sector.

The enterprise value of that business was assessed at €4.2 billion. On that basis, the purchase price is estimated to be around €4.9 billion when the transaction closes, which is expected to be in late 2021, after taking into account around €0.7 billion of net cash, the working capital requirement and various adjustments. ACS will also receive an additional €40 million for each gigawatt of "ready-to-build" renewable energy facilities developed by the Company over a period of up to 8.5 years from the closing of the transaction, up to a maximum of 15 gigawatts, representing a maximum contingent payment of €600 million.

2. Changes in consolidation scope

Changes in consolidation scope in the first half of 2021 are presented below. The main changes come from the acquisition of around 20 companies by VINCI Energies and VINCI Immobilier's purchase of a 50.1% stake in Urbat Promotion, a property developer specialising in residential programmes in the south of France, taking its stake in the company to 100%.

Other changes relate mainly to legal restructuring within the Group's scope.

	30/06/2021			30/06/2020			31/12/2020		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**2,102**	1,157	945	**2,052**	1,112	940	**2,052**	1,106	946
Joint ventures (*)	**160**	99	61	**146**	94	52	**162**	102	60
Associates (*)	**38**	18	20	**40**	20	20	**39**	19	20
Total	**2,300**	**1,274**	**1,026**	**2,238**	**1,226**	**1,012**	**2,253**	**1,227**	**1,026**

(*) Companies accounted for under the equity method.

Changes in consolidation scope in previous periods

Acquisitions and disposals

VINCI did not carry out any material acquisitions in 2020.

The main changes during the period concerned the acquisition of around 20 companies by VINCI Energies in France, elsewhere in Europe, Canada and South America. 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 2020 were not adjusted materially.

Loss of significant influence over Groupe ADP

Xavier Huillard, Chairman and Chief Executive Officer of VINCI, tendered VINCI's resignation from Groupe ADP's Board of Directors, on which he was VINCI's permanent representative. VINCI's term of office as Director ended on 15 December 2020, and so VINCI lost its significant influence over Groupe ADP. Accordingly, from that date, Groupe ADP left VINCI's consolidation scope, having previously been accounted for under the equity method in VINCI's financial statements. Since then, the ADP shares have been recognised as financial assets, specifically equity instruments, and measured at fair value in accordance with IFRS 9. The Group has opted to recognise changes in fair value in "Other financial income and expense".

B. Accounting policies, consolidation and measurement methods

1. Accounting policies

The accounting policies used at 30 June 2021 are consistent with those used in preparing the consolidated financial statements at 31 December 2020, except for the standards and/or amendments adopted by the European Union and mandatorily applicable as from 1 January 2021.[*]

The Group's condensed half year consolidated financial statements at 30 June 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 29 July 2021. 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 2020, as set out in the 2020 universal registration document D.21-0079, filed with the AMF on 26 February 2021.

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 2021

Standards and interpretations mandatorily applicable from 1 January 2021 have no material impact on VINCI's consolidated financial statements at 30 June 2021. These are mainly amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – "Interest Rate Benchmark Reform":
On 27 August 2020, the IASB published amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Phase 2) as part of the interest rate benchmark reform. The text, adopted by the European Union on 13 January 2021, is retrospectively applicable from 1 January 2021. VINCI has set up a working group focusing specifically on this reform, bringing together all stakeholders concerned (Treasury and Financing Department, Budgets and Consolidation Department, Legal Department and Information Systems Department) in order to identify impacts and anticipate any consequences as effectively as possible. These developments are described in greater detail in Note I.24, "Financial risk management".

Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2021

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 2021:

- Amendments to IFRS 16 "Leases" – "Covid-19-related Rent Concessions";
- Amendments to IAS 1 "Presentation of Financial Statements" – "Classification of Liabilities as Current or Non-current";
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – "Onerous Contracts – Cost of Fulfilling a Contract";
- Amendments to IAS 16 "Property, Plant and Equipment" – "Proceeds before Intended Use";
- Amendments to IFRS 3 "Business Combinations" – "Reference to the Conceptual Framework";
- Annual Improvements 2018-2020.

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.

The Group is also looking at the practical impacts and consequences of definitive IFRIC decisions taken in the first half of 2021:

- the recognition of the cost of configuring and customising software provided in the cloud under a software as a service (SaaS) agreement;
- the method for calculating employee benefits and the vesting period for entitlements. This new interpretation modifies the way the vesting of entitlements acquired by employees is recognised for plans in which entitlements are capped above a certain length of service. The collective agreements that may be concerned are currently being identified.

[*] 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 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 operations and joint ventures) depending on the nature of the rights and obligations held by each party. Classification is generally determined depending on the legal form of the project vehicle. The Group has joint control over all of these joint arrangements.
Joint operations: most joint arrangements in the VINCI Energies and VINCI Construction businesses lines 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 partners, 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. The same is true of the Group's other joint arrangements taking place through an entity with legal personality and where the partners do not take all of the joint venture's production.
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 stake in CFE.

In accordance with IFRS 12, the Group has identified that only the holding company that owns London Gatwick Airport's operations has material non-controlling interests (49.99%), detailed in note I.20.4, "Non-controlling interests".
The governance arrangements of that company are described in the 2020 universal registration document in Note I.23.5, "Non-controlling interests". 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 interim financial statements have been prepared with reference to the immediate environment, including as regards the estimates presented below:

- measurement of revenue from construction and service contracts using the progress towards completion method;
- measurement of the fair value of identifiable assets and liabilities acquired in business combinations;
- 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 amortisation calculated using the unit of production method;
- values used in impairment tests on goodwill, other intangible assets and property, plant and equipment;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefit obligations (IAS 19);
- measurement of certain financial instruments at fair value;
- measurement of retirement benefit obligations;
- measurement of share-based payment expense under IFRS 2.

Against the background of Covid-19, which is affecting VINCI's business lines in various ways, the Group has carried out an in-depth examination of these assumptions and estimates, and has maintained certain arrangements presented in detail in Note A.3, "Specific arrangements made in the context of the health crisis" to the 2020 consolidated financial statements.

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.25, "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 (mainly ADP) and listed bonds 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

The Group's activities are subject to seasonal variations. In general, 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 traditionally lower than in the second half of the year, due to weather conditions;
- motorway concession companies, where traffic volumes are generally lower in the first half than the second because of the high proportion of light vehicle traffic in the summer period.

In the last few years, (excepted for 2020), first-half revenue has accounted for between 45% and 46% 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 usually 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 is determined by applying the estimated average tax rate for the whole of 2021 (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 comprehensive actuarial assessment is carried out for the half year consolidated financial statements. The expense for the first half in respect of retirement benefit obligations is half the expense calculated for 2021 on the basis of actuarial assumptions at 31 December 2020. Impacts arising from changes in assumptions relating to post-employment benefits in the first half of 2021 (discount rate and long-term inflation rate) are recognised under "Other comprehensive income".

C. Financial indicators by business line and geographical area

1. Segment information by business line

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

Given the reorganisation described in Note A.1, "Key events", the Group's organisation now consists of three main business lines, i.e. Concessions, VINCI Energies and VINCI Construction, along with a business line that reports directly to the holding company, namely VINCI Immobilier.

In accordance with IFRS 8 "Operating Segments", segment information is now presented according to the new business lines defined by management, and 2020 data has been adjusted for comparability purposes.

Concessions

- VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour, Arcos).
- VINCI Airports: operation 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).

VINCI Energies: services to the manufacturing sector, infrastructure, facilities management, and information and communication technologies.

VINCI Construction:

- design - construction of buildings (residential and commercial property);
- design - construction of civil engineering infrastructure, specialised civil engineering, water and pipeline infrastructure, major projects and works for the oil and gas sector;
- building and maintenance of roads, motorways and railways, urban infrastructure, road signs and markings, production of materials (asphalt mixes), quarries, and services.

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

1.1 Segment information by business line

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

First half 2021

(in € millions)	Concessions	VINCI Energies	VINCI Construction	VINCI Immobilier and holding companies	Eliminations	Total
Income statement						
Revenue (*)	**2,900**	**7,162**	**12,151**	**742**	**(348)**	**22,607**
Concession subsidiaries' works revenue	326	-	-	-	(54) (**)	272
Total revenue	3,226	7,162	12,151	742	(402)	22,879
Operating income from ordinary activities	**944**	**428**	**213**	**13**	**-**	**1,598**
% of revenue (*)	*32.6%*	*6.0%*	*1.8%*	*-*	*-*	*7.1%*
Recurring operating income	**883**	**387**	**178**	**20**	**-**	**1,467**
Operating income	**883**	**389**	**177**	**19**	**-**	**1,467**
Cash flow statement						
Cash flow from operations before tax and financing costs	**1,879**	**518**	**555**	**180**	**-**	**3,132**
% of revenue (*)	*64.8%*	*7.2%*	*4.6%*	*-*	*-*	*13.9%*
Depreciation and amortisation	898	209	428	23	-	1,558
Operating investments (net of disposals)	(43)	(78)	(291)	(131)	-	(543)
Repayment of lease liabilities (***)	(21)	(140)	(120)	(20)	-	(302)
Operating cash flow	**1,255**	**134**	**(499)**	**(80)**	**-**	**811**
Growth investments in concessions and PPPs	(426)	1	(5)	-	-	(430)
Free cash flow	**830**	**135**	**(504)**	**(80)**	**-**	**381**
Balance sheet						
Capital employed at 30/06/2021	**38,902**	**4,354**	**1,915**	**1,833**	**-**	**47,004**
of which investments in companies accounted for under the equity method	*413*	*10*	*412*	*118*	*-*	*953*
of which right-of-use assets in respect of leases	*303*	*783*	*706*	*162*	*-*	*1,954*
Net financial surplus/(debt)	**(33,465)**	**(226)**	**1,623**	**13,470**	**-**	**(18,597)**

(*) Excluding concession subsidiaries' revenue from work carried out by non-Group companies.
(**) Intragroup revenue of the VINCI Energies and VINCI Construction business lines from work carried out for the Group's concession companies.
(***) Including associated financial expense.
PPP: Public-private partnership.

First half 2020

(in € millions)	Concessions	VINCI Energies	VINCI Construction (1)	VINCI Immobilier and holding companies	Eliminations	Total
Income statement						
Revenue (2)	**2,592**	**6,133**	**9,602**	**436**	**(270)**	**18,493**
Concession subsidiaries' works revenue	400	-	-	-	(69) (3)	331
Total revenue	2,992	6,133	9,602	436	(339)	18,824
Operating income from ordinary activities	**545**	**186**	**(441)**	**(24)**	**-**	**267**
% of revenue (2)	*21.0%*	*3.0%*	*(4.6%)*	-	-	*1.4%*
Recurring operating income	**474**	**154**	**(481)**	**(29)**	**-**	**118**
Operating income	**449**	**106**	**(529)**	**(27)**	**-**	**-**
Cash flow statement						
Cash flow from operations before tax and financing costs	**1,502**	**361**	**(57)**	**(3)**	**-**	**1,803**
% of revenue (2)	*57.9%*	*5.9%*	*(0.6%)*	-	-	*9.7%*
Depreciation and amortisation	938	201	438	20	-	1,598
Operating investments (net of disposals)	(115)	(64)	(255)	(62)	-	(497)
Repayment of lease liabilities (4)	(18)	(138)	(123)	(17)	-	(296)
Operating cash flow	**515**	**152**	**(394)**	**115**	**-**	**388**
Growth investments in concessions and PPPs	(561)	1	(9)	-	-	(569)
Free cash flow	**(47)**	**153**	**(403)**	**115**	**-**	**(182)**
Balance sheet						
Capital employed at 30/06/2020	**40,080**	**4,808**	**2,544**	**1,493**	**-**	**48,925**
of which investments in companies accounted for under the equity method	*1,208*	*12*	*387*	*179*	-	*1,786*
of which right-of-use assets in respect of leases	*288*	*764*	*670*	*121*	-	*1,842*
Net financial surplus/(debt)	**(33,777)**	**(1,178)**	**472**	**12,340**	**-**	**(22,142)**

(1) Adjusted following the Group's reorganisation described in Note C.1, "Segment information by business line".
(2) Excluding concession subsidiaries' revenue from work carried out by non-Group companies.
(3) Intragroup revenue of the VINCI Energies and VINCI Construction business lines from work carried out for the Group's concession companies.
(4) Including associated financial expense.

