



**Report on the financial
statements**

2015

Report on the financial statements for the year

1. Consolidated financial statements

VINCI turned in a robust performance in 2015, confirming the resilience of its business model and the complementary nature of its two core businesses, Concessions and Contracting. In Concessions, the motorway stimulus plan came into force in the second half of the year and the pace of growth in the airports business picked up, mainly outside Europe: in Chile, Japan and the Dominican Republic. Motorway traffic increased faster than in 2014 and airport passenger numbers rose steadily. In Contracting, performance was more varied. There were significant declines in the construction and conventional roadworks businesses, which depend on public procurement orders in France, as well as in work related to the oil and gas sector, commissioned by oil companies and oil-producing countries. However, Contracting strengthened its operations by acquiring companies outside Europe. It also improved its performance in its long-standing European markets and in the Americas, particularly in its specialist activities.

Lastly, net financial debt fell in 2015 because of strong cash flow.

Consolidated revenue amounted to €38.5 billion in 2015, close to the 2014 figure (down 0.5% on an actual basis). This figure includes positive effects from currency movements (1.8%) and from changes in the consolidation scope (2.0%), with acquisitions made by VINCI Energies and VINCI Construction outside France more than offsetting the impact of the deconsolidation of VINCI Park. On a comparable structure basis, revenue fell 4.3%. In 2015, almost 42% of revenue came from outside France (47% in Contracting).

Cash flow from operations before tax and financing costs (Ebitda) amounted to €5.7 billion, up 1.9% and equal to 14.7% of revenue (14.4% in 2014).

Operating income from ordinary activities (Ebit) totalled almost €3.8 billion, up 3.2% with respect to 2014 (€3.6 billion). Ebit margin rose to 9.8% (9.4% in 2014) due to a larger contribution from the Concessions business.

Recurring operating income – including the impact of share-based payments (IFRS 2), the Group's share of the income or loss of companies accounted for under the equity method, and other recurring operating items – was €3.8 billion in 2015 (€3.6 billion in 2014).

Consolidated net income attributable to owners of the parent amounted to €2,046 million, down €441 million compared with 2014 (€2,486 million). The 2015 figure includes a net charge of €63 million relating to non-recurring items (linked to divestments, impairment losses and restructuring costs), while the 2014 figure included a net contribution of €581 million, mainly the disposal gain resulting from the sale of a stake in VINCI Park. Earnings per share (after taking account of dilutive instruments) fell 17.2% to €3.66 (€4.43 in 2014). Excluding non-recurring items, net income rose 11% to €2,109 million or €3.78 per share (€1,906 million or €3.39 per share in 2014).

Net financial debt at 31 December 2015 was €12.4 billion, a year-on-year reduction of €0.8 billion. Free cash flow, which amounted to nearly €3.0 billion in 2015 after €0.9 billion of investments in concessions, was up 35% relative to the 2014 figure. It covered €0.4 billion of financial investments in 2015, €1.0 billion of dividend payments, €0.3 billion of share buy-backs net of capital increases and €0.5 billion of outflows relating to the early redemption of perpetual subordinated bonds.

The Group did not carry out any bond issues or placements in 2015.

At 31 December 2015, the Group had liquidity of €10.1 billion, comprising €4.1 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities. The expiry of those facilities has been extended to 2020.

In 2015, VINCI's credit ratings – A- from Standard & Poor's and Baa1 from Moody's – were confirmed with a stable outlook.

Order intake in the Contracting business amounted to €31.4 billion in 2015, up 3% year-on-year. The increase reflects strong growth outside France (9%) and a slight decline in France (2%). The order book totalled €27.7 billion at the end of 2015, down 1% year-on-year (down 4% in France and up 3% outside France), but up 1% excluding the impact of progress on the SEA high-speed rail line project, which was 91% complete at end-2015. The order book represents 10 months of average business activity.

1.1 Highlights of the period

1.1.1 Entry into force of the motorway stimulus plan in France

Discussions relating to the motorway stimulus plan between concession-holders and the French government as concession-grantor, which had begun in November 2012, led to the signature of a memorandum of understanding on 9 April 2015 with France's Ministry for the Environment, Sustainable Development and Energy and the country's Ministry for the Economy, Industry and the Digital Sector. The memorandum covers the implementation of the motorway stimulus plan, which was referred to the European Commission in May 2014 and approved by it on 28 October 2014 and provides for:

- arrangements for compensating concession-holders for the increase in the *redevance domaniale* (state fee) in 2013 and for the 2015 toll freeze;
- the payment of an annual exceptional voluntary contribution of €60 million, inflation-linked, over a 20-year period to French transport infrastructure agency (AFITF). VINCI Autoroutes will pay around 55% of that amount;
- the creation of mechanisms to limit profits from concession contracts during the additional periods granted under the motorway stimulus plan;
- no change in the tax environment established by the contracts;
- additional measures including efforts to encourage car-sharing and travel by coach;
- measures to improve transparency, including through the introduction of the French rail and road activities regulation authority (ARAFER);
- an undertaking by concession companies to create a €200 million fund for the environmental modernisation of transport, with VINCI contributing 50% of the funds.

