CONSOLIDATED FINANCIAL STATEMENTS
2014

ENTREPOSE



ONSHORE

OFFSHORE

UNDERGROUND

ENTREPOSE

CONSOLIDATED FINANCIAL STATEMENTS 2014

1. Income statement (P&L) for the period

(in € millions)	Notes	2014	2013
REVENUE	*C.1,C.2*	**799.2**	**870.6**
Revenue from ancillary activities		0.2	0.1
Operating expenses		(763.8)	(826.8)
OPERATING INCOME FROM ORDINARY ACTIVITIES	*C.2*	**35.6**	**43.9**
Share-based payments (IFRS 2)		(1.7)	(1.5)
Profit/(loss) of companies accounted for under the equity method	*E.5*	(5.2)	3.7
Other recurring operating items		(0.4)	(0.4)
RECURRING OPERATING INCOME		**28.3**	**45.7**
Goodwill impairment		(14.6)	(20.0)
Other non-recurring operating items		(1.1)	0.4
OPERATING INCOME		**12.5**	**26.0**
Cost of gross financial debt		(2.7)	(2.4)
Financial income from cash investments		0.8	0.6
COST OF NET FINANCIAL DEBT	*D.2*	**(1.9)**	**(1.7)**
Other financial income and expense	*D.2*	0.7	(3.1)
Income tax expense	*D.3*	(14.9)	(20.7)
NET INCOME FOR THE PERIOD		**(3.6)**	**0.5**
Net income for the period – attributable to non-controlling interests		(0.7)	0.2
NET INCOME FOR THE PERIOD - ATTRIBUTABLE TO OWNERS OF THE PARENT		**(4.3)**	**0.7**

2. Statement of comprehensive income for the period

(in € millions)	2014 Attributable to owners of the parent	2014 Non-controlling interests	2014 Total	2013 Attributable to owners of the parent	2013 Non-controlling interests	2013 Total
NET INCOME FOR THE PERIOD	**(4.3)**	**0.7**	**(3.6)**	**0.7**	**(0.2)**	**0.5**
Financial instruments of controlled companies: changes in fair value	0.0	0.0	0.0	0.0	0.0	0.0
of which: Available-for-sale financial assets			*0.0*			*0.0*
Cash flow hedges			*0.0*			*0.0*
Financial instruments of companies accounted for by the equity method: changes in fair value			0.0			0.0
Currency translation differences	1.3		1.3	(2.2)		(2.2)
Tax			0.0			0.0
Other items of comprehensive income subsequently recyclable in net income	**(1.0)**	**0.0**	**(1.0)**	**(0.4)**	**0.0**	**(0.4)**
Actuarial gains and losses on retirement benefit obligations	*(1.5)*		*(1.5)*	*(0.6)*		*(0.6)*
Tax	*0.5*		*0.5*	*0.2*	*0.0*	*0.2*
Other items of comprehensive income not subsequently recyclable in net income						
Total other items of comprehensive income recognised directly in equity	**(1.0)**	**0.0**	**(1.0)**	**(0.4)**	**0.0**	**(0.4)**
of which controlled companies	*(1.0)*	*0.0*	*(1.0)*	*(0.4)*	*0.0*	*(0.4)*
of which companies accounted for by the equity method			*0.0*			*0.0*
TOTAL COMPREHENSIVE INCOME	**(3.2)**	**(0.7)**	**(3.9)**	**(1.9)**	**(0.2)**	**(2.1)**

3. Consolidated balance sheet

(in € millions)	Notes	31/12/2014	31/12/2013
NON-CURRENT ASSETS			
Net goodwill	*E.1, E.4*	63.5	78.1
Other intangible assets	*E.2*	1.4	2.6
Property, plant and equipment	*E.3*	125.5	122.1
Investments in companies accounted for under the equity method	*E.5*	63.1	59.2
Other non-current financial assets	*E.6*	7.1	8.1
Deferred tax assets	*D.3*	9.5	9.6
Total non-current assets		**270.1**	**279.8**
CURRENT ASSETS			
Inventories and work in progress		1.9	1.9
Receivables	*E.9*	309.2	328.1
Other current operating assets	*E.9*	128.4	78.9
Other current non-operating assets		0.0	0.0
Current tax assets		5.0	4.4
Other current financial assets		0.0	0.0
Cash-management financial assets		47.3	9.1
Cash and cash equivalents	*E.10*	107.6	136.1
Total current assets (before held-for-sale assets)		**599.4**	**558.6**
Total current assets		**599.4**	**558.6**
TOTAL ASSETS		**869.5**	**838.3**
EQUITY			
Share capital	*E.7*	5.2	5.2
Share premium		29.1	29.1
Treasury shares		0.0	0.0
Other equity instruments		0.0	0.0
Consolidated reserves		118.2	129.8
Currency translation reserves		2.0	0.7
Net income – attributable to owners of the parent		(4.3)	0.7
Amounts recognised directly in equity		(1.7)	(0.8)
Equity attributable to owners of the parent		**148.5**	**164.7**
Non-controlling interests		10.8	9.2
Total equity		**159.2**	**173.8**
NON-CURRENT LIABILITIES			
Non-current provisions	*E.8*	46.3	24.3
Bonds		0.0	0.0
Other loans and borrowings	*E.10*	111.5	116.1
Other non-current liabilities	*E.6*	7.2	7.9
Deferred tax liabilities	*D.3*	2.7	2.3
Total non-current liabilities		**167.7**	**150.5**
OTHER CURRENT LIABILITIES			
Current provisions	*E.8*	40.4	40.2
Trade payables		171.0	180.1
Other current operating liabilities	*E.9*	259.2	232.7
Other current non-operating liabilities		0.0	0.0
Current tax liabilities		48.3	38.4
Current borrowings and financial liabilities	*E.10*	23.7	22.6
Total current liabilities (before available-for-sale liabilities)		**542.6**	**514.0**
Total current liabilities		**542.6**	**514.0**
TOTAL LIABILITIES AND EQUITY		**869.5**	**838.3**