PPP: Public-private partnership.

Full year 2020

(in € millions)	Concessions	VINCI Energies	VINCI Construction (1)	VINCI Immobilier and holding companies	Eliminations	Total
Income statement						
Revenue (2)	**5,839**	**13,661**	**23,149**	**1,189**	**(605)**	**43,234**
Concession subsidiaries' works revenue	864	-	-	-	(168) (3)	696
Total revenue	6,703	13,661	23,149	1,189	(772)	43,930
Operating income from ordinary activities	**1,586**	**773**	**470**	**29**	**-**	**2,859**
% of revenue (2)	*27.2%*	*5.7%*	*2.0%*	-	-	*6.6%*
Recurring operating income	**1,459**	**688**	**347**	**17**	**-**	**2,511**
Operating income	**1,555**	**642**	**242**	**20**	**-**	**2,459**
Cash flow statement						
Cash flow from operations before tax and financing costs	**3,491**	**1,057**	**1,131**	**240**	**-**	**5,919**
% of revenue (2)	*59.8%*	*7.7%*	*4.9%*	-	-	*13.7%*
Depreciation and amortisation	1,828	412	887	43	-	3,171
Operating investments (net of disposals)	(178)	(150)	(517)	(148)	-	(994)
Repayment of lease liabilities (4)	(34)	(278)	(259)	(36)	-	(607)
Operating cash flow	**2,023**	**1,191**	**1,383**	**477**	**-**	**5,075**
Growth investments in concessions and PPPs	(1,035)	-	(50)	-	-	(1,085)
Free cash flow	**988**	**1,191**	**1,333**	**477**	**-**	**3,990**
Balance sheet						
Capital employed at 31/12/2020	**39,304**	**4,181**	**1,296**	**1,477**	**-**	**46,258**
of which investments in companies accounted for under the equity method	*451*	*18*	*398*	*168*	-	*1,035*
of which right-of-use assets in respect of leases	*283*	*779*	*698*	*157*	-	*1,917*
Net financial surplus/(debt)	**(32,718)**	**(256)**	**2,211**	**12,774**	**-**	**(17,989)**

(1) Adjusted following the Group's reorganisation described in Note C.1, "Segment information by business line".
(2) Excluding concession subsidiaries' revenue from work carried out by non-Group companies.
(3) Intragroup revenue of the VINCI Energies and VINCI Construction business lines from work carried out for the Group's concession companies.
(4) Including associated financial expense.

PPP: Public-private partnership.

1.2 Segment information (Concessions)

First half 2021

(in € millions)	Concessions			Total
	VINCI Autoroutes	VINCI Airports	Other concessions	
Income statement				
Revenue (*)	**2,393**	**371**	**136**	**2,900**
Concession subsidiaries' works revenue	285	35	6	326
Total revenue	2,677	407	142	3,226
Operating income from ordinary activities	**1,180**	**(251)**	**15**	**944**
% of revenue (*)	*49.3%*	*(67.6%)*	*11.0%*	*32.6%*
Recurring operating income	**1,176**	**(293)**	**(1)**	**883**
Operating income	**1,176**	**(293)**	**(1)**	**883**
Cash flow statement				
Cash flow from operations before tax and financing costs	**1,805**	**(3)**	**77**	**1,879**
% of revenue (*)	*75.4%*	*(0.9%)*	*56.9%*	*64.8%*
Depreciation and amortisation	645	210	43	898
Operating investments (net of disposals)	(13)	(22)	(8)	(43)
Repayment of lease liabilities (**)	(4)	(12)	(6)	(21)
Operating cash flow	**1,384**	**(219)**	**90**	**1,255**
Growth investments in concessions and PPPs	(361)	(67)	2	(426)
Free cash flow	**1,023**	**(286)**	**92**	**830**
Balance sheet				
Capital employed at 30/06/2021	**20,112**	**16,126**	**2,664**	**38,902**
of which investments in companies accounted for under the equity method	*14*	*216*	*183*	*413*
of which right-of-use assets in respect of leases	*11*	*265*	*27*	*303*
Net financial surplus/(debt)	**(18,037)**	**(11,515)**	**(3,913)**	**(33,465)**

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

PPP: Public-private partnership.

First half 2020

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**1,892**	**592**	**108**	**2,592**
Concession subsidiaries' works revenue	204	196	1	400
Total revenue	2,096	788	109	2,992
Operating income from ordinary activities	**701**	**(127)**	**(29)**	**545**
% of revenue (*)	*37.0%*	*(21.4%)*	*(26.9%)*	*21.0%*
Recurring operating income	**698**	**(201)**	**(23)**	**474**
Operating income	**698**	**(225)**	**(23)**	**449**
Cash flow statement				
Cash flow from operations before tax and financing costs	**1,324**	**140**	**38**	**1,502**
% of revenue (*)	*69.9%*	*23.7%*	*35.3%*	*57.9%*
Depreciation and amortisation	631	258	49	938
Operating investments (net of disposals)	(7)	(99)	(9)	(115)
Repayment of lease liabilities (**)	(3)	(9)	(6)	(18)
Operating cash flow	**692**	**(200)**	**23**	**515**
Growth investments in concessions and PPPs	(377)	(188)	4	(561)
Free cash flow	**315**	**(388)**	**26**	**(47)**
Balance sheet				
Capital employed at 30/06/2020	**20,979**	**16,159**	**2,941**	**40,080**
of which investments in companies accounted for under the equity method	*14*	*1,018*	*175*	*1,208*
of which right-of-use assets in respect of leases	*9*	*239*	*40*	*288*
Net financial surplus/(debt)	**(19,668)**	**(10,691)**	**(3,418)**	**(33,777)**

(*) Excluding concession subsidiaries' revenue from work carried out by non-Group companies.
(**) Including associated financial expense.
PPP: Public-private partnership.

Full year 2020

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**4,613**	**990**	**235**	**5,839**
Concession subsidiaries' works revenue	558	298	8	864
Total revenue	5,171	1,288	243	6,703
Operating income from ordinary activities	**1,981**	**(369)**	**(26)**	**1,586**
% of revenue (*)	*42.9%*	*(37.3%)*	*(11.0%)*	*27.2%*
Recurring operating income	**1,968**	**(597)**	**87**	**1,459**
Operating income	**1,968**	**(498)**	**85**	**1,555**
Cash flow statement				
Cash flow from operations before tax and financing costs	**3,231**	**146**	**114**	**3,491**
% of revenue (*)	*70.0%*	*14.7%*	*48.3%*	*59.8%*
Depreciation and amortisation	1,271	463	95	1,828
Operating investments (net of disposals)	(21)	(138)	(19)	(178)
Repayment of lease liabilities (**)	(6)	(17)	(11)	(34)
Operating cash flow	**2,405**	**(422)**	**40**	**2,023**
Growth investments in concessions and PPPs	(731)	(310)	6	(1,035)
Free cash flow	**1,674**	**(732)**	**46**	**988**
Balance sheet				
Capital employed at 31/12/2020	**20,388**	**16,143**	**2,773**	**39,304**
of which investments in companies accounted for under the equity method	*14*	*256*	*181*	*451*
of which right-of-use assets in respect of leases	*10*	*240*	*33*	*283*
Net financial surplus/(debt)	**(18,318)**	**(11,053)**	**(3,347)**	**(32,718)**

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

PPP: Public-private partnership.

2. Breakdown of revenue by geographical area

(in € millions)	First half 2021	%	First half 2020	%	Full year 2020	%
France	**12,365**	**54.7%**	**9,484**	**51.3%**	**22,912**	**53.0%**
Germany	1,466	6.5%	1,436	7.8%	3,213	7.4%
United Kingdom	1,506	6.7%	1,234	6.7%	2,589	6.0%
Central and Eastern Europe (*)	946	4.2%	851	4.6%	2,214	5.1%
Portugal	197	0.9%	234	1.3%	435	1.0%
Other European countries	1,946	8.6%	1,746	9.4%	3,825	8.8%
Europe excluding France	6,060	26.8%	5,501	29.7%	12,277	28.4%
Europe (**)	**18,426**	**81.5%**	**14,985**	**81.0%**	**35,188**	**81.4%**
of which European Union	*16,417*	*72.6%*	*13,290*	*71.9%*	*31,523*	*72.9%*
North America	**1,616**	**7.1%**	**1,439**	**7.8%**	**3,364**	**7.8%**
of which United States	*996*	*4.4%*	*1,060*	*5.7%*	*2,268*	*5.2%*
Central and South America	641	2.8%	404	2.2%	946	2.2%
Africa	720	3.2%	627	3.4%	1,386	3.2%
Russia, Asia Pacific and Middle East	1,205	5.3%	1,037	5.6%	2,350	5.4%
International excluding Europe	**4,182**	**18.5%**	**3,508**	**19.0%**	**8,046**	**18.6%**
International excluding France	**10,242**	**45.3%**	**9,009**	**48.7%**	**20,322**	**47.0%**
Total (***)	**22,607**	**100.0%**	**18,493**	**100.0%**	**43,234**	**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.
(**) Including the eurozone for €15,191 million in the first half of 2021 (67.2% of total revenue), €12,183 million in the first half of 2020 (65.9% of total revenue) and €28,887 million for full-year 2020 (66.8% of total revenue).
(***) Excluding concession subsidiaries' revenue from work carried out by non-Group companies.

Revenue generated in France amounted to €12,365 million in the first half of 2021, up almost 30.4% from the first half of 2020 when it was heavily affected by the Covid-19 pandemic and the first lockdown.

Revenue generated outside France amounted to €10,242 million in the first half of 2021, up 13.7% relative to the first half of 2020. It accounted for 45.3% of the total (48.7% in the first half of 2020 and 47.0% in full-year 2020).

3. Reconciliation and presentation of key performance indicators

3.1 Cash flow statement indicators

(in € millions)	First half 2021	First half 2020	Full year 2020
Cash flows (used in)/from operating activities	**1,655**	**1,180**	**6,675**
Operating investments (net of disposals)	(543)	(497)	(994)
Repayments of lease liabilities and financial expense on leases	(302)	(296)	(607)
Operating cash flow	**811**	**388**	**5,075**
Growth investments in concessions and PPPs	(430)	(569)	(1,085)
Free cash flow	**381**	**(182)**	**3,990**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	(148)	(128)	(302)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	4	1	25
Net impact of changes in scope including net debt assumed	7	6	(7)
Net financial investments	**(138)**	**(121)**	**(285)**
Other	(33)	(23)	(85)
Total net financial investments	**(170)**	**(144)**	**(370)**

3.2 Capital employed

(in € millions)	Note	30/06/2021	30/06/2020	31/12/2020
Capital employed - assets		**76,448**	**75,796**	**74,997**
Concession intangible assets	12	25,466	26,389	25,886
- Deferred tax on business combination fair value adjustments		(2,965)	(2,656)	(2,555)
Goodwill, gross	9	12,050	11,920	11,885
Other intangible assets	15.1	7,202	6,739	6,846
Property, plant and equipment	15.2	9,965	9,750	9,760
Investments in companies accounted for under the equity method	10	953	1,786	1,035
Other non-current financial assets	11-13	2,283	1,405	2,237
- Collateralised loans and receivables (at more than one year)		(4)	(4)	(4)
Inventories and work in progress	16	1,604	1,524	1,428
Trade and other receivables	16	13,934	12,902	12,493
Other current assets	16	5,684	5,406	5,719
Current tax assets		276	637	266
Capital employed - liabilities		**(29,444)**	**(26,871)**	**(28,739)**
Current provisions	16	(5,061)	(4,654)	(4,973)
Trade payables	16	(9,579)	(8,152)	(8,876)
Other current liabilities	16	(14,531)	(13,909)	(14,668)
Current tax liabilities		(272)	(157)	(221)
Total capital employed		**47,004**	**48,925**	**46,258**