On 23 August 2015, amendments to the concession contracts of the various Group companies concerned (ASF, Escota and Cofiroute) were published in France's Official Journal, making the motorway stimulus plan's measures enforceable. Additional undertakings regarding investments to be made by the Group's motorway concession companies under this plan amount to almost €2 billion. They relate to infrastructure works to improve the motorway network, including the widening of the A9, A63 and A10 motorways and the completion of the A50/A57 motorway link in Toulon. In return for these additional investments, the terms of concession contracts were extended by two years and four months for ASF, two years and six months for Cofiroute's intercity network and four years and two months for Escota. In the Group's financial statements, the amortisation periods for concession assets were reviewed prospectively and extended by the same amounts.

1.1.2 Main changes in scope

In 2015, the Group increased its presence outside France and in new business areas through various acquisitions.

- VINCI Energies: acquisitions of Orteng Engenharia e Sistemas in Brazil and APX Integration a leading French cloud builder
- VINCI Construction: acquisition of HEB Construction (New Zealand) by VINCI Construction International Network and acquisition of control over Grupo Rodio Kronsa (Latin America, Spain, Portugal, Morocco) by Soletanche Freyssinet
- Strategic partnership with and purchase of a 20% stake in Colombian company Concreto.

These transactions are described in the notes to the consolidated financial statements (section B2, "Changes in consolidation scope").

1.1.3 New public-private partnership contracts

Toulon-Hyères airport concession

The French government awarded a 25-year concession for Toulon-Hyères airport to VINCI Airports from 1 April 2015. Around 510,000 passengers passed through the airport in 2015. It serves the Toulon region, the gulf of St Tropez and the main beach resorts of the Var, which is France's leading *département* in terms of annual visitor numbers.

The concession includes the management and development of the airport's civil activities and construction and maintenance work for runways and infrastructure shared with the military section.

Concession at Santiago international airport, Chile

On 21 April 2015, the Chilean government's decision to grant the concession at Arturo Merino Benítez International Airport in Santiago, Chile to the Nuevo Pudahuel consortium, for a period of 20 years starting on 1 October 2015, was definitively confirmed by the publication of the decree ratifying the tendering process. The consortium consists of VINCI Airports (40%), Aéroports de Paris (45%) and Astaldi (15%).

The airport, which is the sixth largest in South America, handled 17.2 million passengers in 2015, almost half of them on international flights.

The concession includes the operation and development of the existing airport. In addition to the upgrading and extension of the current terminal, it covers the financing, design and construction of a new terminal taking the airport's capacity to 30 million passengers a year, with potential for further expansion, and the operation of all infrastructure for the duration of the concession.

The construction work will be carried out by VINCI Construction Grands Projets as part of a design-build consortium owned 50/50 with Astaldi.

Signature of concession contract for Osaka and Kansai international airports

On 15 December 2015, a consortium made up of VINCI Airports and Orix Corporation, a leading provider of integrated financial services in Japan, signed a 44-year concession contract to operate Kansai and Osaka international airports. 37.7 million passengers passed through these two airports in 2015, and together they represent Japan's second busiest airport group. The airports are benefiting from the growth of Japan's tourism industry and the rise of low-cost airlines.

The transfer of airport operations to the Kansai Airports concession company is scheduled to take place on 1 April 2016. Kansai Airports will be 40%-owned by VINCI Airports, 40% by Orix and 20% by other companies in the Kansai region. The concession-holder's initial financing plan amounts to ¥260 billion (almost €2 billion), of which ¥80 billion (around €600 million) will be contributed by the shareholders.

Acquisition of Dominican airport concession company Aerodom

On 14 December 2015, VINCI Airports signed an agreement with the Advent International investment fund to acquire 100% of Dominican company Aerodom. Aerodom holds a concession contract, valid until March 2030, to operate six of the Dominican Republic's nine airports,

including Las Américas International Airport. In 2015, 4.6 million passengers passed through Aerodom's airports, 98% of whom travelled on international flights.

Completion of the transaction and the transfer of operations are expected to take place at the end of the first half of 2016 subject to the conditions precedent being met.

This acquisition will take the number of airports operated by VINCI Airports to 33.

Public-private partnership contract for sections 7 and 8 of the Moscow–St Petersburg motorway

On 21 July 2015, concession company Two Capitals Highway LLC, owned by VINCI Concessions (40%) and VTB Group (60%), finalised the financing and contract for sections 7 and 8 of the Moscow–St Petersburg motorway. This 27-year contract – three years of construction and 24 years of operation – involves the financing, design, construction and operation of a 138 km toll motorway starting in the outskirts of St. Petersburg.

Regina Bypass public-private partnership contract in Canada

On 5 August 2015, Regina Bypass Partners, a company jointly controlled by VINCI Concessions (37.5%) and its partners Parsons Entreprises (25%), the Connor Clark & Lunn GWest fund (25%) and Gracorp Capital (12.5%) signed a 30-year public-private partnership contract relating to the construction and operation of a two-lane dual carriageway bypass around Regina, capital of the Canadian province of Saskatchewan. The project covers the design, financing, construction, operation and maintenance of the 61 km bypass and represents a total investment of around C\$1.9 billion (€1.3 billion).

The construction work will take around four years. It is being performed by Regina Bypass Design-Builders, a consortium consisting of wholly owned Eurovia subsidiary Carmacks Enterprises Ltd. (18.75%), VINCI Construction Terrassement (18.75%), Graham Infrastructure LP (37.5%) and Parsons Canada Ltd. (25%).