4. Consolidated cash flow statement

(in € millions)	Notes	2014	2013
CONSOLIDATED NET INCOME FOR THE PERIOD (INCLUDING NON-CONTROLLING INTERESTS)		**(3.6)**	**0.5**
Depreciation and amortisation	*D.1*	21.5	19.4
Net increase/(decrease) in provisions		18.6	23.3
Impact of discounting		0.1	0.1
Share-based payments (IFRS 2) and other restatements		(1.5)	(2.1)
Gain or loss on disposals	*B.1*	0.2	(2.3)
Change in fair value of financial instruments		(1.9)	2.2
Share of profit or loss of equity-accounted companies and dividends received from unconsolidated entities	*E.5*	5.2	(3.7)
Capitalised borrowing costs		0.0	0.0
Cost of net financial debt recognised		1.9	1.7
Current and deferred tax expense recognised	*D.3*	14.9	20.7
Cash flow from operations before changes in working capital, taxes and financing costs		**55.3**	**59.8**
Changes in operating working capital requirement and current provisions	*E.9*	0.1	(22.5)
Income taxes paid		(3.0)	(11.7)
Net interest expense paid		(1.8)	(1.6)
Dividends received from companies accounted for under the equity method		2.0	1.8
Cash flow from operating activities	**I**	**52.7**	**25.8**
Purchases of property, plant and equipment and intangible assets		*(24.5)*	*(64.8)*
Proceeds from sales of property, plant and equipment and intangible assets		*5.7*	*6.4*
Net operating investments	**II**	**(18.8)**	**(58.5)**
Operating cash flow		**33.8**	**(32.7)**
Investments in concession fixed assets (net of grants received)		*0.0*	*0.0*
Financial receivables (PPP contracts and others)		*0.0*	*0.0*
Growth investments in concessions and PPPs		0.0	0.0
Free cash flow (after investments)		**33.8**	**(32.7)**
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)	*B.1*	*(0.3)*	*(0.6)*
Sales of shares in subsidiaries & associates (consolidated and unconsolidated)		*0.4*	*0.0*
Net impact of changes in consolidation scope		*(8.5)*	*(0.1)*
Net financial investments	**II**	**(8.4)**	**(0.7)**
Other	II	0.3	(1.8)
Cash flows from investing activities	**II**	**(27.0)**	**(61.0)**
Changes in share capital			
Treasury share transactions			
Non-controlling interests in share capital increases of subsidiaries		0.7	0.0
Acquisitions/disposals of non-controlling interests (without control loss or gain)			
Dividends paid:		(11.7)	(1.0)
- to parent company shareholders		*(11.5)*	*0.0*
- to non-controlling interests		*(0.1)*	*(1.0)*
Proceeds from new long-term borrowings		4.1	0.0
Repayments of long-term borrowings		(2.4)	(3.3)
Change in loans from the VINCI Group		(9.1)	31.8
Change in credit lines		0.2	0.2
Changes in cash management assets and other current financial debts		(40.6)	0.6
Net cash flow from financing activities	**III**	**(58.7)**	**28.4**
Other changes	IV	3.9	(13.9)
Change in cash and cash equivalents	**I+II+III**	**(29.1)**	**(20.7)**
Change in cash and cash equivalents		136.0	156.8
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	*E.10*	**106.9**	**136.1**
Increase (decrease) in cash-management financial assets		40.6	(0.6)
Repayment of long term loans		(1.8)	3.3
Change in loans from the VINCI Group		9.1	(31.8)
Change in credit lines		(0.2)	(0.2)
Other changes		(5.4)	1.4
CHANGE IN NET FINANCIAL SURPLUS		**13.2**	**(48.6)**
Net financial surplus/(debt) at start of period		**6.5**	**55.1**
NET FINANCIAL SURPLUS/(DEBT) AT END OF PERIOD	*E.10*	**19.7**	**6.5**

5. Changes in consolidated equity

	Equity attributable to owners of the parent										
(in € millions)	Share capital	Share premium	Treasury shares	Other equity instruments	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
EQUITY AT 01/01/2013	**5.2**	**29.1**	**0.0**	**0.0**	**111.5**	**18.9**	**2.9**	**0.0**	**167.6**	**10.3**	**177.9**
Net income for the period						*0.7*			*0.7*	*(0.2)*	*0.5*
Other items of comprehensive income recognised directly in equity of controlled companies					*0.4*		*(2.2)*	*(0.8)*	*(2.6)*		*(2.6)*
Other items of comprehensive income recognised directly in equity of companies accounted for under the equity method									*0.0*		*0.0*
Total comprehensive income for the period					**0.4**	**0.7**	**(2.2)**	**(0.8)**	**(1.9)**	**(0.2)**	**(2.1)**
Increase in share capital									0.0		0.0
Decrease in share capital									0.0		0.0
Treasury share transactions									0.0		0.0
Allocation of net income and dividend payments					18.9	(18.9)			0.0	(1.0)	(1.0)
Share-based payments (IFRS 2)					(1.0)				(1.0)		(1.0)
Impact of acquisitions and disposals of non-controlling interests after acquisition of control									0.0		0.0
Changes in consolidation scope									0.0	0.1	0.1
Other					(0.1)				(0.1)		(0.1)
EQUITY AT 31/12/2013	**5.2**	**29.1**	**0.0**	**0.0**	**129.8**	**0.7**	**0.7**	**(0.8)**	**164.7**	**9.2**	**173.8**
Net income for the period						*(4.3)*			*(4.3)*	*0.7*	*(3.6)*
Other items of comprehensive income recognised directly in equity of controlled companies							*1.3*	*(1.0)*	*0.3*		*1.1*
Other items of comprehensive income recognised directly in equity of companies accounted for under the equity method									*0.0*		*0.0*
Total comprehensive income for the period						**(4.3)**	**1.3**	**(1.0)**	**(3.9)**	**0.7**	**(3.2)**
Increase in share capital									0.0	0.7	0.7
Decrease in share capital									0.0		0.0
Transactions on treasury shares									0.0		0.0
Allocation of net income and dividend payments					(10.8)	(0.7)			(11.5)	(0.1)	(11.7)
Share-based payments (IFRS 2)					(0.6)				(0.6)		(0.6)
Impact of acquisitions and disposals of non-controlling interests after acquisition of control									0.0		0.0
Changes in consolidation scope									0.0	0.3	0.3
Other					(0.1)				(0.1)	(0.0)	(0.2)
EQUITY AT 31/12/2014	**5.2**	**29.1**	**0.0**	**0.0**	**118.2**	**(4.3)**	**2.0**	**(1.7)**	**148.5**	**10.8**	**159.2**

6. Notes to the consolidated financial statements

31 December 2014

A. Accounting principles and measurement methods

A.1. General principles

Entrepose Group (the Company; formerly Entrepose Contracting[1]) is a company domiciled in France. Its registered office is at 165, boulevard de Valmy, 92707 Colombes Cedex and its legal form is that of a simplified joint-stock company.

The Company's consolidated financial statements for the year ended 31 December 2014 include the Company and its subsidiaries (the Group, the Entrepose Group or Entrepose) and the Group's share of its associates and jointly-controlled companies.

Group activities

Entrepose Group is an international contractor that specialises in designing, building and operating infrastructure for production, transport and storage in the oil and gas industry and other energy sectors.

Its three main areas of expertise are:

■ Onshore Operations

This field of activity incorporates the Projects, Pipelines and Services segments.

■ **Projects** segment:
- transmission and operating facilities,
- compressor stations,
- electrical/instrumentation and telecommunications works,
- storage tanks: LNG, petroleum, refined products and industrial gases,
- storage unit maintenance and compliance work.

■ **Pipelines** segment:
- onshore pipelaying,
- pipeline maintenance and inspection,
- horizontal directional drilling (HDD).

■ **Services** segment:
- procurement of parts and equipment for industrial facilities.

■ Offshore Operations

This incorporates the Group's **Marine works** segment.
- shallow water pipelaying,
- offshore lifting works,
- coastal development work related to the installation of pipelines or buoys,
- seawater air conditioning systems,
- Offshore work related to the building of wind energy or marine current energy facilities.

■ Underground Operations

This incorporates the Drilling and Underground Storage segments.

■ **Drilling** segment:
- deep onshore drilling,
- very deep core drilling and sampling,
- workover for boreholes and production equipment.

■ **Underground storage** segment:
- design and project management, construction and operating assistance and operation of underground storage facilities for liquid, liquefied and gaseous hydrocarbons.

With the exception of the Services segment, these three fields of activity (Onshore, Offshore and Underground operations) together make up the Group's "Contracting" business line.

■ Preparation of accounts

Pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, the accounting principles drawn upon to prepare and present the consolidated financial statements of the Entrepose Group at 31 December 2014 are in accordance with the International Financial Reporting Standards (IFRS) and Interpretations as adopted by the European Union at 31 December 2014 [2].

The accounting principles used at 31 December 2014 are the same as those used in preparing the consolidated financial statements at 31 December 2013, except for the Standards and Interpretations adopted by the European Union applicable as from 1 January 2013 (see note A.1.1 "New Standards and Interpretations applicable from 1 January 2013").