D. Main income statement items

4. Operating income

(in € millions)	First half 2021	First half 2020	Full year 2020
Revenue (*)	**22,607**	**18,493**	**43,234**
Concession subsidiaries' revenue from work carried out by non-Group companies	272	331	696
Total revenue	22,879	18,824	43,930
Revenue from ancillary activities (**)	115	70	188
Purchases consumed	(4,876)	(4,233)	(9,681)
External services	(2,707)	(2,207)	(4,726)
Temporary staff	(643)	(465)	(1,178)
Subcontracting (including concession companies' construction costs)	(4,798)	(3,937)	(9,262)
Taxes and levies	(469)	(457)	(1,105)
Employment costs	(6,151)	(5,645)	(11,642)
Other operating income and expense	21	(2)	(8)
Depreciation and amortisation	(1,558)	(1,598)	(3,171)
Net provision expense	(214)	(84)	(486)
Operating expenses	**(21,396)**	**(18,628)**	**(41,260)**
Operating income from ordinary activities	**1,598**	**267**	**2,859**
% of revenue (*)	*7.1%*	*1.4%*	*6.6%*
Share-based payments (IFRS 2)	(115)	(90)	(239)
Profit/(loss) of companies accounted for under the equity method	(17)	(88)	(146)
Other recurring operating items	1	29	38
Recurring operating income	**1,467**	**118**	**2,511**
Goodwill impairment losses	(1)	(68)	(95)
Impact from changes in scope and gain/(loss) on disposals of shares	1	4	167
Other non-recurring operating items	-	(54)	(124)
Total non-recurring operating items	-	*(119)*	*(52)*
Operating income	**1,467**	**-**	**2,459**

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

Operating income from ordinary activities 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 profit or loss of companies accounted for under the equity method) and non-recurring operating items.
In the first half of 2021, depreciation and amortisation include amortisation of concession intangible assets at VINCI Airports, which have been calculated since 1 July 2020 using the unit of production method (based on passenger numbers).

Recurring operating income is obtained by taking operating income from ordinary activities and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the Group's share of profit or loss 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.). Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events 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 2021. In the first half of 2020, they amounted to €119 million and included €68 million of goodwill impairment charges, along with asset impairment charges and restructuring costs.

In 2020, they produced a net expense of €52 million, including:
- €95 million of goodwill impairment charges, mainly relating to the North American activities of VINCI Energies (€67 million);
- €95 million of restructuring costs, mainly at VINCI Airports and VINCI Construction;
- a €167 million positive effect from changes in the consolidation scope, mainly reflecting the change in consolidation method for Groupe ADP after VINCI ceased to have a significant influence over it.

5. Cost of net financial debt

The cost of net financial debt amounted to €319 million in the first half of 2021, up €16 million compared with the first half of 2020 (€303 million). This increase is mainly the result of the rise in the cost of financial debt for London Gatwick Airport. The cost of net financial debt for the Group's other companies decreased in the first half, reflecting the availability of financing at more favourable rates, although that trend was partially offset by a drop in interest rates affecting returns on cash investments.

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

(in € millions)	First half 2021	First half 2020	Full year 2020
Financial liabilities at amortised cost	(361)	(384)	(754)
Financial assets and liabilities at fair value through profit and loss	(2)	17	20
Derivatives designated as hedges: assets and liabilities	72	85	137
Derivatives at fair value through profit and loss: assets and liabilities	(29)	(21)	8
Total cost of net financial debt	**(319)**	**(303)**	**(589)**

6. Other financial income and expense

Other financial income and expense break down as follows:

(in € millions)	First half 2021	First half 2020	Full year 2020
Effect of discounting to present value	(14)	(3)	(31)
Capitalised borrowing costs	22	19	40
Financial expenses on lease liabilities	(21)	(21)	(42)
Foreign exchange gains and losses and other changes in fair value	31	(4)	(15)
Total other financial income and expense	**17**	**(9)**	

The increase in discounting costs arose from movements in the yield curve when applied to obligations to maintain the condition of concession assets, and also relates to provisions for retirement benefit obligations in an amount of €7 million (€7 million in the first half of 2020) and fixed fees at more than one year in relation to Salvador Bahia Airport in Brazil and Belgrade Airport in Serbia (€6 million as opposed to €7 million in the first half of 2020).

Capitalised borrowing costs mainly related to Arcos, Belgrade Airport in Serbia and London Gatwick Airport in the United Kingdom.

Other changes in fair value mainly concern shares in Groupe ADP.

7. Income tax expense

Tax expense totalled €798 million, as opposed to €107 million in the first half of 2020. It includes a negative impact of €386 million from revaluing deferred tax as a result of the UK corporation tax rate from 1 April 2023 voted to be 25% instead of 19%.

Adjusted for this impact:
- in France, the effective tax rate was 31% based on net income generated mainly by VINCI Autoroutes;
- outside France, the effective tax rate was -10%, based on a net loss.

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 potentially dilutive effect of equity instruments issued by the company, mainly performance shares. The dilution resulting 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 the impact, taken directly to equity, of converting potentially dilutive instruments into shares.

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

		First half 2021	First half 2020	Full year 2020
Net income (in € millions)	I	**682**	**(294)**	**1,242**
Total shares		**592,432,337**	**606,094,854**	**608,321,456**
Treasury shares		(25,656,387)	(52,130,050)	(50,769,442)
Before dilution	II	**566,775,950**	**553,964,804**	**557,552,014**
Group savings plans		772,387	-	164,835
Performance shares		4,454,536	-	5,402,691
After dilution	III	**572,002,873**	**553,964,804**	**563,119,540**
Basic earnings per share *(in €)*	I / II	**1.20**	**(0.53)**	**2.23**
Diluted earnings per share *(in €)*	I / III	**1.19**	**(0.53)**	**2.20**

E. Investments in other companies

9. Goodwill

In accordance with IAS 36 "Impairment of Assets", an entity must assess on each reporting date whether there is any indication that an asset may be impaired.
At 30 June 2021, the Group had not implemented new impairment tests, since it had been verified, particularly in relation to VINCI Airports, that:

- there were no indications of any loss of value;
- business plans established at the time of the 2020 accounts closing, based on management assumptions for the various business lines and divisions in accordance with macroeconomic forecasts had not been materially called into question.

Moreover, the reorganisation of VINCI Construction has no impact on determining the Group's CGUs.

Additional information is provided in Note E.9, "Goodwill and goodwill impairment tests" in the 2020 consolidated financial statements.

Changes in the period were as follows:

(in € millions)	30/06/2021	31/12/2020
Net at beginning of period	**11,619**	**11,647**
Goodwill recognised during the period	40	219
Impairment losses	(1)	(95)
Companies leaving the consolidation scope	-	-
Currency translation differences	125	(263)
Other movements	11	111
Net at end of period	**11,794**	**11,619**

Goodwill recognised in the period mainly concerned acquisitions made by VINCI Energies.

The main goodwill items at 30 June 2021 were as follows:

	30/06/2021			31/12/2020
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
VINCI Airports	2,601	-	2,601	2,519
VINCI Energies France	2,466	-	2,466	2,454
ASF group	1,935	-	1,935	1,935
VINCI Energies Germany	797	-	797	790
VINCI Energies North America	661	(64)	596	568
VINCI Energies Benelux	437	-	437	433
VINCI Energies Scandinavia	349	-	349	347
VINCI Energies Switzerland	219	-	219	222
VINCI Highways	208	-	208	216
Eurovia USA	203	-	203	197
Soletanche Bachy	171	-	171	171
VINCI Energies Spain	160	-	160	160
Other	1,844	(191)	1,653	1,608
Total	**12,050**	**(256)**	**11,794**	**11,619**

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

10.1 Movements during the period

	30/06/2021			31/12/2020		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Value of shares at beginning of period	**428**	**608**	**1,035**	**1,199**	**671**	**1,870**
of which Concessions	*31*	*420*	*451*	*782*	*491*	*1,273*
of which VINCI Energies	*10*	*8*	*18*	*8*	*3*	*11*
of which VINCI Construction	*384*	*86*	*470*	*407*	*80*	*486*
of which VINCI Immobilier	*2*	*95*	*96*	*2*	*98*	*100*
Increase / decrease in share capital of companies accounted for under the equity method	-	(3)	(3)	1	8	9
Group share of profit or loss for the period	10	(27)	(17)	(50)	(96)	(146)
Group share of other comprehensive income for the period	(1)	62	61	(2)	(42)	(44)
Dividends paid	(12)	(26)	(37)	(5)	(66)	(71)
Changes in consolidation scope and other	(1)	(51)	(52)	(692)	(2)	(694)
Reclassifications (*)	(2)	(33)	(35)	(24)	136	112
Value of shares at end of period	**423**	**530**	**953**	**428**	**608**	**1,035**
of which Concessions	*32*	*380*	*413*	*31*	*420*	*451*
of which VINCI Energies	*4*	*6*	*10*	*10*	*8*	*18*
of which VINCI Construction	*385*	*95*	*479*	*384*	*86*	*470*
of which VINCI Immobilier	*1*	*49*	*50*	*2*	*95*	*96*

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

At 30 June 2021, the Group's interests in companies accounted for under the equity method included mainly, for VINCI Airports, the stake in Kansai Airports (€198 million) and, for VINCI Construction, the stake in the CFE group (€243 million).

The amounts recorded under "Group share of other comprehensive income for the period" relate mainly to the impact of 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:

	First half 2021			First half 2020			Full year 2020		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Net income	**10**	**(27)**	**(17)**	**(42)**	**(46)**	**(88)**	**(50)**	**(96)**	**(146)**
of which Concessions	*-*	*(55)*	*(55)*	*(43)*	*(51)*	*(93)*	*(45)*	*(115)*	*(160)*
of which VINCI Energies	*2*	*1*	*3*	*1*	*1*	*2*	*2*	*2*	*4*
of which VINCI Construction	*9*	*15*	*24*	*-*	*5*	*5*	*(7)*	*2*	*(5)*
of which VINCI Immobilier	*-*	*12*	*12*	*-*	*-*	*(1)*	*-*	*15*	*15*
Other comprehensive income	(1)	62	61	(6)	(52)	(58)	(2)	(42)	(44)
of which Concessions	*3*	*62*	*65*	*8*	*(55)*	*(48)*	*10*	*(46)*	*(36)*
of which VINCI Energies	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
of which VINCI Construction	*(4)*	*(1)*	*(4)*	*(13)*	*3*	*(10)*	*(13)*	*4*	*(8)*
of which VINCI Immobilier	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Comprehensive income	**10**	**35**	**45**	**(48)**	**(98)**	**(146)**	**(52)**	**(138)**	**(191)**
of which Concessions	*3*	*8*	*10*	*(35)*	*(106)*	*(141)*	*(35)*	*(161)*	*(196)*
of which VINCI Energies	*2*	*1*	*3*	*1*	*1*	*2*	*2*	*2*	*4*
of which VINCI Construction	*6*	*14*	*20*	*(14)*	*8*	*(6)*	*(20)*	*6*	*(13)*
of which VINCI Immobilier	*-*	*12*	*12*	*-*	*-*	*(1)*	*-*	*15*	*15*

11. Other non-current financial assets

(in € millions)	30/06/2021	31/12/2020
Financial assets measured at amortised cost	1,058	1,034
PPP financial receivables (*)	213	252
Equity instruments	1,011	951
Other non-current financial assets	**2,283**	**2,237**

(*) 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 or PPP project companies for €782 million (€775 million at 31 December 2020).