Following completion of the works, the motorway will be operated and maintained for 30 years by Regina Bypass Operations and Maintenance, a wholly owned VINCI subsidiary.

Concession contract for the A355 motorway (major bypass to the west of Strasbourg)

In October 2015, France's Ministry for the Environment, Sustainable Development and Energy named VINCI Concessions as preferred bidder for a 55-year concession contract relating to the A355 motorway, which will act as a bypass to the west of Strasbourg. The project covers the design, financing, construction, operation and maintenance of this 24 km bypass.

1.1.4 Commercial successes in the Contracting business

The most important contracts won by the Group in 2015 include the following.

- In France

- the contract to build the Tour Trinity, a new 140 metre high-rise building in the heart of the La Défense business district;
- the renovation of the Samaritaine property complex in Paris for LVMH;
- the contract to renovate and extend the Roland Garros tennis complex;
- the contract for the construction of a building connecting the west and south terminals of Paris-Orly airport.

- Outside France

- the contract for the construction of two tunnel sections as part of the Eastern works package of the Thames Tideway sewerage tunnel in London;
- the contract to build a new terminal at Santiago de Chile airport;
- the contract to build the motorway bypassing the city of Regina in Saskatchewan province, Canada.

1.1.5 Financing operations

Debt repayments

In 2015, the Group repaid €1,420 million of debt, including €718 million of loans taken out by the ASF group from the Caisse Nationale des Autoroutes (CNA) and the European Investment Bank (EIB).

VINCI redeemed two 2-year bond issues totalling €450 million in February and March 2015.

Redemption of perpetual subordinated bonds

In 2015, the Group repaid early €500 million of perpetual subordinated bonds issued in 2006.

New corporate financing

The Group did not carry out any bond issues or placements in 2015.

At 31 December 2015, the Group's long-term financial debt totalled €17 billion. Its average maturity was 4.6 years, and the average interest rate was 3.27% (3.38% at 31 December 2014).

1.2 Revenue

VINCI's 2015 consolidated revenue amounted to €38.5 billion, close to the 2014 figure (down 0.5%). The 4.3% fall in revenue on a comparable structure basis was partly offset by positive currency effects (1.8%) and a positive 2.0% impact from changes in the consolidation scope. VINCI Energies' acquisitions in 2014 (mainly Imtech ICT in Europe and Electrix in Oceania) and 2015 (Orteng in Brazil), together with those by VINCI Construction International Network in 2015 (HEB Construction in New Zealand), more than offset the deconsolidation of VINCI Park from June 2014.

Concessions revenue totalled €5.8 billion, down slightly (0.3%) on an actual basis but up 3.9% on a comparable structure basis, including a 2.9% increase at VINCI Autoroutes and 11.3% growth at VINCI Airports.

Contracting revenue (VINCI Energies, Eurovia, VINCI Construction) was €32.6 billion, down 1.1% on an actual basis or down 6.2% on a comparable structure basis.

In France, revenue was €22.4 billion, down 6.4% on an actual basis. That represents a 5.9% decline on a comparable structure basis of which 2.2 points were due to progress on the SEA HSL project. Concessions revenue fell 0.9%, while Contracting revenue declined 8.8%. On a constant structure basis, revenue was up 2.7% in Concessions and down 9.1% in Contracting.

Outside France, revenue rose 9.0% on an actual basis to €16.1 billion. It declined 2.0% on a comparable structure basis, excluding positive impacts from currency movements (4.5%) and changes in scope (6.5%). Of VINCI's total revenue, 42% was generated outside France in 2015 (38% in 2014).

Revenue by business line

<i>(in € millions)</i>	2015/2014 change			
	2015	2014	Actual	Comparable
Concessions ^(*)	5,804	5,564	+4.3%	+3.9%
VINCI Autoroutes	4,881	4,743	+2.9%	+2.9%
VINCI Airports	820	717	+14.4%	+11.3%
Other concessions	102	104	-1.7%	-3.7%
Contracting	32,570	32,916	-1.1%	-6.2%
VINCI Energies	10,180	9,309	+9.4%	-0.6%
Eurovia	7,899	8,188	-3.5%	-5.0%
VINCI Construction	14,491	15,419	-6.0%	-10.3%
VINCI Immobilier	707	587	+20.5%	+20.5%
<i>Intragroup eliminations</i>	<i>(562)</i>	<i>(623)</i>		
Revenue excluding VINCI Park	38,518	38,444	+0.2%	-4.3%
VINCI Park ^(**)	-	259		
Revenue ^(***)	38,518	38,703	-0.5%	-4.3%
<i>Concession subsidiaries' works revenue</i>	<i>882</i>	<i>584</i>	<i>+51.0%</i>	<i>+52.9%</i>
<i>Intragroup eliminations</i>	<i>(239)</i>	<i>(244)</i>		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	643	340	+89.1%	+93.3%
Total consolidated revenue	39,161	39,043	+0.3%	-3.5%

^(*) Excluding VINCI Park's contribution from 1 January to 4 June 2014.

^(**) Deconsolidated on 4 June 2014.

^(***) Excluding concession subsidiaries' works revenue.