IFRS 11 deals with the recognition of joint arrangements (joint control agreements) and replaces IAS 31. It applies particularly to construction and civil engineering contracts performed in joint arrangements. These were consolidated proportionally in the former reference document. In application of IFRS 11, these contracts, when they are performed by the intermediary of a joint venture in accordance with the standard, are henceforth consolidated using the equity accounting method.

The removal of the proportional consolidation of certain construction and civil engineering contracts under joint control leads to modifications in the presentation of the financial statements (revenue, operating assets, trade receivables, debt, etc.) while net income remains unchanged.

For its operational reporting, on which Group management is based, Entrepose Group integrates joint ventures proportionally, as it considers that this presentation best conveys the measurement of its performance and risks in terms of revenue, operating income, working capital and debt. The economic sector information reflects the operational reporting and is presented in note C.2 with the joint ventures consolidated proportionally.

The Group's consolidated financial statements are presented in millions of euros to one decimal place, and are therefore accurate to one hundred thousand euros. In certain cases, rounding the figures to the nearest hundred thousand euros may lead to non-material differences in the sub-totals and totals presented in the tables.

1 Entrepose Contracting changed its name to Entrepose Group following a decision by the Sole Shareholder on 15 December 2014

2 Available at http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

From 1 January 2014, and in order to improve the presentation of its performance, the Group decided to clarify the presentation of the consolidated income statement by adding an intermediary indicator between operating income from ordinary activities and operating income: recurring operating income.

The operating income from ordinary activities corresponds to the measurement of the operating performance of the subsidiaries of the Group before taking into account expenses associated with share-based payments (IFRS 2), of the share of the income of companies accounted for using the equity method and other current and non-current operating items. This indicator has not been restated in relation to the preceding financial years.

Recurring operating income is an indicator designed to present the level of the recurring operating performance of the Group excluding the impact of non-current operations and events for the period. It is obtained by adding the impacts associated with share-based payments (IFRS 2) and the income of companies accounted for using the equity method to the operating income from ordinary activities.

Goodwill impairment, as well as other significant and unusual non-current operating items, including in particular gains or losses from divestiture, as well as the impacts of re-assessments at fair value of the shares owned at the time of any changes to the nature of the control exercised, are recognised in the operating income. This is therefore obtained by adding expenses and income classified as non-current to the recurring operating income.

This change of presentation was retrospectively applied to the 2013 comparative period in compliance with the provisions of IAS 1.

The consolidated financial statements were adopted by the CEO on 26 January 2015 and will be submitted to the Sole Shareholder for ratification on 16 February 2015.

A.1.1 New Standards and Interpretations applicable from 1 January 2014

The new Standards and Interpretations applicable from 1 January 2014 have no material impact on the Group's consolidated financial statements at 31 December 2014. They mainly concern:

Standards for consolidation methods:
- IFRS 10 "Consolidated Financial Statements";
- IFRS 11 "Joint Arrangements";
- IFRS 12 "Disclosure of Interests in Other Entities";
- Amendments to IFRS 10, 11 and 12 "Transitional provisions";
- Revised IAS 28 "Investments in Associates and Joint Ventures".

Other standards and interpretations:
- Amended IAS 32 "Offsetting Financial Assets and Liabilities";
- Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets".

A.1.2 Standards and Interpretations adopted by the IASB but not yet applicable at 31 December 2014

The Group has not opted for the early adoption of any of the new standards and interpretations which may affect it but which were not mandatory as at 1 January 2014:
- IFRS 15 "Revenue from contracts with customers";
- IFRS 9 "Financial Instruments";
- Amendments to IFRS 10 and IAS 28 "'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture";
- Amendments to IFRS 11 "'Accounting for Acquisitions of Interests in Joint Operations";
- Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions";
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation";
- Amendments to IAS 1 "Disclosure Initiatives";
- Annual improvements, cycles 2010-2012, 2011-2013 and 2012-2014;
- IFRIC 21 "Levies".

The Group is currently analysing the practical consequences and impacts of the application of these standards and interpretations.

A.2. Consolidation methods

A.2.1 Consolidation scope and methods

As of 1 January 2014, the Group determines its scope of consolidation under the new standards IFRS 10, 11, 12 and the amended IAS 28.

IFRS 10 "Consolidated Financial Statements" has replaced standard IAS 27 as well as interpretation SIC 12 "Consolidation - Special Purpose Entities" in all aspects relating to control and consolidation procedures under the full integration method.

It has redefined the notion of control over an entity, based on three criteria:
- power over the entity i.e. the ability to manage those activities which most affect profitability;
- exposure to the entity's variable performance, whether positive (e.g. dividends or other economic benefits) or negative;
- and the connection between this power and these returns i.e. the ability to influence the entity in such a way as to affect its ultimate performance.

In practice, the companies in which the Group directly or indirectly owns the majority of voting rights at the AGM or at meetings of the Board of Directors or an equivalent management body, giving it the power to steer its operational and financial policies, are generally considered controlled by the Group and are therefore consolidated using the full integration method. When determining if control exists, Entrepose conducts an in-depth analysis of the governance methods and assesses what rights are owned by other shareholders in order to confirm whether they are of a purely protective nature. Where necessary, an analysis of the instruments held by the Group or third parties (potential voting rights, dilutive instruments, convertible instruments, etc.), which, when exercised, could change the type of influence exerted by each of the parties, is also carried out.

An analysis is carried out in the case of a specific event liable to have an impact on the level of control exerted by the Group (change in the breakdown of a company's capital, change in its governance, exercise of a dilutive financial instrument, etc.).

IFRS 11 "Joint Arrangements" replaces IAS 31 in all aspects relating to the recognition of entities under joint control.

Joint control exists when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

Joint Arrangements therefore now fall into one of two categories - joint operations and joint ventures, depending on the nature of the rights and obligations held by each of the parties. This classification is generally determined by the legal form and structure of the vehicle used to carry the project.

- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.
- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each joint operator recognises its share of the assets, liabilities, income and expenses relating to its interest in the joint operation.

Most of the joint arrangements within the Contracting business stream are joint operations, due to the legal form of the structures used.

Amended IAS 28 defines the concept of significant influence and describes the equity method to be used for interests in related companies and in joint ventures in the sense of IFRS 11. Related companies are entities over which the Group has significant influence. Significant influence is understood to exist when the Group holds 20% or more of the power.

As regards the Group's scope of consolidation, the work to incorporate these new IFRS 10, IFRS 11 standards and the amended IAS 28 have only changed the consolidation methods for a few foreign joint ventures, which were created in order to sign a contract under IAS 11. Previously recognised as joint operations, these entities are now classified as joint ventures and accounted for using the equity method.

Within the Group, and for the 2013 financial year, these new standards had only a limited impact (consolidated income fell by less than €18 million in 2013 i.e. 2.1% of total revenues, which had a zero effect on net revenues and a non-significant result on net financial debt).

The comparative figures with 2013 were therefore not withdrawn from publication.

The consolidated accounts of the Entrepose Group comprise the financial statements of all companies which recorded revenues over €1 million, as well as those of companies whose revenues were lower but which had a significant impact on the Group accounts.

At year end, the scope of consolidation comprised 66 entities, compared to 72 at the end of the previous period.

There were no significant changes in scope during the year.

A.2.2 Intra-group transactions

Reciprocal operations and transactions relating to assets, liabilities, income and expenses between fully consolidated companies are completely eliminated in the consolidated financial statements.