During the period, the change broke down as follows:

(in € millions)	First half 2021	Full year 2020
Beginning of period	**1,034**	**1,160**
Acquisitions during period	50	111
Acquisitions as part of business combinations	-	1
Impairment losses	(1)	(103)
Disposals during period	(20)	(45)
Other movements and currency translation differences	(6)	(90)
End of period	**1,058**	**1,034**

Equity instruments

Equity instruments mainly include the stake in Groupe ADP, which has been measured at fair value through profit and loss since 15 December 2020, along with shareholdings in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

F. Concessions business line: PPP contracts, concession contracts and other infrastructure

12. Concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Gross				
01/01/2020	**33,789**	**5,437**	**2,440**	**41,667**
Acquisitions during period (*)	582	260	8	851
Disposals during period	(2)	-	-	(2)
Currency translation differences	-	(213)	(311)	(524)
Changes in scope and other	16	(17)	2	1
	34,386	**5,468**	**2,139**	**41,992**
Grants received	(11)	(5)	(3)	(18)
31/12/2020	**34,375**	**5,463**	**2,136**	**41,974**
Acquisitions during period (*)	299	43	16	358
Disposals during period	(2)	(1)	-	(3)
Currency translation differences	-	57	(56)	1
Changes in scope and other	6	(109)	-	(103)
	34,678	**5,453**	**2,096**	**42,227**
Grants received	(9)	-	(4)	(13)
30/06/2021	**34,669**	**5,453**	**2,092**	**42,214**
Amortisation and impairment losses				
01/01/2020	**(13,649)**	**(804)**	**(345)**	**(14,798)**
Amortisation during period	(1,133)	(122)	(74)	(1,330)
Impairment losses	-	(44)	-	(44)
Disposals during period	-	-	-	-
Currency translation differences	-	35	28	63
Other movements	(15)	37	(2)	21
31/12/2020	**(14,797)**	**(898)**	**(393)**	**(16,088)**
Amortisation during period	(579)	(44)	(33)	(657)
Impairment losses	-	(60)	-	(60)
Reversals of impairment losses	-	24	-	24
Disposals during period	-	1	-	1
Currency translation differences	-	(12)	6	(5)
Other movements	(8)	46	(1)	38
30/06/2021	**(15,384)**	**(944)**	**(421)**	**(16,748)**
Net				
01/01/2020	**20,141**	**4,633**	**2,095**	**26,869**
31/12/2020	**19,578**	**4,564**	**1,744**	**25,886**
30/06/2021	**19,285**	**4,510**	**1,671**	**25,466**

(*) Including capitalised borrowing costs.

Acquisitions in the period totalled €358 million, as opposed to €378 million in the first half of 2020.
They mainly include investments by the ASF group (€141 million vs €103 million in the first half of 2020), Cofiroute (€93 million vs €63 million), Arcos (€37 million vs €34 million) and VINCI Airports (€38 million vs €159 million).

Concession intangible assets include assets under construction for a gross amount of €1,767 million at 30 June 2021 (€1,529 million at 30 June 2020). These relate mainly to subsidiaries of VINCI Autoroutes (€1,424 million including €620 million for Arcos, €358 million for Cofiroute, €315 million for ASF and €126 million for Escota) and of VINCI Airports for €318 million.

At 30 June 2021, concession intangible assets relating to certain VINCI Airports and VINCI Highways assets were tested for impairment; €60 million of impairment was recognised.

The main features of concession and PPP contracts are set out in Note F, "Concessions business: PPP contracts, concession contracts and other infrastructure" in the 2020 universal registration document.

13. PPP financial receivables (controlled companies)

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").

During the period, the change broke down as follows:

(in € millions)	First half 2021	Full year 2020
Beginning of period	**252**	**207**
Acquisitions during period	4	62
Acquisitions as part of business combinations	-	5
Reclassification to part at less than one year	(41)	(20)
Other movements and currency translation differences	(1)	(2)
End of period	**213**	**252**

14. Off-balance sheet commitments in Concessions

14.1 Off-balance sheet commitments of companies controlled by the Group

Contractual investment and renewal obligations

(in € millions)	30/06/2021	31/12/2020
ASF group	749	804
Cofiroute	519	602
Belgrade Airport (Serbia)	264	289
ANA group (Portugal)	115	136
Lima Expresa (Peru)	79	96
ADL - Aéroports de Lyon (France)	31	34
Cambodia Airports	29	71
London Gatwick Airport (United Kingdom)	23	26
Arcos	17	59
Société Concessionnaire Aéroport du Grand Ouest (Scago)	-	35
Other	23	24
Total	**1,850**	**2,175**

Contractual investment obligations of motorway concession companies taken by the Group consist mainly of undertakings made under concession contracts, multi-year master contracts 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 2021 led to a €180 million reduction in their commitments to €1,285 million at 30 June 2021.

The above amounts do not include obligations relating to maintenance expenditure on infrastructure under concession, in respect of which specific provisions based on maintenance plans are set aside (see Note G.16, "Breakdown of current provisions").

Collateral security connected with financing

Collateral security (including pledges of shares) is generally granted to secure financing arranged within subsidiaries, and breaks down as follows:

(in € millions)	Start date	End date	30/06/2021
London Gatwick Airport	2011	2049	2,540
Arcour	2008	2047	590
Arcos	2018	2045	391
Aerodom	2017	2029	360
Lima Expresa	2016	2037	241
ADL - Aéroports de Lyon	2016	2033	224
Belgrade Airport	2018	2035	199
Gefyra	1997	2029	156
Caraibus	2015	2035	60
Other concession companies	-	-	119

14.2 Off-balance sheet commitments of companies accounted for under the equity method

Contractual investment obligations

At 30 June 2021, the Group's share of investment commitments given by these companies amounted to €1,247 million (€344 million at 31 December 2020). They relate mainly to projects involving infrastructure under construction in the Concessions business line, the Vía 40 Express motorway between the cities of Bogotá and Girardot in Colombia (€252 million) and the new Via Salis – D4 motorway project crossing Bohemia in the Czech Republic (€200 million), along with the new Rift Valley motorway project connecting the cities of Nairobi, Nakuru and Mau Summit in Kenya (€690 million), for which the financial close is in progress.

Collateral security connected with financing

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 2021 was €37 million without significant change compared to 31 December 2021.

Funding commitments

The Group has made commitments to provide funding (capital and/or subordinated loans) to companies accounted for under the equity method. At 30 June 2021, those commitments amounted to €184 million (€32 million at 31 December 2020). This increase relates to new motorway projects, i.e. Rift Valley in Kenya (€125 million) and Via Salis in the Czech Republic (€27 million).

G. Other balance sheet items and business-related commitments

15. Other intangible assets and property, plant and equipment

15.1 Other intangible assets

(in € millions)	Patents and licences	Software	Other intangible assets	Total
Gross				
31/12/2020	246	549	6,683	7,478
30/06/2021	246	565	7,037	7,847
Amortisation and impairment losses				
31/12/2020	(42)	(459)	(130)	(632)
30/06/2021	(42)	(467)	(137)	(645)
Net				
31/12/2020	**203**	**89**	**6,553**	**6,846**
30/06/2021	**204**	**98**	**6,900**	**7,202**

At 30 June 2021, other intangible assets amounted to €7,202 million (€6,846 million at 31 December 2020). The main change resulted from movements in the sterling exchange rate since 31 December 2020.
Other intangible assets include €6,454 million corresponding to the right to operate London Gatwick Airport at 30 June 2021. Since that right to operate is analogous to a perpetual licence, it is not amortised in accordance with IAS 38 "Intangible Assets". An impairment test was carried out at 30 June 2021, that did not lead to an impairment loss.

15.2 Property, plant and equipment

					Right-of-use assets in respect of leases			
(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Concession operating fixed assets	Property	Movable assets	Total
Gross								
31/12/2020	4,533	1,229	3,612	9,271	19	1,630	1,437	**21,731**
30/06/2021	4,705	1,258	3,883	9,520	22	1,760	1,551	**22,700**
Depreciation and impairment losses								
31/12/2020	(3,432)	(381)	(900)	(6,088)	(9)	(547)	(613)	(11,971)
30/06/2021	(3,583)	(387)	(981)	(6,406)	(11)	(669)	(699)	(12,735)
Net								
31/12/2020	**1,101**	**847**	**2,712**	**3,183**	**10**	**1,083**	**823**	**9,760**
30/06/2021	**1,123**	**871**	**2,903**	**3,114**	**11**	**1,090**	**853**	**9,965**

Property, plant and equipment includes assets under construction for €1,275 million at 30 June 2021 (€1,094 million at 31 December 2020), consisting of works relating to l'archipel, VINCI's future head office in Nanterre, for €589 million.

At 30 June 2021, right-of-use assets in respect of leases totalled €1,954 million, compared with €1,916 million at 31 December 2020.

16. Working capital requirement and current provisions

16.1 Change in working capital requirement

(in € millions)		30/06/2021	30/06/2020	31/12/2020	Changes 30/06/2021 vs 31/12/2020 Changes in operating WCR	Changes in consolidation scope	Other changes (*)
Inventories and work in progress (net)		1,604	1,524	1,428	70	93	12
Trade and other receivables		13,934	12,902	12,493	1,278	145	17
Other current assets		5,684	5,406	5,719	(78)	(5)	48
- Non-operating assets		*(20)*	*(29)*	*(24)*	*9*	*-*	*(5)*
Inventories and operating receivables	**I**	**21,202**	**19,802**	**19,616**	**1,280**	**233**	**72**
Trade payables		(9,579)	(8,152)	(8,876)	(679)	(58)	34
Other current liabilities		(14,531)	(14,329)	(14,668)	331	(87)	(107)
- Non-operating liabilities		368	840	429	(119)	1	57
Trade and other operating payables	**II**	**(23,742)**	**(21,640)**	**(23,115)**	**(467)**	**(144)**	**(16)**
Working capital requirement (excluding current provisions)	**I+II**	**(2,541)**	**(1,838)**	**(3,499)**	**813**	**89**	**56**
Current provisions		**(5,061)**	**(4,654)**	**(4,973)**	**(78)**	**(4)**	**(6)**
of which part at less than one year of non-current provisions		*(148)*	*(116)*	*(182)*	*42*	*(7)*	*(1)*
Working capital requirement (including current provisions)		**(7,602)**	**(6,492)**	**(8,473)**	**735**	**85**	**51**

(*) Mainly currency translation differences.

16.2 Breakdown of current provisions

Changes in current provisions reported in the balance sheet for the first half of 2021 and full-year 2020 were as follows:

(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
01/01/2020	**4,452**	**1,849**	**(1,384)**	**(186)**	**11**	**(17)**	**17**	**4,741**
Obligation to maintain the condition of concession assets	946	176	(95)	(34)	(1)	-	(6)	987
After-sales service	396	131	(108)	(11)	-	-	(6)	401
Losses on completion and construction project liabilities	1,428	904	(656)	(45)	(58)	-	(14)	1,558
Disputes	533	185	(126)	(30)	(4)	-	(5)	553
Restructuring costs	27	45	(10)	(6)	2	-	-	58
Other current liabilities	1,219	471	(351)	(121)	35	-	(19)	1,235
Reclassification of the part at less than one year	193	-	-	-	5	(15)	(1)	182
31/12/2020	**4,741**	**1,912**	**(1,346)**	**(247)**	**(20)**	**(15)**	**(52)**	**4,973**
Obligation to maintain the condition of concession assets	987	76	(57)	-	-	-	-	1,005
After-sales service	401	50	(36)	(3)	13	-	3	428
Losses on completion and construction project liabilities	1,558	583	(555)	(14)	2	-	9	1,582
Disputes	553	68	(39)	(8)	1	-	-	575
Restructuring costs	58	9	(22)	(4)	(4)	-	-	38
Other current liabilities	1,235	182	(138)	(13)	9	-	9	1,285
Reclassification of the part at less than one year	182	-	-	-	7	(42)	1	148
30/06/2021	**4,973**	**969**	**(847)**	**(42)**	**29**	**(42)**	**22**	**5,061**

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. In particular, they are intended to cover expenses to be incurred by:

- motorway concession operating companies for road repairs, bridges, tunnels and hydraulic infrastructure. At 30 June 2021, they mainly concerned the ASF group for €490 million (€486 million at 31 December 2020) and Cofiroute for €280 million (€274 million at 31 December 2020);
- airport concession companies (repairs to runways, traffic lanes and other paved surfaces) for €204 million (€196 million at 31 December 2020) including €96 million for the ANA group (€93 million at 31 December 2020).

Provisions for other current liabilities include provisions for worksite restoration and removal costs for €190 million (€194 million at 31 December 2020). They mainly consist of individual provisions with a value of less than €2 million each.