CONCESSIONS: €5,804 million (-0.3% actual; +3.9% on a comparable structure basis; +4.3% excluding VINCI Park)

At VINCI Autoroutes, revenue totalled €4,881 million in 2015, up 2.9% compared with 2014. Toll revenue increased 3.1% due to a 3.0% rise in traffic on the intercity network (light vehicles up 2.9%, heavy vehicles up 3.3%) and a positive 0.1% impact of the A86 Duplex.

VINCI Airports generated revenue of €820 million in 2015, an increase of 14.4% on an actual basis or 11.3% on a comparable structure basis. Traffic continued to rise steadily, with an 11.4% increase, which includes 1.1% relating to the integration of Toulon-Hyères airport. Growth was particularly strong in Portugal (11.0%) and Cambodia (13.0%).

CONTRACTING: €32,570 million (-1.1% actual; -6.2% on a comparable structure basis)

In France, revenue declined 8.8% to €17,187 million (down 9.1% on a constant structure basis). The decline in activity caused by progress on the SEA HSL project accounted for 2.6 points of the fall in revenue (€586 million in 2015 versus €1,141 million in 2014).

Outside France, revenue totalled €15,382 million, up 9.3% on an actual basis. The positive effects of currency movements (4.6%) and changes in scope (7.3%) more than offset a 2.6% organic decline. Revenue outside France accounted for over 47% of the total in the Contracting business (43% in 2014).

VINCI Energies: €10,180 million (+9.4% actual; -0.6% on a comparable structure basis)

In France, revenue fell to €5,178 million (down 1.5% on an actual basis or 2.3% on a comparable structure basis). Performance varied between business segments. In the Information and Communication Technology (ICT) segment, business levels grew in company communications but fell significantly in telecoms infrastructure, due in particular to progress with the GSMR project. In energy infrastructure and mobility, revenue fell despite the build-up of work on the SEA HSL project. Revenue fell slightly in the service sector but remained stable in industry.

Outside France, revenue totalled €5,002 million, up 23.5% on an actual basis or 1.4% on a comparable structure basis. The strong growth on an actual basis was driven by acquisitions completed in late 2014 in Europe (Imtech ICT) and Oceania (Electrix), and in the first half of 2015 in Brazil (Orteng). Growth in revenue on a comparable structure basis reflects varying situations between countries and continents. In Europe, business levels were stable in Germany, showed robust growth in Switzerland and recovered substantially in Southern Europe. However, revenue fell on a comparable structure basis in the UK, Netherlands, Belgium and Sweden. Outside Europe, revenue fell in Brazil and the Pacific region but rose in Morocco.

Eurovia: €7,899 million (-3.5% actual; -5.0% on a comparable structure basis)

In France, revenue was €4,483 million, down 8% on both an actual and comparable structure basis. This was due mainly to a decline of almost 5% in order intake caused by local authority budget cuts and the fall in bitumen prices. However, the rail business remained buoyant, driven by the works performed on the SEA HSL project.

Outside France, revenue totalled €3,416 million, up 3.4% on an actual basis. Excluding changes in scope (negative effect of 1.1%) and currency effects (positive effect of 4.7%, relating mainly to the US and Canadian dollars and sterling), revenue was stable overall on a comparable structure basis, although situations varied widely between countries. There was a decline in Canada, a slight fall in the USA, Germany and Poland; increased revenue in the UK and Chile; and firm growth in Slovakia and the Czech Republic.

VINCI Construction: €14,491 million (-6.0% actual; -10.3% on a comparable structure basis)

In France, revenue came in at €7,527 million, down 13.5% on both an actual and a comparable structure basis. The decline was due to the end of civil engineering and earthworks on the SEA Tours–Bordeaux high-speed line project (negative impact of around 7%) and lower order intake in the building and civil engineering segments, which the ramp-up of new motorway projects (A9, A63) and the new coastal highway on Reunion Island failed to offset. In specialist works, however, Soletanche Freyssinet showed good momentum.

Outside France, revenue was €6,964 million, up 3.6% on an actual basis because of positive currency effects and changes in scope, with the acquisition of full control over Freyssinet Espagne in 2014 and the acquisition of HEB Construction in 2015. On a comparable structure basis, revenue fell 6.4%, with a sharp decline at Sogea-Satom and Entrepose. Falling oil and gas prices led to much lower expenditure both by African oil producing countries and industrial operators in the sector. Revenue also fell at VINCI plc in the UK because of restructuring commenced in 2014 and continued in 2015. Firm momentum at Soletanche Freyssinet and in the major projects division made up partly for those declines.

VINCI Immobilier: €707 million (+20.5% actual and on a comparable structure basis)

VINCI Immobilier's revenue grew strongly, driven mainly by the buoyant residential market in France, which was boosted by rising reservations and the start of construction work on new projects. Business levels in commercial property were slightly lower due to the timing of the various project phases.