When a Group entity which is consolidated under the full integration method completes a transaction with a joint venture or associate which is consolidated under the equity method, the profit or loss on the transaction is only recognised in the Group's consolidated accounts to the extent of the interest held by third parties in the joint venture or associate.

A.2.3 Translation of the financial statements of foreign companies and establishments

In most cases, the operating currency of companies and establishments is their local business currency.

The financial statements of foreign companies which use a different currency from that of the Group's consolidated financial statements (the euro), are translated at the closing rate for balance sheet items, and at the average rate for the period for income statement items. Any differences are recognised under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered to form part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

A.2.4 Foreign currency transactions

Transactions in foreign currencies are translated into euros at the exchange rate on the transaction date.

Any cash assets or liabilities booked in foreign currency are translated to euros at the exchange rate on the closing date for the period. Foreign exchange losses or gains are recognised in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivative instruments used to hedge investments in foreign subsidiaries are recorded as currency translation differences under equity.

A.2.5 Business combinations

Business combinations arising from 1 January 2010 onwards are reported in accordance with the provisions of the revised IFRS 3, which has been applied prospectively.

In application of this revised Standard, the acquisition cost is the fair value on the date of exchange of the assets given, the liabilities incurred and/or the equity instruments issued in exchange for control of the acquired entity. Any price adjustments are included in the cost of the business combination and valued at their fair value on each closing date. As from the acquisition date, any subsequent changes to this fair value, as a result of events subsequent to the acquisition of control, are recognised in the income statement.

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 under the line item "Changes in scope and divestitures" in the Income statement.

Non-controlling interests in the acquired company, insofar as they confer upon the bearers current ownership rights in the entity (voting rights, share of profits etc.) and entitlement to a share of the net assets in the event of liquidation, are recorded either as their share in the net identifiable assets of the acquired company or at fair value. This option is applied on a case-by-case basis for each acquisition.

As of the date on which control is acquired, the acquisition cost is allocated by booking the identifiable acquired assets and liabilities in the acquired entity at their fair value on that date, except any tax assets and liabilities or employee benefits which are valued in line with their own standards (IAS 12 and IAS 19 respectively), and groups of assets classified as held for sale which, under IFRS 5, are recognised at their fair value less cost 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, the cost of acquisition can include a share of the fair value of non-controlling interests if the Group has opted to apply the full goodwill method.

The Group has 12 months from the date of acquisition to finalise the accounting for business combination.

In the case of a business combination carried out in stages, the previously held equity holding in the acquiree is measured at fair value at the date of acquisition of control. Any resulting gain or loss is recognised in profit or loss.

A.2.6 Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

In accordance with IFRS 10, acquisitions and divestitures of non-controlling interests, where there is change of 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 additional 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 it continues to control is booked in the accounts through equity, with no impact on profit or loss. Fees and other incremental costs relating to acquisitions and divestitures of non-controlling interests with no impact on control, as well as any tax effects, are recorded under equity. Cash flows from transactions between shareholders are presented under cash flows used in/from financing transactions, in the consolidated cash flow statement.

A.2.7 Discontinued operations (halted or sold), operations and assets classified as held for sale

Assets classified as held for sale

Non-current assets, when their sale has been decided during the period, are shown on a separate line of the balance sheet whenever the sale is expected to be completed within 12 months. Such assets are measured at the lower of their carrying amount and their estimated sale price less cost related to the disposal.

The income statement and cash flow items relating to assets classified as held for sale are not shown on a separate line if they do not meet the definition of discontinued operations.

Discontinued operations

Discontinued operations (halted or sold) or ones which are undergoing disposal mean either a significant business sector or region for the Group which is undergoing a one-off disposal programme, or a subsidiary acquired solely for the purposes of its subsequent resale.

Assets connected with discontinued operations are measured at the lower of their carrying amount and their fair value less costs to sell. Income statement and cash flow items relating to these discontinued operations are shown on a separate line for all the periods presented.

A.3. Measurement rules and methods

A.3.1 Use of estimates

The preparation of financial statements in accordance with IFRS requires estimates and assumptions are made that affect the amounts shown in the financial statements.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based change or if new information becomes available. Actual results may be different from these estimates.

The consequences of the weak economic recovery in Europe, in particular in France, the slowing down of the global economy and the geopolitical tensions in certain regions, have made it difficult for companies to determine their medium-term outlook. The consolidated financial statements for the period have therefore been prepared with reference to the immediate environment, in particular as regards the estimates given below.

A.3.1.1 Measurement of construction contract profit or loss using the stage of completion method

For revenue and profit or loss on construction contracts, the Group uses the general principles of recognising revenue on based on project progress.

The stage of completion and the revenue to recognise are determined on the basis of a large number of estimates, themselves based on monitoring the work performed and the benefit of experience to factor in contingencies. Consequently, adjustments may be made to initial estimates throughout the contract and may substantially affect future results.

A.3.1.2 Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment relate in particular to market outlook projections required to estimate cash flows and the discount rates that have been used. Any change in these assumptions could have a material effect on the recoverable amount. The main assumptions used by the Group are described in note E.4.

A.3.1.3 Measurement of share-based payment expenses under IFRS 2

The Group recognises a share-based payment expense if it grants stock options (offers to subscribe to or purchase shares), performance share plans or shares under the VINCI Group Savings Scheme to its employees. This expense is measured on the basis of actuarial calculations based according to estimated behavioural assumptions that draw on observed past behaviour.

A.3.1.4 Measurement of retirement benefit obligations

The Group offers defined contribution and defined benefit retirement plans. Its obligations in connection with its defined benefit plans are measured using the unit credit actuarial cost method, based on assumptions such as the discount rate, future increases in wages and salaries, employee turnover, mortality rates and the pace at which health expenditure increases. These obligations are therefore likely to change if any of these hypotheses change, most of which are updated each year. Details of the assumptions used and how they are determined are given in note E.8.1 "Provisions for retirement benefit obligations". The Group believes that the actuarial assumptions used are appropriate and justified in the current conditions.

A.3.1.5 Measurement of provisions

The factors that materially influence the amount of provisions relate to:
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion (see note A.3.3 "Construction contracts");
- where relevant, any discount rates used.

A.3.1.6 Fair value measurement

The Group mainly uses fair value to measure, on a recurring basis on the balance sheet, derivative instruments, cash and cash equivalents, available-for-sale assets, financial cash management assets and identifiable assets and liabilities acquired through business combinations.

Fair value is equal to the price that would be received for the sale of an asset or paid for the transferring of a liability during a normal transaction.

It is observed on the main market of the asset or liability (or the most advantageous market if there is no main market), in other words the one that offers the largest volume and the best level of activity. The fair value of derivative instruments includes a measurement of the "counterparty risk" for assets, and of "own credit risk" for liabilities.

To determine these fair values, the Group uses the following measurement methods:
- market approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert the sum of future cash flows into a single discounted amount;
- cost-based approaches, which factor in the physical, technological and economic obsolescence of the asset measured.

Fair values are ranked according to three levels:
- Level 1: quoted prices on an active market. Marketable securities and some available-for-sale financial assets and listed bond issues are measured in this way.
- Level 2: an internal model using internal measurement techniques with observable factors: these techniques draw on the usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The fair value of most derivative financial instruments (swaps, caps, floors, etc.) traded on open markets is calculated using the 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 the values sent to us by our counterparties.
- Level 3: an internal model using non-observable factors: this model is applied particularly to customer relations and contracts acquired through business combinations and unlisted shares, which are measured at their cost of acquisition plus transaction costs, if there is no active market.