17. Non-current provisions

Changes in other non-current provisions (excluding employee benefits detailed in note J.26, "Provisions for employee benefits") reported in the balance sheet were as follows in the first half of 2021 and full-year 2020:

(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
01/01/2020	**1,135**	**140**	**(94)**	**(59)**	**199**	**17**	**2**	**1,341**
Financial risks	978	8	(8)	(1)	42	-	-	1,019
Other liabilities	557	82	(49)	(15)	(265)	-	(6)	303
Reclassification of the part at less than one year	(193)	-	-	-	(5)	15	1	(182)
31/12/2020	**1,341**	**90**	**(58)**	**(16)**	**(228)**	**15**	**(5)**	**1,140**
Financial risks	1,019	28	(1)	(1)	(40)	-	-	1,005
Other liabilities	303	25	(26)	(1)	3	-	1	305
Reclassification of the part at less than one year	(182)	-	-	-	(7)	42	(1)	(148)
30/06/2021	**1,140**	**53**	**(28)**	**(2)**	**(44)**	**42**	**-**	**1,162**

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.29, "Note on litigation".

18. Lease liabilities

At 30 June 2021, lease liabilities amounted to €1,954 million, including €1,453 million for the part at more than one year and €501 million for the part at less than one year.

The net increase of €47 million during the period breaks down as follows:

- new lease liabilities: €285 million;
- repayments of lease liabilities: negative amount of €280 million;
- other changes: €42 million (of which €21 million due to currency translation differences).

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

19.1 Other contractual obligations of an operational nature

(in € millions)	30/06/2021	31/12/2020
Purchase and capital expenditure obligations (*)	5,658	593
Obligations related to quarrying rights	116	116

(*) Excluding capital investment obligations related to concession and PPP contracts (see Note F, "Concessions business line: PPP contracts, concession contracts and other infrastructure").

Purchase and capital expenditure obligations include the effect of agreements signed by VINCI on 31 March 2021, as part of its development, to acquire the energy sector's activities of the Spanish group ACS for €4.9 billion excluding additional payments – see Note A.1, "Key events".

Other purchase and capital expenditure obligations, excluding those relating to concession contracts, mainly concern VINCI Immobilier and VINCI Energies.
These commitments also include the Group's investment obligations under public-private partnership contracts managed by VINCI Construction.

Obligations related to quarry operations include quarrying rights and quarry leases.

19.2 Other commitments made and received

(in € millions)	30/06/2021	31/12/2020
Other commitments made	963	958
Other commitments received	342	412

These amounts include personal sureties provided as performance guarantees relating to work done by concession companies.

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:
- F.14, "Off-balance sheet commitments in Concessions";
- J.26, "Provisions for employee benefits".

Commitments made and received by the Group in connection with construction and service contracts and are detailed in Note G.16.3 in the 2020 universal registration document.

H. Equity

20. Information on equity

Capital management policy

VINCI has a share repurchase programme approved in its Shareholders' General Meeting of 8 April 2021 for a period of 18 months, with a maximum purchase amount of €2 billion at a maximum share price of €130. This programme has not been activated in 2021.

Treasury shares (see Note H.20.2, "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 2021, over 55% of the Group's employees were VINCI shareholders through collective employee share ownership arrangements (89% in France). Since those funds own 9.95% 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.

20.1 Share capital

At 30 June 2021, the parent company's share capital was represented by 596,880,000 ordinary shares of €2.5 nominal value each.

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

	30/06/2021	31/12/2020
Number of shares at beginning of period	**588,519,218**	**605,237,689**
Increases in share capital	8,360,782	8,281,529
Cancelled treasury shares		(25,000,000)
Number of shares at end of period	**596,880,000**	**588,519,218**
Number of shares issued and fully paid	596,880,000	588,519,218
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	24,097,884	26,457,495
of which shares allocated to covering performance share plans and employee share ownership plans	*19,420,008*	*21,779,619*
Number of shares at end of period excluding treasury shares held directly by VINCI	**572,782,116**	**562,061,723**

20.2 Treasury shares

Changes in treasury shares were as follows:

	30/06/2021	31/12/2020
Number of shares at beginning of period	**26,457,495**	**50,491,699**
Shares repurchased during the period		3,482,269
Shares granted to employees (2016 performance share plan)		778
Shares granted to employees (2017 performance share plan)		(2,139,259)
Shares granted to employees (2018 performance share plan)	(1,925,708)	(3,130)
Shares granted to employees (2019 performance share plan)	(700)	(2,930)
Shares granted to employees (2020 performance share plan)	(700)	(915)
Delivery of shares in connection with the Castor International plan	(432,503)	(371,017)
Cancelled treasury shares		(25,000,000)
Number of shares at end of period	**24,097,884**	**26,457,495**

At 30 June 2021, the total number of treasury shares held was 24,097,884. These were recognised as a deduction from consolidated equity for €1,914 million.
A total of 19,420,008 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 4,677,876 shares are intended to be used as payment in external growth transactions or to be sold.

20.3 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

(in € millions)		30/06/2021 Attributable to owners of the parent	30/06/2021 Attributable to non-controlling interests	30/06/2021 Total	31/12/2020 Attributable to owners of the parent	31/12/2020 Attributable to non-controlling interests	31/12/2020 Total
Hedging costs							
Reserve at beginning of period		**(28)**	**-**	**(28)**	**(7)**	**-**	**(7)**
Gross reserve before tax effect at balance sheet date	**I**	**(41)**	**-**	**(41)**	**(28)**	**-**	**(28)**
Cash flow hedge and net investment hedges							
Reserve at beginning of period		**(906)**	**-**	**(906)**	**(1,002)**	**-**	**(1,002)**
Changes in fair value of companies accounted for under the equity method		112	-	112	(35)	-	(35)
Other changes in fair value in the period		(123)	-	(123)	35	-	35
Fair value items recognised in profit or loss		49	-	49	95	-	95
Changes in consolidation scope and miscellaneous		-	-	-	-	-	-
Gross reserve before tax effect at balance sheet date	**II**	**(869)**	**1**	**(868)**	**(906)**	**-**	**(906)**
of which gross reserve relating to companies accounted for under the equity method		*(595)*	-	*(595)*	*(707)*	-	*(707)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**(910)**	**1**	**(910)**	**(934)**	**-**	**(934)**
Associated tax effect		231	-	230	289	-	289
Reserve net of tax (items that may be recycled to income)	**III**	**(680)**	**-**	**(679)**	**(645)**	**-**	**(645)**
Equity instruments							
Reserve at beginning of period		**(2)**	**-**	**(2)**	**-**	**-**	**-**
Reserve net of tax at end of period	**IV**	**(1)**	**-**	**(1)**	**(2)**	**-**	**(2)**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(500)**	**10**	**(491)**	**(589)**	**(17)**	**(606)**
Actuarial gains and losses recognised in the period		54	(10)	45	111	32	143
Associated tax effect		(13)	1	(12)	(22)	(6)	(27)
Changes in consolidation scope and miscellaneous		-	-	-	(1)	-	(1)
Reserve net of tax at end of period	**V**	**(459)**	**1**	**(458)**	**(500)**	**10**	**(491)**
Total reserve net of tax (items that may not be recycled to income)	**IV+V**	**(461)**	**1**	**(460)**	**(502)**	**10**	**(492)**
Total amounts recognised directly in equity	**III+IV+V**	**(1,140)**	**1**	**(1,139)**	**(1,148)**	**10**	**(1,138)**

The amounts recorded directly in equity relate to cash flow hedging transactions (net negative effect of €868 million, comprising a negative effect of €862 million relating to cash flow hedges and a negative effect of €6 relating to net investment hedges) and actuarial gains and losses on retirement benefit obligations (net negative effect of €458 million).

Transactions relating to the hedging of interest rate risk had a negative effect of €836 million, comprising:

- a negative effect of €253 million concerning fully consolidated subsidiaries, including VINCI SA (negative effect of €92 million), VINCI Airports (negative effect of €84 million) and VINCI Autoroutes (negative effect of €64 million);
- a negative effect of €583 million relating to companies accounted for under the equity method, mainly relating to LISEA (negative effect of €380 million) and other companies managing infrastructure projects on a PPP or concession basis.

These transactions are described in Note J.27.1.2, "Description of hedging transactions" in the 2020 universal registration document.

20.4 Non-controlling interests

The only subsidiary in which non-controlling interests are material is the holding company that indirectly owns a 50.01% stake in London Gatwick Airport. At 30 June 2021, they amounted to €1,302 million (€1,539 million at 31 December 2020).

21. Dividends

In the 8 April 2021 Shareholders' General Meeting, shareholders approved a dividend payment of €2.04 per share with respect to 2020. The dividend was paid in cash on 22 April 2021.

Dividends paid by VINCI SA to its shareholders in respect of 2020 and 2019 break down as follows:

	Full year 2020	Full year 2019
Dividend per share *(in €)*		
Interim dividend	-	0.79
Final dividend	2.04	1.25
Net total dividend	**2.04**	**2.04**
Amount of dividend *(in € millions)*		
Interim dividend		440
Final dividend	1,157	693
Amount paid in VINCI shares	*-*	*420*
Amount paid in cash	*1,157*	*273*
Net total dividend	**1,157**	**1,133**

I. Financing and financial risk management

22. Net financial debt

At 30 June 2021, net financial debt, as defined by the Group, stood at €18,597 million, up €608 million compared with 31 December 2020. It breaks down as follows:

Analysis by accounting heading	*(in € millions)*		30/06/2021 Non-current	30/06/2021 Current (*)	30/06/2021 Total	31/12/2020 Non-current	31/12/2020 Current (*)	31/12/2020 Total
Financial liabilities at amortised cost	Bonds		(23,175)	(1,240)	(24,415)	(23,136)	(1,707)	(24,842)
	Other bank loans and other non-current financial debt		(2,865)	(555)	(3,421)	(3,548)	(253)	(3,801)
	Long-term financial debt (**)		**(26,040)**	**(1,795)**	**(27,835)**	**(26,684)**	**(1,959)**	**(28,643)**
	Commercial paper		-	(319)	(319)	-	(1,194)	(1,194)
	Other current financial liabilities		-	(395)	(395)	-	(375)	(375)
	Bank overdrafts		-	(725)	(725)	-	(339)	(339)
	Financial current accounts - liabilities		-	(31)	(31)	-	(42)	(42)
	I - Gross financial debt		**(26,040)**	**(3,265)**	**(29,305)**	**(26,684)**	**(3,909)**	**(30,593)**
	of which impact of fair value hedges		*(775)*	*(5)*	*(780)*	*(1,144)*	*(7)*	*(1,151)*
	of which effect of recognising London Gatwick Airport's debt at fair value		*(447)*	*-*	*(447)*	*(453)*	*-*	*(453)*
Financial assets at amortised cost	Collateralised loans and financial receivables		4	-	4	4	-	4
	Financial current accounts - assets		-	70	70	-	95	95
Financial assets measured at fair value through profit or loss	Cash management financial assets		-	41	41	-	43	43
	Cash equivalents		-	4,283	4,283	-	5,646	5,646
	Cash		-	6,058	6,058	-	6,119	6,119
	II - Financial assets		**4**	**10,452**	**10,456**	**4**	**11,903**	**11,906**
Derivatives	Derivative financial instruments - liabilities		(390)	(442)	(832)	(434)	(319)	(753)
	Derivative financial instruments - assets		822	262	1,084	1,250	201	1,450
	III - Derivative financial instruments		**432**	**(181)**	**252**	**816**	**(118)**	**698**
	Net financial debt	**I+II+III**	**(25,604)**	**7,007**	**(18,597)**	**(25,864)**	**7,875**	**(17,989)**
	Net financial debt breaks down by business line as follows:							
	Concessions		*(36,454)*	*2,989*	*(33,465)*	*(35,595)*	*2,877*	*(32,718)*
	VINCI Energies		*(2,417)*	*2,191*	*(226)*	*(2,426)*	*2,170*	*(256)*
	VINCI Construction		*(1,291)*	*2,915*	*1,623*	*(1,309)*	*3,519*	*2,211*
	Holding companies and VINCI Immobilier		*14,558*	*(1,088)*	*13,470*	*13,466*	*(693)*	*12,774*