Revenue by geographical area (excluding VINCI Park in 2014)

(in € millions)	2015/2014 change				
	2015	% of total	2014 (**)	Actual (**)	At constant exchange rates
France	22,414	58.2%	23,755	-5.6%	-5.7%
United Kingdom	2,679	7.0%	2,500	+7.2%	-3.1%
Germany	2,703	7.0%	2,502	+8.1%	+8.0%
Central and Eastern Europe	1,884	4.9%	1,754	+7.4%	+7.0%
Belgium	450	1.2%	430	+4.7%	+4.7%
Rest of Europe	2,248	5.8%	1,999	+12.5%	+9.1%
Europe excluding France	9,965	25.9%	9,185	+8.5%	+4.7%
Americas	2,364	6.1%	1,870	+26.4%	+10.7%
Africa	1,479	3.8%	1,718	-13.9%	-14.3%
Russia, Asia Pacific and Middle East	2,295	6.0%	1,916	+19.8%	+17.4%
International excluding Europe	6,139	15.9%	5,504	+11.5%	+5.5%
Total International	16,104	41.8%	14,689	+9.6%	+5.0%
Revenue (*) (**)	38,518	100.0%	38,444	+0.2%	-1.5%

(*) Excluding concession subsidiaries' works revenue.

(**) Excluding VINCI Park's contribution from 1 January to 4 June 2014.

1.3 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) amounted to €3,758 million in 2015, up 3.2% compared with 2014 (€3,642 million) or up 5.7% excluding VINCI Park's contribution between 1 January and 4 June 2014.

Ebit margin rose from 9.4% in 2014 (9.2% excluding VINCI Park) to 9.8% in 2015 due to higher Ebit in the Concessions business, which accounted for a larger share of the Group's business mix in 2015.

Operating income from ordinary activities/operating income

(in € millions)	2015	% of revenue (*)	2014	% of revenue (*)	2015/2014 change
Concessions (**)	2,576	44.4%	2,342	42.1%	+10.0%
VINCI Autoroutes	2,352	48.2%	2,148	45.3%	+9.5%
VINCI Airports	289	35.3%	231	32.2%	+25.4%
Other concessions	(65)	-64.1%	(38)	-36.2%	+74.3%
Contracting	1,100	3.4%	1,148	3.5%	-4.2%
VINCI Energies	568	5.6%	519	5.6%	+9.4%
Eurovia	233	3.0%	249	3.0%	-6.1%
VINCI Construction	299	2.1%	380	2.5%	-21.5%
VINCI Immobilier	56	7.9%	28	4.7%	+101.6%
Holding companies	26	-	38	-	-
Operating income from ordinary activities (Ebit)	3,758	9.8%	3,556	9.2%	+5.7%
VINCI Park	-	-	86 (**)	33.2%	-
Operating income from ordinary activities (Ebit)	3,758	9.8%	3,642	9.4%	+3.2%
Share-based payments (IFRS 2)	(95)	-	(102)	-	-
Income/(loss) of companies accounted for under the equity method	89	-	66	-	-
Other recurring operating items	36	-	30	-	-
Recurring operating income	3,788	9.8%	3,637	9.4%	+4.2%
Non-recurring operating items	(73)	-	607	-	-
Operating income	3,715	9.6%	4,243	11.0%	-12.5%

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

(*) Excluding concession subsidiaries' works revenue.

(**) VINCI Park's contribution from 1 January to 4 June 2014.

In **Concessions**, Ebit was €2,576 million, representing 44.4% of revenue, up 10.0% compared with the 2014 figure of €2,342 million (42.1% of revenue excluding VINCI Park).

At VINCI Autoroutes, Ebit amounted to €2,352 million, up 9.5% relative to the 2014 figure of €2,148 million. Ebit margin rose from 45.3% in 2014 to 48.2% in 2015. As well as higher revenue and a firm grip on operating expenses, the rise in Ebit was due to depreciation charges being spread over a longer period because of concession extensions.

Ebit at VINCI Airports rose 25% to €289 million (35.3% of revenue compared with 32.2% in 2014). The increase was due to good performance in terms of revenue and margins at the main airports managed, particularly in Portugal and Cambodia.

Ebit in **Contracting** fell 4.2% to €1,100 million (€1,148 million in 2014). Ebit margin fell slightly to 3.4% (3.5% in 2014). The strong performances at VINCI Energies and VINCI Construction's specialist activities, together with the reduction in losses at VINCI Construction UK, failed to make up completely for the negative impact of lower revenue at VINCI Construction and Eurovia in France, and at VINCI Construction subsidiaries Sogea-Satom and Entrepose.

At VINCI Energies, Ebit was €568 million, up €49 million relative to 2014 (€519 million). Ebit margin was 5.6%, stable compared with 2014. It remained at a high level both in France and internationally despite the integration of recent acquisitions.

At Eurovia, Ebit fell 6.1% from €249 million in 2014 to €233 million in 2015, while Ebit margin was stable at 3.0%. Despite a sharp drop in volumes and prices, the erosion of margins in the traditional roads business in France was only limited. Margins at international units improved, particularly in Germany and Central Europe.

VINCI Construction's Ebit came in at €299 million, down €82 million relative to the 2014 figure of €380 million. Ebit margin fell from 2.5% in 2014 to 2.1% in 2015. VINCI Construction France was affected by the fall in business volumes, which reduced margins and its coverage of overheads. Falling oil prices also led to a lower contribution from Sogea-Satom and Entrepose. Ebit margin improved at Soletanche Freyssinet and the major projects division. Lastly, losses at VINCI plc in the UK were significantly reduced.

VINCI Immobilier: Ebit was €56 million, with Ebit margin of 7.9%, up from €28 million and 4.7% in 2014, driven in particular by growth in the residential property business and positive end-of-project results in commercial property.