A.3.2 Revenue

Consolidated revenue of the Contracting business stream is recognised in accordance with IAS 11 "Construction contracts". It incorporates the total amount of works, products and services realised over the period by consolidated subsidiaries as their main business activity. The method for recognising revenue under construction contracts is explained in note A.3.3 "Construction contracts" below.

The consolidated revenue of the "Services" segment, for its part, is recognised in accordance with IAS 18 "Revenue from ordinary activities".

A.3.3 Construction contracts

The Group recognises construction contract income and expenses using the stage of completion method defined by IAS 11. Determining the stage of completion on the basis of costs incurred is the preferred method within the Group. Nonetheless, when this method fails to be the most pertinent way of gauging a project's stage of completion, the stage of completion on a physical basis is used.

If the estimate of the final outcome of a contract indicates a loss, a provision is set aside for a loss on completion regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims, provided they are probable and can be reliably estimated. Provisions for losses on completion are shown under liabilities in the balance sheet.

Payments received under construction contracts before the corresponding work has been carried out are recorded on the balance sheet under liabilities, either in Advances and down payments received or in Deferred income depending on the kind of advance payment made.

A.3.4 Operating income from ordinary activities

Operating income from ordinary activities measures the operational performance of Group companies before the impact of share-based payments (IFRS 2), goodwill impairment and the profits or losses of companies accounted for under the equity method.

A.3.5 VINCI share-based payments

The measurement and recognition methods for VINCI share subscription and purchase plans, VINCI Group Savings Scheme and VINCI performance share plans, which Group employees and company officers can benefit from, are defined by IFRS 2 "Share-based Payment". The granting of stock options, performance shares and offers to subscribe to the VINCI Group Savings Scheme represent a benefit granted to their recipients and therefore constitute supplementary remuneration borne by the Group. Because such arrangements do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in shareholders' equity. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted.

Benefits granted under stock options plan, performance share plans and the VINCI Group Savings Scheme are granted to the Group upon a decision by the VINCI SA Board of Directors after approval by the Shareholders' General Meeting of Shareholders, and are not, in general, systematically renewed. As their measurement is not directly linked to the business streams' operations, the Group has considered it appropriate not to include the corresponding expense in Operating income from ordinary activities, which is an indicator of business streams' performance, but to report it on a separate line, "Share-based payment expense (IFRS 2)", in Operating income.

A.3.5.1 Share subscription or purchase option plans

Options to subscribe to or purchase shares have been granted to certain Group employees and senior executives. For some of these plans, vesting of share subscription is ultimately conditional on certain performance conditions (stock market performance or financial criteria) being met. VINCI determines the fair value of these options, at grant date, using the Monte Carlo valuation model, which takes into account the effect of any market performance conditions. The Monte Carlo model allows a larger number of scenarios to be modelled, notably by including in the valuation assumptions about beneficiaries' behaviour on the basis of observed historical data.

A.3.5.2 Performance share plans

Performance shares have been granted to certain Group employees and senior executives, subject to vesting conditions. As these are plans under which the final vesting of the shares may depend on certain financial criteria being met, the number of performance shares for which fair value is used to calculate the IFRS 2 charge is adjusted to take account of any change in the likelihood of those financial criteria being met.

A.3.5.3 VINCI Group Savings Scheme

Under the VINCI Group Savings Scheme, of which the Entrepose Group is a member, VINCI issues new shares in France reserved for its employees three times a year with a subscription price that includes a discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. This discount is deemed a benefit granted to employees; its fair value is determined using the Monte Carlo valuation model at the date on which the subscription price is announced to the employees. As certain restrictions apply to the sale or transfer of shares acquired by employees under these plans, the fair value of the benefit to the employee factors in the five-year lock-in period for the shares that are acquired.

The Group recognises benefits to its employees granted in this way as an expense over the vesting period, with a corresponding increase in consolidated equity.

At international level, VINCI has set up savings plans for the employees of some foreign subsidiaries. These plans differ from the French plans, particularly so that a uniform value can be offered for each of the countries despite the diverse tax and regulatory environments.

A.3.6 Cost of net financial debt

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense (calculated at the effective interest rate), and net earnings from interest-rate derivatives allocated to gross financial debt, whether designated as hedges for accounting purposes or not;
- the Financial Income from cash management investments line item, including the return on investments of cash and cash equivalents measured at fair value through profit or loss.

A.3.7 Other financial income and expenses

Other financial income and expenses mainly comprises foreign exchange gains and losses on financial elements, the effects of discounting to present value, dividends received from unconsolidated entities, capitalised borrowing costs and changes in the value of derivatives not allocated to interest-rate risk management.

A.3.8 Income tax

The Group computes its tax expense in accordance with the tax legislation in force in the countries where the income is taxable.

In compliance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantially enacted at the date of closing the accounts according to the temporary difference reversal dates. The effects of changes in tax rates from one period to the next are recognised in the income statement for the period during which the change occurs, unless it involves a transaction recorded as other comprehensive income or directly in equity.

Deferred tax relating to share-based payments (under IFRS 2) is recognised under equity, providing that the deductible base does not exceed the fair value of the plans set up under IFRS 2.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under balance sheet assets or liabilities for its net position per taxable entity. Deferred tax is reviewed at each balance sheet date to take into account, in particular, the impact of changes in tax law and the prospects for recovery. Deferred tax assets are recognised only if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

A.3.9 Goodwill

Goodwill is the difference recognised on the date on which a company joins the consolidation scope, between, firstly, the cost of acquiring that company's shares and, secondly, the Group's share of the fair value, on the acquisition date, of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities attributable to owners of the parent.

Goodwill in fully consolidated subsidiaries is recognised under Goodwill in the consolidated assets. Goodwill relating to companies accounted for under the equity method is included in the Investments in companies accounted for under the equity method line item.

Goodwill is not amortised but is tested for impairment at least once a year and whenever there is an indication that it may be impaired. Whenever goodwill is impaired, the difference between its carrying amount and its recoverable amount is recognised in Operating income in the period and is not reversible.

Negative goodwill ("badwill") is recognised directly in profit or loss in the year of acquisition.

Following the introduction of revised IFRS 3, an option is available to measure non-controlling interests at acquisition date either using fair value (the full goodwill method), or using the proportion that they represent of the net assets acquired (the partial goodwill method). The choice can be made for each business combination.

A.3.10 Other intangible assets

Other intangible assets mainly comprise patents, licences and computer software. Purchased intangible assets are recorded on the balance sheet at acquisition cost less any applicable depreciation and any cumulative impairment losses there may be. They are amortised over their useful life using the straight-line method.

A.3.11 Property, plant and equipment

Items for property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment. They are not re-measured or revalued.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may, however, be used when it appears more appropriate to the conditions under which the asset is used. For certain complex non-current assets comprising several components, especially constructions, each component of the non-current asset is depreciated over its specific period of use.

The main periods of use of the various categories of tangible non-current asset are as follows:

Constructions	25 years
Fixtures and fittings	from 5 to 10 years
Site equipment and technical installations	from 3 to 18 years
Other equipment	from 3 to 10 years

The starting date for depreciation is the date on which the asset is ready for use.

A.3.12 Finance leases

Assets acquired under finance leases are recognised as non-current assets whenever the effect of the lease is to transfer to the Group almost all the risks and rewards incidental to their ownership, with recognition of a corresponding financial liability. Assets owned by virtue of finance leases are depreciated over their period of use.