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

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

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 changes	Ref.	Closing
Bonds (non-current)	(23,136)	(836)	*(3)*	-	(305)	369	734	797	*(4)*	(23,175)
Other loans and borrowings (non-current)	(3,548)	343	*(3)*	(1)	(22)	-	362	340	*(4)*	(2,865)
Current borrowings	(3,909)	1,671	-	(35)	38	2	(1,032)	(1,027)	-	(3,265)
of which the part at less than one year of long-term debts	*(1,617)*	*1,152*	*(3)*	*(1)*	*49*	*2*	*(1,091)*	*(1,042)*	*(4)*	*(1,507)*
of which current financial debts at inception	*(1,606)*	*876*	*(2)*	*(12)*	*-*	*-*	*(4)*	*(15)*	*(4)*	*(745)*
of which accrued interest on bank debts	*(347)*	*-*	*(4)*	*-*	*(5)*	*-*	*63*	*59*	*(4)*	*(288)*
of which bank overdrafts	*(339)*	*(356)*	*(1)*	*(22)*	*(7)*	*-*	*(1)*	*(29)*	*(1)*	*(725)*
Collateralised loans and receivables	4	-	*(4)*	-	-	-	-	-	*(4)*	4
Cash management financial assets	137	(34)	-	6	1	-	1	8	-	111
of which cash management financial assets (excluding accrued interest)	*137*	*(34)*	*(2)*	*6*	*1*	*-*	*1*	*8*	*(4)*	*111*
of which accrued interest on cash management assets	*1*	*-*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*-*
Cash and cash equivalents	11,765	(1,518)	*(1)*	38	57	(1)	-	94	*(1)*	10,341
Derivative financial instruments	698	11	-	-	(142)	(309)	(6)	(456)	-	252
of which fair value of derivatives	*581*	*11*	*(3)*	*-*	*(143)*	*(309)*	*-*	*(451)*	*(4)*	*140*
of which accrued interest on derivatives	*117*	*-*	*(4)*	*-*	*1*	*-*	*(6)*	*(5)*	*(4)*	*112*
Net	**(17,989)**	**(364)**	*(5)*	**8**	**(373)**	**61**	**60**	**(244)**	*(5)*	**(18,597)**

Comments regarding cash flows in the period (outflow of €364 million) can be found in the management report (see Note 4, "Cash flows"). Repayments of long-term debts that fell due during the period were financed by new bond issues and net cash. Non-cash changes in net financial debt during the period (increase of €244 million) include movements in exchange rates, mainly on long-term foreign currency debts, partly offset by changes in fair values and in accrued interest not matured.

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.	30/06/2021
Change in net cash	*(1)*	(1,810)
Change in cash management assets and other current financial debts	*(2)*	841
(Proceeds from)/repayment of loans	*(3)*	669
Other changes	*(4)*	(309)
Change in net financial debt	*(5)*	(608)

22.1 Detail of long-term financial debt by business line

The breakdown of net long-term financial debt (including the part at less than one year) by business line at 30 June 2021 was as follows:

(in € millions)	30/06/2021 Concessions	VINCI Energies	VINCI Construction	Holding companies and VINCI Immobilier	Total	31/12/2020 Concessions	VINCI Energies	VINCI Construction	Holding companies and VINCI Immobilier	Total
Bonds	(17,695)	-	-	(6,720)	(24,415)	(18,063)	-	-	(6,779)	(24,842)
Other bank loans and other financial debt	(3,014)	(26)	(127)	(253)	(3,421)	(3,410)	(39)	(108)	(244)	(3,801)
Long-term financial debt	**(20,710)**	**(26)**	**(127)**	**(6,973)**	**(27,835)**	**(21,473)**	**(39)**	**(108)**	**(7,023)**	**(28,643)**

At 30 June 2021, long-term net financial debt amounted to €27.8 billion, down €0.8 billion compared with the 31 December 2020 figure of €28.6 billion. The change results from the following transactions:

- in May, Cofiroute repaid €1.1 billion of bonds, comprising €750 million of bonds issued in 2006 followed by a Tap of €350 million in 2007, paying a coupon of 5%;
- in the second quarter, ASF repaid €55 million of debts owed to the European Investment Bank;

- in March, Gatwick Airport Finance plc – London Gatwick Airport's controlling holding company – issued £450 million of five-year bonds paying a coupon of 4.375%;
- in April, London Gatwick Airport issued £300 million of 11-year bonds paying a coupon of 2.5% to refinance a £300 million credit facility arranged in April 2020.

Maturity of debts

At 30 June 2021, the weighted average maturity of the Group's long-term financial debt was 7.7 years (7.7 years at 31 December 2020). The average maturity was 8 years in concession subsidiaries, 6.7 years for holding companies and VINCI Immobilier, and 2.8 years for the VINCI Energies and VINCI Construction business lines.

22.2 Credit ratings and financial covenants

Credit ratings

At 30 June 2021, the Group's credit ratings were as follows:

		Rating		
	Agency	Long-term	Outlook	Short-term
VINCI SA	Standard & Poor's	A–	Stable	A2
	Moody's	A3	Stable	P2
ASF	Standard & Poor's	A–	Stable	A2
	Moody's	A3	Stable	P1
Cofiroute	Standard & Poor's	A–	Stable	A2
Gatwick Funding Limited (*)	Standard & Poor's	BBB	Negative	
	Moody's	Baa2	Negative	
	Fitch	BBB+	Negative	
Gatwick Airport Finance plc (*)	Moody's	Baa3	Negative	

(*) Company that raises funding for London Gatwick Airport.

In the first half of 2021:

- VINCI SA :
  - Moody's adjusted its short-term rating from P1 at 31 December 2020 to P2 while maintaining its long-term A3 rating with stable outlook;
  - In June 2021, Standard & Poor's confirmed its notations (long term: A-, short term: A2) with stable outlook.
- S&P confirmed its investment-grade BBB rating on London Gatwick Airport and adopted a negative outlook on that rating, thus removing it from the CreditWatch Negative list where it had been since mid-July 2020.

Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios.

The Group regularly monitors developments in relation to these financial covenants and pays particular attention to finance agreements that could give rise to risks of it failing to comply with financial ratios in the short and medium term. If needed, talks are conducted with lenders to inform them of potential instances of default related to such failures.
Group entities that needed in the past to renegotiate some of their financing terms have been able to reach agreements. In particular, waivers and amendments were obtained by London Gatwick Airport in September 2020 in relation to its bank and bond debt (in a total amount of £3.4 billion at the end of 2020). The agreement especially consisted in an exemption from the requirement to comply, in June 2021, with the two financial ratios (interest cover ratio and debt ratio) provided for in its financing agreements.

Other agreements subject to covenants do not involve material amounts (individually less than €300 million).

For some agreements that could give risk of it failing to comply with financial ratios for future closing dates, discussions will be initiated with the counterparties in order to renegotiate the ratios or arrange a grace period.

23. Net cash managed and available resources

At 30 June 2021, the Group's available resources amounted to €17.3 billion including commercial paper, comprising €9 billion of net cash managed, €0.3 billion of commercial paper and €8 billion of unused confirmed bank credit facilities.

23.1 Net cash managed

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

	30/06/2021				
(in € millions)	**Concessions**	**VINCI Energies**	**VINCI Construction**	**Holding companies and VINCI Immobilier**	**Total**
Cash equivalents	**144**	**13**	**69**	**4,057**	**4,283**
Marketable securities and mutual funds (UCITS)	-	-	2	2,613	2,615
Negotiable debt securities with an original maturity of less than 3 months (*)	144	13	67	1,444	1,668
Cash	**1,436**	**525**	**1,687**	**2,410**	**6,058**
Bank overdrafts	**(3)**	**(104)**	**(403)**	**(215)**	**(725)**
Net cash and cash equivalents	**1,577**	**434**	**1,354**	**6,251**	**9,616**
Cash management financial assets	**6**	**12**	**21**	**3**	**41**
Negotiable debt securities and bonds with an original maturity of less than 3 months	5	1	21	3	29
Negotiable debt securities and bonds with an original maturity of more than 3 months	1	11	-	-	12
Commercial paper issued	**(319)**	**-**	**-**	**-**	**(319)**
Other current financial liabilities	**(359)**	**(29)**	**(6)**	**(1)**	**(395)**
Balance of cash management current accounts	**2,922**	**1,788**	**1,579**	**(6,251)**	**39**
Net cash managed	**3,828**	**2,205**	**2,948**	**2**	**8,982**

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

	31/12/2020				
(in € millions)	**Concessions**	**VINCI Energies**	**VINCI Construction**	**Holding companies and VINCI Immobilier**	**Total**
Cash equivalents	**165**	**7**	**124**	**5,351**	**5,646**
Marketable securities and mutual funds (UCITS)	-	-	5	3,780	3,785
Negotiable debt securities with an original maturity of less than 3 months (*)	165	7	119	1,571	1,862
Cash	**999**	**519**	**1,905**	**2,696**	**6,119**
Bank overdrafts	**-**	**(65)**	**(223)**	**(51)**	**(339)**
Net cash and cash equivalents	**1,164**	**461**	**1,806**	**7,995**	**11,426**
Cash management financial assets	**9**	**10**	**23**	**2**	**43**
Negotiable debt securities and bonds with an original maturity of less than 3 months	8	-	23	2	32
Negotiable debt securities and bonds with an original maturity of more than 3 months	1	9	-	-	10
Commercial paper issued	**(194)**	**-**	**-**	**(1,000)**	**(1,194)**
Other current financial liabilities	**(345)**	**(29)**	**-**	**-**	**(375)**
Balance of cash management current accounts	**4,053**	**1,755**	**1,721**	**(7,475)**	**53**
Net cash managed	**4,687**	**2,196**	**3,550**	**(480)**	**9,953**

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

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.

At 30 June 2021, net cash managed by VINCI SA amounted to €5.2 billion, arising mainly from the cash surpluses transferred upwards from French subsidiaries through a cash pooling system. VINCI Finance International, a wholly owned subsidiary of VINCI SA that centralises the cash surpluses of foreign subsidiaries, managed cash investments of €1 billion at 30 June 2021.
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.

Certain subsidiaries' cash investments are managed in a decentralised manner while complying with the guidelines and instructions issued by VINCI, which define aspects such as the investment vehicles and the counterparties authorised. The investments amounted to €2.7 billion at

30 June 2021, including €0.9 billion for the Concessions business and €1.8 billion for the VINCI Energies and VINCI Construction business lines combined.

23.2 Other available resources

Revolving credit facilities

VINCI has a €8 billion confirmed syndicated revolving loan facility including €7.7 billion that is due to expire in November 2025. It does not contain any default clause relating to non-compliance with financial ratios. This credit facility was undrawn at 30 June 2021.
The company that owns London Gatwick Airport has a £300 million revolving credit facility due to expire in June 2025. That facility was fully drawn at 30 June 2021.

Commercial paper

VINCI SA has a €5 billion commercial paper programme rated A2 by Standard & Poor's and P2 by Moody's. At 30 June 2021, no use was being made of that programme (€1.0 billion drawned at 31 December 2020).
During the period, London Gatwick Airport drew an additional £100 million on the Covid Corporate Financing Facility set up by the UK government and due to run until March 2022, taking the company's total drawings to £275 million at end-June 2021.

24. Financial risk management

The Group's policies and procedures for managing financial risk are identical to those described in Note J.27, "Financial risk management" in the 2020 universal registration document. Transactions to set up or unwind hedging instruments during the first-half period did not materially alter VINCI's exposure to financial risks.
The main risks – interest rate, foreign exchange, credit, counterparty, equity – are described in Notes J.27.1, J.27.2, J.27.3 and J.27.4 respectively in the 2020 universal registration document.

Against the background of the Covid-19 crisis, the Group carried out a detailed analysis of its hedge relationships to ensure that the hedged cash flows remained highly probable. The main interest rate exposures hedged by the Group concern financing arranged by VINCI SA, ASF and Cofiroute. The Group does not expect any change in the timing or amount of the hedged cash flows relating to this financing.
The other hedged exposures concern project financing; hedges of exposures that show a risk of a change in the repayment schedule have been adjusted to maintain perfect matching.
London Gatwick Airport also restructured its hedging swaps in order to defer interest payments. That transaction has no material impact on earnings, because the reduction in interest expense in the first two years is offset by the recognition of ineffectiveness.