Recurring operating income was €3,788 million, equal to 9.8% of revenue (€3,637 million and 9.4% in 2014). This item takes into account the following factors:

- Share-based payment expense, which reflects the benefits granted to employees under the Group savings plans, performance share plans and stock option plans. This expense amounted to €95 million in 2015 (€102 million in 2014);
- The Group's share in the income or loss of companies accounted for under the equity method, which was positive at €89 million in 2015 (€66 million in 2014), including €45 million from the Concessions business and €31 million from the Contracting business;
- Other recurring operating items, producing €36 million of income (€30 million in 2014).

Recurring operating income by business line

<i>(in € millions)</i>	2015	% of revenue ^(*)	2014	% of revenue ^(*)	2015/2014 change
Concessions ^(**)	2,624	45.2%	2,352	42.3%	+11.6%
VINCI Autoroutes	2,342	48.0%	2,136	45.0%	+9.6%
VINCI Airports	320	39.0%	254	35.4%	+26.3%
Other concessions	(38)	-37.7%	(38)	nm	+1.4%
Contracting	1,067	3.3%	1,118	3.4%	-4.6%
VINCI Energies	538	5.3%	492	5.3%	+9.5%
Eurovia	237	3.0%	244	3.0%	-2.8%
VINCI Construction	292	2.0%	383	2.5%	-23.8%
VINCI Immobilier	69	9.7%	48	8.1%	+43.9%
Holding companies	26	-	36	-	-
Recurring operating income excluding VINCI Park	3,785	9.8%	3,555	9.2%	+6.5%
VINCI Park	3	-	82	31.7%	-96.4%
Recurring operating income	3,788	9.8%	3,637	9.4%	+4.2%

^(*) Excluding concession subsidiaries' works revenue.

^(**) Excluding VINCI Park's contribution from 1 January to 4 June 2014

Non-recurring operating items produced an expense of €73 million in 2015, comprising:

- The impact from changes in scope and disposals of shares, producing a negative impact of €27 million;
 - Goodwill impairment losses of €8 million;
 - Other non-recurring operating items with a net negative impact of €38 million, including restructuring charges in France.
- In 2014, non-recurring operating items had a net positive effect of €607 million, due mainly to the pre-tax capital gain on the transaction involving new investors in VINCI Park and goodwill impairment losses.

After taking account of both recurring and non-recurring items, operating income was €3,715 million in 2015, down 12.5% relative to the 2014 figure of €4,243 million.

1.4 Net income

Consolidated net income attributable to owners of the parent was €2,046 million (5.3% of revenue) in 2015, down €441 million compared with 2014 (€2,486 million). Excluding non-recurring items, net income rose €203 million or 10.7% to €2,109 million.

Earnings per share (after taking account of dilutive instruments) amounted to €3.66 (€4.43 in 2014). Excluding non-recurring items, it was €3.78, up 11.3% year-on-year (€3.39 in 2014).

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

<i>(in € millions)</i>	2015	2014	2015/2014 change
Concessions	1,295	1,779	-27.2%
VINCI Autoroutes	1,100	916	+20.0%
VINCI Airports	202	154	+30.9%
Other concessions and holding companies	(7)	708	
Contracting	682	588	+16.1%
VINCI Energies	373	330	+13.1%
Eurovia	146	73	+101.3%
VINCI Construction	164	186	-11.9%
VINCI Immobilier	41	36	+12.4%
Holding companies	27	84	
Net income attributable to owners of the parent	2,046	2,486	-17.7%
Of which non-recurring items after tax	(63)	581	
Net income attributable to owners of the parent excluding non-recurring items	2,109	1,906	+10.7%

The cost of net financial debt was €557 million in 2015 (€616 million in 2014). The reduction reflects the decline in interest rates and in the Group's average outstanding debt. In 2015, the average interest rate on long-term gross financial debt was 3.51% (3.60% in 2014).

Other financial income and expense resulted in a net expense of €24 million, compared with €61 million in 2014.

This figure includes the cost of discounting retirement benefit obligations and provisions for the obligation to maintain the condition of concession intangible assets in the amount of €49 million (€80 million in 2014), and a €23 million gain relating to capitalised borrowing costs on current concession investments (gain of €17 million in 2014).

Tax expense totalled €1,055 million, giving an effective tax rate of 34.6%, compared with an expense of €1,050 million and 30.0% in 2014, when the VINCI Park capital gain was taxed at a lower rate. Tax expense includes the 10.7% corporate income surtax in France, taking the overall rate to 38%, along with the additional 3% dividend tax. The effective tax rate adjusted for non-recurring items was 34.1% (35.4% in 2014), reflecting the increase in pre-tax earnings outside France and the decrease in France.

Earnings attributable to non-controlling interests totalled €34 million (€30 million in 2014).

1.5 Cash flow from operations

Cash flow from operations before tax and financing costs (Ebitda) totalled €5,664 million in 2015, up 1.9% relative to the 2014 figure of €5,561 million. It represented 14.7% of revenue in 2015 (14.4% in 2014).

Ebitda in the Concessions business (69% of the total) rose 2.9% to €3,933 million (€3,823 million in 2014, up 5.5% excluding VINCI Park). It represented 67.8% of revenue (65.6% of revenue in 2014).