A.3.13 Impairment of non-financial non-current assets

Impairment tests are carried out for intangible and tangible non-current assets whenever there is indication of a loss in value. For intangible non-current assets with an indefinite useful life, goodwill and construction work in progress, an impairment test is performed at least annually and whenever there is an indication of a loss of value. For other non-current assets, an impairment test is performed when there is an indication of a loss of value. In accordance with IAS 36, the criteria for assessing indications of a loss of value should may both external (e.g. a significant change in market conditions) and internal (e.g. a substantial reduction in revenue), without distinction.

Assets to be tested for impairment are grouped within cash-generating units (CGUs) that equate to homogeneous groups of assets that generate identifiable cash inflows from their use. Whenever the recoverable value of a CGU is less than its carrying amount, an impairment loss is recognised in operating income. The recoverable amount of a cash-generating unit is the higher of its market value less costs to sell and its value in use. The value in use is the present value of the future cash flows expected to be generated by an asset or a CGU. The discount rate is determined, for each CGU, according to its geographical area and its business activity's risk profile.

A.3.14 Investments in companies accounted for under the equity method

These investments, which are accounted for under the equity method, include both jointly controlled entities and companies over which the Group has significant influence.

They are initially recognised at acquisition cost, including any goodwill. Their carrying amount is subsequently increased or decreased to recognise the Group's share of the entity's profits or losses generated after the date of acquisition. Whenever losses outweigh the value of the Group's net investment in an equity-accounted entity, these losses are not recognised unless the Group has entered into a contractual commitment to recapitalise the entity or provide it with funding. The share of any negative net situation of equity-accounted companies arising from a reduction in the fair value of the hedging instruments is presented as a provision for financial charges.

If there is an indication that an investment may be impaired, its recoverable value is tested as described in note A.3.13 "Impairment of non-financial non-current assets". Impairment losses shown by these impairment tests are recorded as a deduction from the carrying amount of the corresponding investments.

In order to present the Group's operational performance in each of its segments of activity in the best way possible, the profit or loss of companies accounted for under equity method is reported on a separate line, between Operating income from ordinary activities and Operating income.

A.3.15 Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities, the portion at more than one year of loans and receivables measured at amortised cost, and the fair value of derivative financial instruments designated as hedges maturing after one year (see note A.3.25.2 "Fair value of derivative instruments (assets and liabilities)").

A.3.15.1 Available-for-sale securities

This category comprises the Group's shareholdings in unconsolidated companies.

At the balance sheet date, available-for-sale securities are measured at their fair value. The fair value of shares in listed companies is determined on the basis of the stock market price at that balance sheet date. For unlisted securities, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs.

Changes in fair value are recognised directly in equity.

Whenever there is an objective indication that this asset is impaired, the corresponding loss is recognised in profit or loss and may not be reversed.

- For securities quoted on an active market, a long lasting or material decline in fair value below their cost is an objective indication of their impairment. The factors considered by the Group in assessing the long-lasting or significant nature of a reduction in fair value are generally the following:
  - an impairment is long-lasting whenever the closing stock market price is lower than the purchase cost of the security for more than 18 months;
  - an impairment is significant whenever, at the balance sheet date, there has been a 30% fall in the spot price compared with the purchase cost of the financial asset.
- For unlisted securities, the factors considered are a decrease in the share of equity held and the lack of profitability prospect.

A.3.15.2 Loans and receivables at amortised cost

This category mainly comprises receivables connected with shareholdings, loan account advances granted to equity-accounted companies or unconsolidated entities, guarantee deposits, collateralised loans and receivables and other loans and financial receivables.

When first recognised, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest rate method. In the particular case of receivables falling within the scope of IFRIC 12, the effective interest rate equates to the project's internal rate of return.

If there is an objective indication of impairment of these loans and receivables, an impairment is recorded at the balance sheet date. The impairment loss, equating to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate), is recorded in profit or loss. It can be reversed if the recoverable value subsequently increases and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

A.3.16 Inventories and work in progress

Inventories and work in progress are recognised at their cost of acquisition or production by the relevant Group entity. At each balance sheet date, they are measured at the lower of historical cost and net realisable value.

A.3.17 Trade receivables and other current operating assets

Trade receivables and other current operating assets are current financial assets, and are initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, trade receivables and other current operating assets are valued at their amortised cost less any impairment and taking any likelihood of non-recovery into account.

An estimate of the likelihood of non-recovery is made at each balance sheet date and an impairment loss is consequently recognised. This risk is assessed in the light of previous late payments and any guarantees obtained.

A.3.18 Other current financial assets

Other current financial assets comprise the fair value of derivative financial instruments (assets) not designated as hedges for accounting purposes, the part at less than one year of the fair value of derivative financial instruments (assets) designated as hedges for accounting purposes and the part at less than one year of loans and receivables reported under other non-current financial assets (see note A.3.25.2 "Fair value of derivative financial instruments (assets and liabilities)").

A.3.19 Cash management financial assets

Cash management financial assets comprise investments in monetary and bond securities, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash (see note A.3.20 "Cash and cash equivalents"). As the Group adopts fair value as the best reflection of the performance of these assets, they are measured and recognised at their fair value, and changes in fair value are recognised through profit or loss.

Purchases and sales of cash management financial assets are recognised at their transaction date.

Their fair value is determined by using common valuation models or, for non-listed cash management assets, at the present value of future cash flows. In assessing the fair value of listed instruments, the Group uses the market price at the balance sheet date or the net asset value of UCITS.

A.3.20 Cash and cash equivalents

This item comprises current accounts at banks and cash equivalents corresponding to short-term, liquid investments subject to negligible risk of fluctuations in value. Cash equivalents comprise in particular money market UCITS and certificates of deposit with maturities not exceeding three months at the origin.

The item also includes the position of the cash current account with VINCI SA under the cash pool agreement.

The Group has adopted the fair value method to assess the return on its financial instruments. Changes in fair value are recognised directly in the income statement. Their fair value is determined by using common valuation models or, for non-listed cash management assets, at the present value of future cash flows. In assessing the fair value of listed instruments, the Group uses the market price at the balance sheet date or the net asset value of UCITS.

Bank overdrafts are not included in cash and are reported under current financial liabilities.

A.3.21 Net financial surplus (debt)

Net financial surplus or debt (depending on whether the balance is negative or positive) is an aggregate showing the Group's total financial position in the short, medium and long terms.

It is used as an additional indicator to Cash in the Cash flow statement. By definition, when this indicator shows a net debtor position, i.e. a net financial surplus, it will be presented as a positive figure and when it shows a net creditor position, i.e. net debt; it will be presented between brackets as a negative figure.

Net financial surplus (debt) is defined as the algebraic sum of:
- net cash and cash equivalents, including financial cash management assets (see note A.3.19);
- bank borrowings, other loans, finance leases and drawdowns of credit lines from financial institutions;
- the fair value of derivative assets and liabilities.

The breakdown of Net financial surplus (debt) by balance sheet item is presented in note E.10.

A.3.22 Non-current provisions

Non-current provisions comprise provisions for retirement benefit obligations and other non-current provisions.

A.3.22.1 Provisions for retirement benefit obligations

Provisions are recorded in the balance sheet for obligations connected with defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country or monetary region where the plan is operated. Each plan's obligations are recognised separately.

Under IAS 19, for defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall in the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet.

The expense recognised under operating expenses for each period includes the cost of the service as well as the effects of any change, reduction or winding up of the plan. The impact of removing discounting on actuarial debt, and interest income from plan assets, are recognised under other financial income and expenses. The expected return on pension plan assets will now involve the discount rate used for calculating obligations with respect to defined benefit plans.