As regards currency translation risk, the net positions of hedged subsidiaries were closely monitored in order to ensure the absence of over-hedging.

The principles used to measure financial instruments take into account changes in counterparty credit risk, along with the Group's own credit risk. VINCI's risk management policy includes setting strict limits on the basis of counterparties' ratings.

As part of benchmark interest rate reforms, the Group has set up a working party bringing together all stakeholders and has begun discussions with counterparties in order to make the transition to new indices. Only coupons starting in 2022 will be calculated on the basis of the new indices. Some of the transactions negotiated during the first semester with maturities after 31 December 2021 now refer to the new indices. The accounting impacts are expected to be limited since the transition regarding the hedged instrument and hedging instrument should take place in a synchronised manner. The transition to the new indices has no impact on the Group's risk management policy.

The details of the main financing transactions (nominal and carrying amounts) concerned by these reforms are presented in the table under Note J.25 in the 2020 universal registration document. Similarly, details of hedging transactions are presented in Note J.27 in the same document.

25. 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 2021.
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:

30/06/2021	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	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	-	-	1,003	9	-	-	1,011	871 (*)	-	141	1,011
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,271	-	1,271	-	1,271	-	1,271
I - Non-current financial assets (**)	**-**	**-**	**1,003**	**9**	**1,271**	**-**	**2,283**	**871**	**1,271**	**141**	**2,283**
II - Derivative financial instruments - assets	**124**	**966**	**-**	**-**	**-**	**-**	**1,090**	**-**	**1,090**	**-**	**1,090**
Cash management financial assets	-	-	41	-	-	-	41	-	41	-	41
Financial current accounts - assets	-	-	-	-	70	-	70	70	-	-	70
Cash equivalents	-	-	4,283	-	-	-	4,283	2,615	1,668 (***)	-	4,283
Cash	-	-	6,058	-	-	-	6,058	6,058	-	-	6,058
III - Current financial assets	**-**	**-**	**10,382**	**-**	**70**	**-**	**10,452**	**8,744**	**1,709**	**-**	**10,452**
Total assets	**124**	**966**	**11,385**	**9**	**1,341**	**-**	**13,825**	**9,614**	**4,070**	**141**	**13,825**
Bonds	-	-	-	-	-	(24,415)	(24,415)	(23,632)	(1,238)	-	(24,870)
Other bank loans and other financial debt	-	-	-	-	-	(3,421)	(3,421)	-	(3,478)	-	(3,478)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(27,835)**	**(27,835)**	**(23,632)**	**(4,716)**	**-**	**(28,348)**
V - Derivative financial instruments - liabilities	**(409)**	**(432)**	**-**	**-**	**-**	**-**	**(840)**	**-**	**(840)**	**-**	**(840)**
Other current financial liabilities	-	-	-	-	-	(714)	(714)	-	(714)	-	(714)
Financial current accounts - liabilities	-	-	-	-	-	(31)	(31)	(31)	-	-	(31)
Bank overdrafts	-	-	-	-	-	(725)	(725)	(725)	-	-	(725)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(1,470)**	**(1,470)**	**(756)**	**(714)**	**-**	**(1,470)**
Total liabilities	**(409)**	**(432)**	**-**	**-**	**-**	**(29,305)**	**(30,146)**	**(24,388)**	**(6,271)**	**-**	**(30,658)**
Total	**(284)**	**534**	**11,385**	**9**	**1,341**	**(29,305)**	**(16,321)**	**(14,773)**	**(2,201)**	**141**	**(16,833)**

(*) Fair value of ADP shares – see Note E.11, "Other non-current financial assets".
(**) See Notes E.11, "Other non-current financial assets" and F.13, "PPP financial receivables".
(***) 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 2020 by accounting category as defined by IFRS 9:

31/12/2020	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**	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	-	-	943	8	-	-	951	841 (*)	-	110	951
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,286	-	1,286	-	1,286	-	1,286
I - Non-current financial assets (**)	**-**	**-**	**943**	**8**	**1,286**	**-**	**2,237**	**841**	**1,286**	**110**	**2,237**
II - Derivative financial instruments - assets	**128**	**1,333**	**-**	**-**	**-**	**-**	**1,461**	**-**	**1,461**	**-**	**1,461**
Cash management financial assets	-	-	43	-	-	-	43	-	43	-	43
Financial current accounts - assets	-	-	-	-	95	-	95	95	-	-	95
Cash equivalents	-	-	5,646	-	-	-	5,646	3,785	1,862 (***)	-	5,646
Cash	-	-	6,119	-	-	-	6,119	6,119	-	-	6,119
III - Current financial assets	**-**	**-**	**11,808**	**-**	**95**	**-**	**11,903**	**9,999**	**1,904**	**-**	**11,903**
Total assets	**128**	**1,333**	**12,751**	**8**	**1,381**	**-**	**15,601**	**10,839**	**4,651**	**110**	**15,601**
Bonds	-	-	-	-	-	(24,842)	(24,842)	(24,619)	(1,300)	-	(25,920)
Other bank loans and other financial debt	-	-	-	-	-	(3,801)	(3,801)	-	(3,976)	-	(3,976)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,643)**	**(28,643)**	**(24,619)**	**(5,277)**	**-**	**(29,896)**
V - Derivative financial instruments - liabilities	**(372)**	**(387)**	**-**	**-**	**-**	**-**	**(759)**	**-**	**(759)**	**-**	**(759)**
Other current financial liabilities	-	-	-	-	-	(1,569)	(1,569)	-	(1,569)	-	(1,569)
Financial current accounts - liabilities	-	-	-	-	-	(42)	(42)	(42)	-	-	(42)
Bank overdrafts	-	-	-	-	-	(339)	(339)	(339)	-	-	(339)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(1,950)**	**(1,950)**	**(381)**	**(1,569)**	**-**	**(1,950)**
Total liabilities	**(372)**	**(387)**	**-**	**-**	**-**	**(30,593)**	**(31,352)**	**(25,000)**	**(7,604)**	**-**	**(32,605)**
Total	**(244)**	**946**	**12,751**	**8**	**1,381**	**(30,593)**	**(15,751)**	**(14,161)**	**(2,953)**	**110**	**(17,004)**

(*) Fair value of ADP shares – see Note E.11, "Other non-current financial assets".
(**) See Notes E.11, "Other non-current financial assets" and F.13, "PPP financial receivables".
(***) Mainly comprising certificates of deposit, term deposits and interest-bearing accounts.

J. Employee benefits and share-based payments

26. Provisions for employee benefits

26.1 Provisions for retirement benefit obligations

At 30 June 2021, provisions for retirement benefit obligations amounted to €1,669 million (including €1,611 million at more than one year) compared with €1,687 million at 31 December 2020 (including €1,628 million at more than one year). They comprise provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The decrease in the first half of 2021 arose mainly from the increase in discount rates in all currency zones.
The part at less than one year of these provisions (€57 million at 30 June 2021 and €60 million at 31 December 2020) is reported under "Other current liabilities".

The expense recognised for the first half of 2021 in respect of retirement benefit obligations is half the forecast expense for 2021 determined on the basis of actuarial assumptions at 31 December 2020 and in accordance with IAS 19.
Details of benefits enjoyed by Group employees are provided in Note K.29.1, "Provisions for retirement benefit obligations" in the 2020 universal registration document.

26.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses. At 30 June 2021, these provisions amounted to €119 million (unchanged relative to 31 December 2020).

27. Share-based payments

The expense relating to employee benefits was €115 million for the first half of 2021 (€90 million in the first half of 2020), including €60 million in respect of performance share plans (€72 million in the first half of 2020) and €55 million in respect of employee savings plans in France and other countries (€18 million in the first half of 2020).

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

27.1 Performance shares

Information on changes in performance share plans currently in force

	30/06/2021	31/12/2020
Number of shares granted subject to performance conditions at beginning of period	**7,034,538**	**6,990,596**
Shares granted	2,489,680	2,365,032
Shares acquired by beneficiaries	(1,927,108)	(2,146,234)
Shares cancelled	(418,128)	(174,856)
Number of shares granted subject to performance conditions not vested at end of period	**7,178,982**	**7,034,538**

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

	Plan set up on 08/04/2021	Plan set up on 09/04/2020	Plan set up on 17/04/2019	Plan set up on 17/04/2018
Original number of beneficiaries	3,960	3,529	3,271	2,947
Vesting date of the shares granted	08/04/2024	09/04/2023	17/04/2022	17/04/2021
Number of shares initially granted subject to performance conditions (*)	**2,489,680**	**2,365,032**	**2,453,497**	**2,349,324**
Shares cancelled	(13,805)	(29,117)	(80,010)	(419,586)
Shares acquired by beneficiaries	-	(1,615)	(4,680)	(1,929,738)
Number of shares granted subject to performance conditions at end of period	**2,475,875**	**2,334,300**	**2,368,807**	**-**

(*) Including shares granted to the executive company officer under the conditions of ordinary law and subjected to the same performance conditions.

On 4 February 2021, VINCI's Board of Directors decided that 88,28 % of the performance shares initially granted under the 2018 plan (i.e. 1,925,708 shares) would vest for beneficiaries having remained with the Group (i.e. 2,666 employees). That percentage arose from the fact that the external performance criterion was not 100% fulfilled: VINCI's total shareholder return (TSR) between 2018 and 2020 underperformed that of the CAC 40 over the same period by 1.72 percentage points, less than the outperformance of 10 percentage points required for the 20% portion of performance shares to be granted in full. The internal performance criterion (covering 80% of the award) was 100% fulfilled.

On 8 April 2021, VINCI's Board of Directors decided to set up a new performance share plan to grant a total of 2,489,680 shares subject to performance conditions to 3,960 employees. They will not vest 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 economic criterion (50% weighting) relating to value creation. This will be measured by the ratio of the return on capital employed (ROCE, determined after deconsolidation of the airports business and until global airport passenger numbers have returned to 2019 levels), calculated as an average over a three-year period, to the weighted average cost of capital (WACC), also calculated as an average over a three-year period. The proportion of shares vested will vary between 0% if the ratio is 1.0x or lower and 100% if the ratio is 1.25x or higher, with linear interpolation between these two thresholds;
- financial criteria (25% weighting) including:
  a) relative stock market performance (12.5%), measuring VINCI's share price performance by comparison with a composite sector index, calculated on the basis of the stock market valuations of a list of companies regarded as comparable with VINCI. Performance corresponds to the difference, ascertained at 31 December 2023, between the following two indicators:
     - VINCI's TSR between 1 January 2021 and 31 December 2023;
     - the TSR of the composite sector index between 1 January 2021 and 31 December 2023.

     Total shareholder returns include dividends.
     The proportion of shares vested will vary between 0% if the difference is -5% or lower and 100% if the difference is +5% or higher, with linear interpolation between these two thresholds;
  b) the Group's ability to manage its debt and generate cash flows in line with its level of debt. This target will be measured by the FFO (funds from operations)/net debt ratio, determined according to the methodology of rating agency Standard & Poor's and calculated as an average over a three-year period. The proportion of shares vested will vary between 0% if the ratio is 15% or lower and 100% if the ratio is 20% or higher, with linear interpolation between these two thresholds;
- environmental, social and governance criteria (25% weighting) comprising:
  a) an external environmental criterion (15%) measured by the Climate Change score received each year by VINCI from CDP Worldwide in respect of the 2021, 2022 and 2023 financial years;
  b) a safety criterion (5%) measuring the Group's safety performance, based on the frequency rate of workplace accidents with at least 24 hours of lost time per million hours worked for VINCI employees worldwide;
  c) a criterion relating to increasing female representation (5%) measuring the increase in the percentage of women hired or promoted to management positions across the Group's whole scope. In 2020, that percentage was 25.30%. The aim is to increase it to 28.33% by the end of 2023.

The Board may adjust these performance conditions either in the event of a strategic decision that changes the scope of the Group's business activities or under exceptional circumstances.