VINCI Autoroutes' Ebitda increased 4.0% to €3,524 million (€3,389 million in 2014) and Ebitda margin improved to 72.2% (71.4% in 2014).

VINCI Airports' Ebitda came in at €412 million (€342 million in 2014), with Ebitda margin rising to 50.2% (47.7% in 2014).

Ebitda in the **Contracting** business fell to €1,565 million (€1,624 million in 2014), in line with the decline in Ebit. Ebitda margin fell from 4.9% in 2014 to 4.8% in 2015.

Cash flow from operations (Ebitda) by business line

<i>(in € millions)</i>	2015	% of revenue ^(*)	2014	% of revenue ^(*)	2015/2014 change
Concessions ^(**)	3,933	67.8%	3,730	67.0%	+5.5%
VINCI Autoroutes	3,524	72.2%	3,389	71.4%	+4.0%
VINCI Airports	412	50.2%	342	47.7%	+20.2%
Other concessions	(2)	-2.2%	(1)	-1.2%	+76.3%
Contracting	1,565	4.8%	1,624	4.9%	-3.6%
VINCI Energies	597	5.9%	562	6.0%	+6.1%
Eurovia	432	5.5%	437	5.3%	-1.1%
VINCI Construction	536	3.7%	625	4.1%	-14.2%
VINCI Immobilier	55	7.8%	26	4.5%	+110.1%
Holding companies	111		88		
Ebitda excluding VINCI Park	5,664	14.7%	5,468	14.2%	+3.6%
VINCI Park	-		93	36.0%	
Total Ebitda	5,664	14.7%	5,561	14.4%	+1.9%

^(*) Excluding concession subsidiaries' works revenue.

^(**) Excluding VINCI Park's contribution from 1 January to 4 June 2014.

1.6 Other cash flows

The net change in the operating working capital requirement and current provisions resulted in an inflow of €307 million in 2015, compared with an outflow of €158 million in 2014. The year-on-year change results from a decline in trade receivables due to weaker business levels in France, particularly at Eurovia and VINCI Construction, and in Africa at Sogea-Satom. That effect was partly offset at VINCI Autoroutes by the payment to AFITF of an advance on the first instalment of the exceptional voluntary contribution, and at VINCI Immobilier by land purchases.

Net interest paid fell €53 million to €534 million in 2015 (€586 million in 2014).

Income taxes paid decreased €241 million to €1,041 million (€1,282 million in 2014).

Cash flow from operating activities ^(*) was €4,522 million, up €889 million from the 2014 figure of €3,633 million.

After accounting for operating investments net of disposals of €624 million, down 2.0% relative to 2014 (€637 million), operating cash flow ^(**) was €3,898 million, up 30% compared with the 2014 figure of €2,997 million.

Growth investments in concessions and PPPs totalled €903 million in 2015 (€799 million in 2014). They included €784 million invested by VINCI Autoroutes in France (€684 million in 2014), of which €168 million with respect to the motorway stimulus plan.

Free cash flow before financial investments amounted to €2,995 million (€2,197 million in 2014), including €1,464 million generated by Concessions and €1,122 million by Contracting (€1,597 million and €405 million respectively in 2014).

Financial investments, net of disposals and other investment flows, resulted in a net cash outflow of €431 million, resulting mainly from VINCI Energies' acquisition of Orteng in Brazil, VINCI Construction International Network's acquisition of HEB Construction in New Zealand and VINCI's purchase of a 20% stake in Constructora Concreto in Colombia.

In 2014, financial investments net of disposals and other investment flows resulted in a net cash inflow of €318 million. That inflow arose mainly from the VINCI Park transaction (€1,675 million), partly offset by the €780 million spent on buying Colas's stake in Cofiroute and acquisitions by VINCI Energies in Europe and Oceania.

Dividends paid in 2015 totalled €1,044 million (€1,287 million in 2014). This includes €989 million paid by VINCI SA, comprising the final dividend in respect of 2014 (€673 million) and the interim dividend in respect of 2015 paid in November (€316 million), along with the final coupon on the perpetual subordinated bonds issued in 2006 (€30 million). The remainder includes dividends paid to non-controlling shareholders by subsidiaries not wholly owned by VINCI.

Capital increases resulted in the creation of 10.4 million new shares and totalled €437 million in 2015, including €310 million relating to Group savings plans and €127 million relating to the exercise of stock options.

To eliminate the dilutive effect of these operations, VINCI purchased 12.8 million shares in the market through its share buy-back programme for a total investment of €687 million at an average price of €53.72 per share. After 12 million shares were cancelled in December 2015, treasury shares amounted to 5.8% of the total capital at 31 December 2015 (6.0% at 31 December 2014).

In November 2015, VINCI also repaid early €0.5 billion of perpetual subordinated bonds issued in 2006.

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

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

As a result of these cash flows, net financial debt decreased €845 million during 2015 and amounted to €12,436 million at 31 December 2015. That figure reflects long-term gross financial debt of €16,557 million (€17,821 million at 31 December 2014) and managed net cash of €4,121 million (€4,540 million at 31 December 2014).

1.7 Balance sheet and net financial debt

Consolidated non-current assets amounted to €36.7 billion at 31 December 2015 (€36.5 billion at 31 December 2014), including €27.6 billion in the Concessions business (€27.7 billion at 31 December 2014).