The impacts of revaluing the net liabilities for defined benefits plans (or assets, where applicable) is recorded under other comprehensive income. These impacts include:
- Actuarial gains and losses from the obligation, resulting from changes in actuarial assumptions and from adjustments based on experience (the effects of differences between the actuarial assumptions adopted and what has actually occurred).
- Over-performance (under-performance) of the plan's assets i.e. the difference between the effective return on plan assets and the return calculated using the discount rate applied to the actuarial liability;
- and changes in the asset ceiling effect.

Obligations relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside multi-employer insurance fund (CNPO), are equated to defined contribution plans and are recorded as an expense as and when contributions are payable.

The part of provisions for retirement benefit obligations due within less than one year is shown under current provisions.

A.3.22.2 Other non-current provisions

This category comprises provisions for other employee benefits, measured in accordance with IAS 19, and those provisions that are not directly linked to the operating cycle are measured in accordance with IAS 37. They are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards non-Group companies arising from a past event, whenever it is probable that an outflow of resources in the form of economic benefits will be required to meet this obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their discounted value, corresponding to the best estimate of the outflow of resources required to fully settle the obligation.

They also include the provisions for financial risks presented in A.3.14.

The part at less than one year of provisions not directly linked to the operating cycle is reported under Current provisions.

A.3.23 Current provisions

Current provisions are provisions directly linked to each business stream's own operating cycle, regardless of the expected time of settlement of the obligation. They are recognised in accordance with IAS 37 (see above). In particular, they include the following types of provisions:

Project completion

These provisions are booked for projects that have reached the preliminary acceptance or mechanically complete stage, in order to cover expenditure and resolve any outstanding issues until the final acceptance of the facility, in addition to expenses incurred at the balance sheet date and already reported in trade payables.

After-sales service

Provisions for after-sales service cover Group entities' commitments under statutory and/or contractual warranties relating to completed projects.

Losses on completion

Provisions for losses on completion of contracts and construction project liabilities mainly arise when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, and when work needs to be carried out in respect of delivered projects under completion warranties.

Disputes

Provisions for disputes connected with business operations mainly relate to disputes with customers, subcontractors, joint contractors or suppliers.

A.3.24 Bonds and other (current and non-current) financial debt

A.3.24.1 Bond loans, other loans and borrowings

These are recognised at amortised cost using the effective interest rate method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under Cost of gross financial debt.

The part at less than one year of borrowings is included in "Current financial debts".

A.3.24.2 Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (mainly interest rates and exchange rates). Most interest rate and foreign currency exchange rate derivatives used by the Group are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IAS 39 are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship must be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

The fair value of derivative financial instruments designated as hedges with a maturity longer than one year is reported in the balance sheet under Other non-current financial assets or Other loans and financial debts (non-current). The fair value of other derivative instruments not designated as hedges and the part at less than one year of instruments designated as non-current hedges are reported under Other current financial assets or Current financial liabilities.

If the hedging relationship is interrupted because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flow hedged. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are taken to the income statement.

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised in profit or loss.

A.3.24.3 Put options granted to minority shareholders

Put options granted to the minority shareholders of certain Group subsidiaries are recognised under financial 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).

A.3.25 Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through specific annual reports.

Off-balance sheet commitments are reported in the appropriate notes, as dictated by the segment to which they relate. In particular, off-balance sheet commitments related to Operations are presented in note C.1.2.

B. Business combinations

B.1. Business combinations in the period

There were no material business combinations over the period.

C. Information by operating segment

C.1. Information specific to construction contracts

C.1.1 Weight of construction contracts in revenue

Most contracts carried out by the Group in the "Projects", "Pipelines" and "Marine works" segments consist in construction contracts recognised on a stage of completion basis in accordance with IAS 11.

Contracts carried out within the "Drilling", "Services" and "Underground storage" segments of activity do not fall within the scope of IAS 11, and account for most "Other contracts" indicated in the table below.

	31/12/14	31/12/13
IAS 11 construction contracts	609.3	702.2
Other contracts	189.9	168.4
TOTAL REVENUE FOR THE PERIOD	**799.2**	**870.6**

C.1.1.1 Specific information about IAS 11 construction contracts in progress at balance sheet date

The amount of costs incurred, plus profits recognised, less losses recognised and intermediate invoices, is determined on a contract-by-contract basis. If for a given contract this amount is positive, it is reported in the "Construction contracts in progress", assets line. If it is negative, it is reported in the "Construction contracts in progress", liabilities line.

	31/12/14	31/12/13
A: BALANCE SHEET DATA		
Advances and down payments received	**(60.8)**	**(30.6)**
Construction contracts in progress, assets	48.7	49.1
Construction contracts in progress, liabilities	(9.3)	(66.3)
CONSTRUCTION CONTRACTS IN PROGRESS, NET	**39.4**	**(17.2)**
B: TOTAL INCOME AND EXPENSES TO DATE RECOGNISED ON CONTRACTS IN PROGRESS		
Costs incurred, plus profits recognised and less losses recognised (= revenue)	514.9	1,192.3
Less invoices issued	(475.5)	(1,209.5)
CONSTRUCTION CONTRACTS IN PROGRESS, NET	**39.4**	**(17.2)**

This information covers several years and summarises cumulative data since the start of each of the Group's main IAS 11 contracts; it applies only to contracts that have not yet been delivered or received their acceptance certificate at the balance sheet date, but for which a stage of completion has been calculated.

C.1.2 Commitments made and received in connection with operations

The Group manages an order book. In accepting orders, it makes commitments to carry out work or render services. These are definite orders accepted by customers, who undertake, in compliance with contractual terms and conditions, to pay for the work and services according to the stage of completion. In respect of such contracts signed by its subsidiaries, the Group grants and receives guarantees (personal sureties).

The amount of the guarantees given on page 18 mainly comprises guarantees on contracts for work being performed, issued by financial institutions or insurers. Similarly, Group companies benefit from guarantees issued by financial institutions at the request of the joint contractor or subcontractor (guarantees received).

Whenever events such as late delivery or disputes about contract performance make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of said liability.

In general, any risk of loss in connection with performance of an undertaking made by the Company or its subsidiaries would result in a provision being recognised in the Group's financial statements, under the rules in force. Given the foregoing, the Group considers that the off-balance sheet commitments described below are unlikely to have a material impact on Group assets.

The Group also grants after-sales service warranties covering several years in its normal course of business. These warranties, when set up, lead to provisions estimated on a statistical basis according to actual expenses in previous years or on an individual basis should any major problem be identified. The commitments are therefore not included in the following table.

	TOTAL 2014	2013
COMMITMENTS MADE		
Guarantees and securities on contracts		
Performance guarantees and performance bonds	192.5	225.3
Bid bonds	4.6	4.7
Retentions	21.0	22.9
Advance payment securities	67.6	62.3
Deferred payments to subcontractors	12.1	4.6
Customs and tax bonds	11.1	3.8
Bank overdrafts	4.8	4.4
Other	0.5	0.6
TOTAL GIVEN	**314.2**	**328.6**
COMMITMENTS RECEIVED		
Supplier holdback payments	44.5	51.4
TOTAL RECEIVED	**44.5**	**51.4**

C.2. Information by operating segment

In accordance with its internal organisation structure, the Group presents segment information according to the six segments corresponding to operations described in note A.1, in accordance with IFRS 8 “Operating segments”.

The Group’s Executive Committee is the Group’s main operational decision-maker.

The following information by operating segment is the same as presented to the Group’s Executive Committee and Board of Directors and which they draw upon, in particular, to assess performance.