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:

	2021 plan	2020 plan	2019 plan	2018 plan
Price of VINCI share on date plan was announced *(in €)*	90.70	76.50	89.68	81.23
Fair value of performance share at grant date *(in €)*	78.64	61.69	74.84	64.12
Fair value compared with share price at grant date	86.70%	80.64%	83.45%	78.94%
Original maturity (in years) - vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	(0.64%)	(0.44%)	(0.40%)	(0.32%)

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

27.2 Group savings plans

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

Group savings plan – France

In France, VINCI generally 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 lock-up period: five years.

Group savings plan – international

In the first half of 2021, in accordance with authorisations given to the Board of Directors by shareholders at the Shareholders' General Meeting, VINCI initiated new savings plans for the employees of certain foreign subsidiaries. Known as Castor International, the plan covered 41 countries in 2021: Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Cameroon, Canada, Chile, Colombia, the Czech Republic, the Dominican Republic, Estonia, Finland, Germany, Greece, Hong Kong, Hungary, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

The main characteristics of these plans are as follows:

- subscription period: from 18 May to 4 June 2021 for all countries except the United Kingdom (seven successive periods between March and September 2021);
- 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)	2021	2020	2019	2018
Subscription price *(in €)*	91.72	73.41	88.08	84.50
Closing share price on the last day of the subscription period *(in €)*	93.45	90.32	90.28	84.32
Anticipated dividend pay-out rate	2.97%	2.51%	2.60%	2.34%
Fair value of bonus shares on the last day of the subscription period *(in €)*	85.47	83.78	83.60	78.66

K. Other notes

28. 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 2021 in the nature of transactions conducted by the Group with its related parties from those at 31 December 2020, which were referred to in Note E.10.3, "Controlled subsidiaries' transactions with associates and joint ventures" and Note L.31, "Related-party transactions" in the 2020 universal registration document.

29. 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 2021 were as follows:

- In relation to the compensation claim commenced by SNCF in March 2011 following the decision handed down on 21 March 2006 by the Conseil de la Concurrence [(*)] (the French competition authority), which penalised several companies for collusion in relation to civil engineering works at the Magenta and Saint-Lazare Condorcet stations in Paris (Eole project), the VINCI Group companies reached a settlement with SNCF in March 2016 for the purpose of ending SNCF's claim against them. On 8 March 2016, the Paris Administrative Court noted the reciprocal discontinuance of proceedings and waiver of rights of action between SNCF Mobilités and all VINCI Group companies involved in these proceedings, and dismissed SNCF's claim in respect of the other companies concerned. After SNCF appealed against that decision, the proceedings continued between SNCF and the companies outside the VINCI Group, which had nevertheless had recourse to the Group subsidiaries concerned as guarantors. In a decision on 29 December 2017, the Paris Administrative Court of Appeal dismissed SNCF's claim and SNCF appealed against that decision to the Conseil d'Etat, which overturned the dismissal on 22 November 2019 and referred the matter back to the Paris Administrative Court of Appeal. The dispute is now at an end following a settlement between SNCF and the other companies concerned, the effect of which included discontinuing the aforementioned recourse to Group subsidiaries as guarantors.

- 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. In late July 2019, the Paris Administrative Court dismissed the region's claims. The region is appealing against those decisions. On 19 February 2021, in its judgments in two of the 88 sets of proceedings, the Paris Administrative Court of Appeal took the view that the region's action would not be time-barred in the end, that the region would therefore have grounds to ask the court to find the defendants jointly and severally liable, but that the region's wrongdoing reduced the defendants' liability by a third, and ordered an expert opinion to determine any harm suffered by the region. The defendants have lodged an appeal on points of law against these two judgments before the Conseil d'Etat, and the other 86 sets of proceedings remain adjourned. The Group takes the view that these proceedings, whose origin dates back more than 30 years and which concerns a claim that was already found to be time-barred in 2013 and then again in 2019, represent a contingent liability whose impact it is unable to measure.

- In August 2019, after the State notified its intention to terminate early the concession contract relating to the Notre-Dame-des-Landes, Nantes Atlantique and Saint-Nazaire Montoir airports, Aéroports du Grand Ouest (AGO) twice sought to commence the conciliation procedure provided for in Article 94 of the concession contract. The government refused to comply and, through an order dated 24 October 2019, declared that the concession contract had been terminated for public interest reasons. On 5 December 2019, to safeguard its right to compensation, AGO sent to the government an initial compensation request and, on 6 December 2019, it filed an application to the Nantes Administrative Court to challenge the termination order. In its application, AGO reiterated that it was prepared to commence, as an alternative, a mediation procedure under Article

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

L.213-7 of the French Administrative Justice Code, to try to reach a balanced agreement that would resolve the dispute. On 3 June 2021, AGO received the government's defence, sent by the Nantes Administrative Court.

- The Czech Republic's roads and motorways department (RSD) 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 RSD commenced arbitration and legal proceedings seeking (i) damages for what the RSD alleges was defective work affecting the roads and engineering structures that were built and (ii) the payment of 37 million Czech koruna to take account of the quantity of steel actually used in a bridge. The claim resulted in a judgment ordering Eurovia CS and Strabag to pay 7.4 million Czech koruna plus interest. Regarding the claims relating mainly to defective work, the RSD is currently claiming damages of 3.1 billion Czech koruna, of which Eurovia CS's share would be around 75%. Repairs have been carried out since the start of 2014, costing substantially less than the amount sought by the RSD. One of the three arbitration awards rejecting some of the RSD's claims was made in June 2021. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

- Soletanche Bachy France had submitted a request for arbitration to the International Chamber of Commerce after ACT (Aqaba Container Terminal) terminated a contract for the construction of an extension to a container terminal in the port of Aqaba in Jordan. 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 amended by two awards 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. On 15 December 2020, the Paris Court of Appeal confirmed the decision by the Paris Regional Court declaring the arbitration award of 30 August 2017 enforceable. Soletanche Bachy France has lodged an appeal on points of law against this judgment before the Cour de Cassation. 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.

- On 6 November 2019, the Metropolitan Municipality of Lima (Peru) commenced arbitration proceedings against Lima Expresa (hereinafter "LimaEx"), the concession-holder of the Línea Amarilla motorway, before the International Arbitration Chamber of Paris. The Metropolitan Municipality of Lima's main claim, as concession grantor, relates to the termination of the 12 November 2009 concession contract and to the series of amendments to that contract. On 20 December 2016, the Group acquired 100% of LimaEx through its subsidiary VINCI Highways SAS. LimaEx is contesting the Metropolitan Municipality of Lima's claims based on allegations of bribery prior to the Group's acquisition of LimaEx, and has filed a counterclaim. In addition, as part of three sets of criminal proceedings currently taking place, one against a former official of the Metropolitan Municipality of Lima and two against an ex-mayor of Lima, the public prosecutors have requested that LimaEx's civil liability be invoked. LimaEx is disputing these requests in each set of proceedings. The Group takes the view that these proceedings represent a contingent liability whose impact it is unable to measure.

- On 12 May 2015, VINCI Construction Grands Projets formed a non-incorporated joint venture with Italian company Astaldi. The entity was created for the purpose of carrying out construction works on the new Santiago Airport in Chile under an engineering, procurement and construction contract formed on 18 November 2015 with the concession holder Sociedad Concesionaria Nuevo Pudahuel. VINCI Construction Grands Projets and Astaldi have equal interests in the joint venture. A dispute has arisen between VINCI Construction Grands Projets and Astaldi regarding (i) allegations of mismanagement made by Astaldi against VINCI Construction Grands Projets, which VINCI Construction Grands Projets rejects entirely, and (ii) VINCI Construction Grands Projets' exclusion of Astaldi from the joint venture's governance because of misconduct by Astaldi, which is disputed by Astaldi. Astaldi commenced arbitration proceedings against VINCI Construction Grands Projets on 14 December 2020 before the International Chamber of Commerce. In a letter dated 28 December 2020, Astaldi stated that the amount it was claiming was around €150 million. VINCI Construction Grands Projets entirely disputes the compensation sought by Astaldi and has made a counterclaim aimed at (i) forcing Astaldi to pay its share of the loss suffered by the consortium at the time of its exclusion and (ii) forcing Astaldi to reimburse its share of the calls for funds made during the works, which total €59.6 million. The arbitral tribunal, the seat of which is in Geneva, has been constituted. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

There are no other judicial, administrative or arbitration proceedings, including any proceedings known to the Company, pending or with which it is threatened, that are likely to have, or have had in the last 12 months, a material effect on the financial situation or profitability of the Company and/or the Group.

30. Post-balance sheet events

Bond issue

On 30 June 2021, VINCI issued €750 million of bonds, bearing a fixed rate coupon of 0.5 %, and due to mature in January 2032. The resulting funds were received on 9 July. The issue was converted to floating rate (3M Euribor + 5.3 bps) through a receive fixed/pay floating interest rate swap.

Interim dividend

On 29 July 2021, the Board of Directors decided to pay an interim dividend of €0.65 per share in respect of 2021.
This interim dividend will be paid in November 2021.

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 constitutes goodwill. Where applicable, goodwill can include a portion of the fair value of non-controlling interests if the full goodwill method has been selected. The Group has 12 months from the date of acquisition to finalise the accounting for business combinations.

In the case of a business combination achieved in stages, previously acquired shareholdings in the acquiree are measured at fair value at the date of acquisition of control. Any resulting gain or loss is recognised in profit or loss.

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

In accordance with IFRS 10, acquisitions or disposals of non-controlling interests, with no impact on control, are considered as transactions with the Group's shareholders. The difference between the consideration paid to increase the percentage shareholding in an already-controlled entity and the supplementary share of equity thus acquired is recorded under equity attributable to owners of the parent. Similarly, a decrease in the Group's percentage interest in an entity that continues to be controlled is booked in the accounts as a transaction between shareholders, with no impact on profit or loss. Professional fees and other costs relating to acquisitions and disposals of non-controlling interests that have no impact on control, and any associated tax effects, are recorded under equity. Cash flow related to transactions between shareholders is 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 2021 half-year Financial information

Report of the Statutory Auditors on the 2021 half-year financial information

For the period from 1 January 2021 to 30 June 2021

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 2021 to 30 June 2021,
- the verification of the information presented in the half-yearly management report.

The global crisis due to the Covid-19 pandemic has created specific conditions for the preparation and limited review of condensed consolidated interim financial statements. This crisis and the exceptional measures taken in response to the public health emergency have had many consequences for companies, particularly in relation to their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and the performance of our audits and other work.

The condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited 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.

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 et Paris-La Défense, 29 July 2021

PricewaterhouseCoopers Audit

Bernard Gainier   Bertrand Baloche

Deloitte & Associés

Mansour Belhiba   Amnon Bendavid

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 1 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

Cash flows from operations before tax and financing costs (Ebitda): Ebitda corresponds to recurring operating income adjusted for additions to depreciation and amortisation, 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.

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 VINCI Energies and VINCI Construction business lines.

Cost of net financial debt: the cost of net financial debt comprises all financial income and expense relating to net financial debt as defined below. It therefore includes interest expense and income from interest rate derivatives allocated to gross debt, along with financial income from investments and cash equivalents. The reconciliation between this indicator and the income statement is detailed in the notes to the Group's consolidated financial statements.

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.

Free cash flow: free cash flow is made up of operating cash flow and growth investments in concessions and public-private partnerships (PPPs).

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.

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 derivatives and other liabilities relating to hedging instruments). Financial assets include cash and cash equivalents and assets relating to derivative instruments.
On 1 January 2019, IAS 17 was replaced by IFRS 16, which specifies a single method for recognising leases. The Group now recognises a right to use under non-current assets, along with a liability corresponding to the present value of lease payments still to be made. That liability is not included in net financial surplus/debt as defined by the Group, and is presented directly on the balance sheet.

Non-recurring operating items: non-recurring income and expense mainly includes impairment losses on goodwill and other material assets, 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).

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 PPPs.

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).

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.

Order book
- In VINCI Energies and 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 VINCI Energies and VINCI Construction 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.

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.

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.).

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.

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.

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Photo: Michaël Tubiana

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