After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €6.5 billion, up €0.6 billion compared with 31 December 2014, capital employed was €30.1 billion at 31 December 2015 (€30.6 billion at end-2014).

The Concessions business accounted for 87% of total capital employed (87% at 31 December 2014).

The Group's consolidated equity was €15.3 billion at 31 December 2015, up €0.4 billion from the €14.9 billion figure at 31 December 2014. It includes €0.1 billion relating to non-controlling interests.

The number of shares, excluding treasury shares, was 554,257,728 at 31 December 2015 (554,484,255 at 31 December 2014).

Consolidated net financial debt was €12.4 billion at 31 December 2015 (€13.3 billion at 31 December 2014).

For the Concessions business, including its holding companies, net financial debt stood at €23.6 billion, up €3.6 billion relative to 31 December 2014 (€19.9 billion). The Contracting business showed a net cash surplus of €1.0 billion, down €0.6 billion over the year. The holding companies posted a net financial surplus of €10.4 billion, up €5.2 billion relative to 31 December 2014.

The ratio of net financial debt to equity was 0.8 at 31 December 2015 (0.9 at 31 December 2014). The financial debt-to-Ebitda ratio stood at 2.2 at the end of 2015 (2.4 at 31 December 2014).

Group liquidity amounted to €10.1 billion at 31 December 2015 (€10.5 billion at 31 December 2014). The liquidity figure comprises €4.1 billion of managed net cash and €6.0 billion of unused confirmed bank credit facilities. During 2015, the expiry dates of those facilities were extended until May 2020.

Net financial surplus (debt)

<i>(in € millions)</i>	31/12/2015	Net financial debt/Ebitda	31/12/2014	Net financial debt/Ebitda	2015/2014 change
Concessions	(23,551)	x6	(19,920)	x5.2	(3,631)
VINCI Autoroutes	(20,246)	x5.7	(16,812)	x5	(3,434)
VINCI Concessions	(3,304)	x8.1	(3,108)	x7.2	(197)
Contracting	1,034		1,606		(572)
VINCI Energies	(472)		(264)		(208)
Eurovia	174		133		41
VINCI Construction	1,332		1,736		(405)
Holding companies and miscellaneous	10,081		5,033		5,048
Total	(12,436)	x2.2	(13,281)	x2.4	845

1.8 Return on capital

Definitions:

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

Return on equity (ROE)

The Group's ROE was 13.9% in 2015, compared with 17.6% in 2014. Excluding non-recurring items, it was 14.3% in 2015, compared with 13.5% in 2014.

<i>(in € millions)</i>	2015	2014
Equity excluding non-controlling interests at previous year end	14,743	14,142
Net income for the year	2,046	2,486
ROE	13.9%	17.6%

Return on capital employed (ROCE)

ROCE^(*) was 8.5% in 2015 (7.9% in 2014).

<i>(in € millions)</i>	2015	2014
Capital employed at previous year end	30,568	31,369
Capital employed at this year end	30,132	30,568
Average capital employed	30,350	30,968
Recurring operating income	3,788	3,637
Theoretical tax ^(**)	(1,218)	(1,202)
Net operating income after tax	2,570	2,435
ROCE	8.5%	7.9%

() Excluding non-recurring items.*

*(**) Based on the effective rate for the period, excluding the 3% tax on dividends paid.*

2. Parent company financial statements

VINCI's parent company financial statements show revenue of €12 million for 2015, compared with €13 million in 2014, consisting mainly of services invoiced by the holding company to subsidiaries.

The parent company's net income was €7,126 million in 2015, compared with €2,792 million in 2014. This includes €6,876 million of dividends received from Group subsidiaries (€2,573 million in 2014).

Expenses referred to in Article 39.4 of the French General Tax Code amounted to €51,123 in 2015.

Note C.10 to the parent company financial statements contains the disclosures relating to suppliers' payment terms required by France's LME Act on modernising the country's economy and Article L.441-6-1 of the French Commercial Code.

3. Dividends

VINCI's Board of Directors has decided to propose to the Shareholders' General Meeting on 19 April 2016 that the amount of the dividend for 2015 be set at €1.84 per share (€2.22 per share in 2014 including a special dividend of €0.45).

Since an interim dividend of €0.57 per share was paid in November 2015, the final dividend payment on 28 April 2016 (ex-date: 26 April 2016) would be €1.27 per share if approved.

Following the decision taken by the Board of Directors on 19 October 2015, VINCI cancelled 12 million treasury shares in December 2015. At 31 December 2015, VINCI's capital consisted of 588.5 million shares, including 34.2 million treasury shares (5.8% of the capital).

Year	2012			2013			2014		
	Interim	Final	Total	Interim	Final	Total	Interim	Final	Total
Amount per share	€0.55	€1.22	€1.77	€0.55	€1.22	€1.77	€1.00 ^(*)	€1.22	€2.22
Number of qualifying shares	536,210,554	535,007,753		561,249,183	557,617,902		555,003,211	552,009,233	
Aggregate amount paid (in € millions)	295	654		309	680		555	673	
Tax allowance applicable to individual shareholders	40%	40%		40%	40%		40%	40%	

() Including a special dividend of €0.45*



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