IFRS 11 “Joint Arrangements”, the application of which has been mandatory since 1 January 2014, leads to the recognition of construction work performed in joint arrangements which are carried out by the intermediary of a joint venture using equity accounting (whereas they were previously consolidated proportionally). For Entrepose Group, the joint ventures are mainly construction and civil engineering contracts performed in joint arrangements. For its operational reporting, on which Group management is based, Entrepose Group integrates joint ventures proportionally, as it considers that this presentation best conveys the measurement of its performance and risks in terms of revenue, operating income, working capital and debt. The economic sector information reflects the operational reporting.

The summary reports presented below show the impact of restating the joint ventures proportionally for IFRS purposes, in order to produce the financial statements used for operational reporting.

Each operating segment is a distinct component of the Group, which supplies a single product or service or a group of related products or services. It is exposed to different risks and records different profitability levels from the other operating segments.

A geographical area is a distinct component of the Group, which supplies products or services within a specific economic environment. It is exposed to different risks and records different profitability levels from the other operating segments operating in other economic environments.

Every operation carried out by the Group is deemed to fall entirely within the scope of:

- a single operating segment, i.e. “Projects”, “Pipelines”, “Marine works”, “Drilling”, “Underground Storage” or “Services” according to the characteristic features of the facility built or the sale made or the service provided;
- a single geographical area, corresponding to one of the five continents as defined by commonly accepted geography, according to the final location of the facility, for construction operations, and the destination of the delivered good for the main operations of the “Services” segment. By convention, French overseas departments and territories (DOM-TOM) are included in “Europe”, by virtue of their ties with France.

C.2.1 Operational reporting income statement

	2014 IFRS	Restatement of joint ventures	2014 Economic segment info
REVENUE	**799.2**	**35.3**	**834.5**
Income from ancillary activities	0.2	0.0	0.2
Operating expenses	(763.8)	(48.1)	(811.9)
OPERATING PROFIT FROM ORDINARY ACTIVITIES	**35.6**	**(12.7)**	**22.8**
Share-based payment expenses	(1.7)	0.0	(1.7)
Profit/(loss) of companies accounted for under the equity method	(5.2)	10.7	5.5
Other recurring operating items	(0.4)	0.0	(0.4)
RECURRING OPERATING INCOME	**28.3**	**(2.0)**	**26.2**
Goodwill impairment	(14.6)	0.0	(14.6)
Other non-recurring operating items	(1.1)	0.0	(1.1)
OPERATING INCOME	**12.5**	**(2.0)**	**10.5**
Cost of gross financial debt	(2.7)	0.0	(2.7)
Income from cash investments	0.8	0.1	0.9
COST OF NET FINANCIAL DEBT	**(1.9)**	**0.1**	**(1.8)**
Other financial income and expense	0.7	0.0	0.7
Income tax expense	(14.9)	1.9	(13.0)
NET INCOME FOR THE PERIOD	**(3.6)**	**0.0**	**(3.6)**
Net income for the period - attributable to non controlling interests	(0.7)	0.0	(0.7)
NET INCOME FOR THE PERIOD - ATTRIBUTABLE TO OWNERS OF THE PARENT	**(4.3)**	**0.0**	**(4.3)**

C.2.2 Net margin and clients by operating segment

The information by operating segment presented below follows the breakdown of the Group's business lines described in notes A.1 and C. The "Holding" business line covers the activity of the company Entrepose Group, as part of its Group equity management and service activities.

Throughout 2014, the Group saw a rise in contracts with Russia (Pipelines segment) and Bolivia (Pipelines segment), and the delivery of a major pipelines project (Pipelines segment) in Papua New Guinea.

		Onshore Operations			Offshore Operations	Underground Operations		
31/12/14	**Holding**	**Projects**	**Pipelines**	**Services**	**Offshore construction**	**Drilling**	**Underground storage**	**Total**
Revenue	0.1	306.3	251.5	60.1	76.8	42.2	97.6	834.5
Gross margin	(2.3)	28.0	64.1	5.3	1.2	(1.3)	10.2	105.0
SG&A expenses	(3.4)	(25.3)	(24.3)	(7.8)	(7.7)	(6.4)	(7.2)	(82.2)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**(5.7)**	**2.7**	**39.7**	**(2.6)**	**(6.6)**	**(7.7)**	**3.0**	**22.8**

		Onshore Operations			Offshore Operations	Underground Operations		
31/12/13	**Holding**	**Projects**	**Pipelines**	**Services**	**Offshore construction**	**Drilling**	**Underground storage**	**Total**
Revenue	0.3	202.7	421.8	55.0	71.0	30.1	89.7	870.6
Gross margin	(1.5)	29.8	64.1	3.6	14.1	2.3	10.2	122.6
SG&A expenses	(2.9)	(24.2)	(23.5)	(7.4)	(7.9)	(4.5)	(8.3)	(78.7)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**(4.4)**	**5.6**	**40.6**	**(3.8)**	**6.2**	**(2.2)**	**1.9**	**43.9**

TRADE RECEIVABLES	31/12/14	31/12/13
Projects	112.7	91.2
Pipelines	49.0	119.1
Services	25.6	24.6
Offshore construction	73.3	58.6
Drilling	13.9	6.6
Underground storage	34.7	28.0
TOTAL	**309.2**	**328.1**

C.2.3 Net margin and clients by geographical area

2014	Africa	Americas	Asia and Middle East	Europe	Oceania	Total
Revenue	161.2	96.8	178.9	244.1	153.5	834.5
Gross margin	3.9	5.9	26.6	30.3	38.3	105.0
SG&A expenses	(11.2)	(9.2)	(15.1)	(37.2)	(9.5)	(82.2)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**(7.3)**	**(3.2)**	**11.4**	**(6.9)**	**28.9**	**22.8**

2013	Africa	Americas	Asia and Middle East	Europe	Oceania	Total
Revenue	195.6	18.9	46.3	241.4	368.4	870.6
Gross margin	43.7	1.9	4.9	32.9	39.1	122.6
SG&A expenses	(17.8)	(2.4)	(4.7)	(33.8)	(19.9)	(78.7)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**25.9**	**(0.5)**	**0.3**	**(0.9)**	**19.1**	**43.9**

TRADE RECEIVABLES	31/12/14	31/12/13
Africa	85.8	128.4
Americas	26.1	1.3
Oceania	16.7	100.6
Asia/Middle East	97.8	13.6
Europe	82.9	84.2
TOTAL	**309.2**	**328.1**

C.2.4 Segment assets & liabilities

		Onshore Operations			Offshore Operations	Underground Operations		
31/12/14	Holding	Projects	Pipelines	Services	Offshore construction	Drilling	Underground storage	Total
Goodwill	0.0	0.0	30.4	0.0	14.8	0.0	18.3	63.5
Investments	1.3	10.3	21.9	1.0	52.6	29.0	10.8	126.9
Investments in associates	13.6	0.0	1.4	0.0	0.5	0.0	47.7	63.1
Other assets	5.7	237.0	160.4	36.7	104.4	19.7	52.2	616.1
Total assets	**20.6**	**247.4**	**214.0**	**37.6**	**172.3**	**48.6**	**129.0**	**869.5**
Segment liabilities	149.9	215.0	88.9	29.3	146.0	40.6	40.5	710.3
Total current and non-current liabilities	**149.9**	**215.0**	**88.9**	**29.3**	**146.0**	**40.6**	**40.5**	**710.3**
Equity								159.2
TOTAL LIABILITIES AND EQUITY								**869.5**

31/12/13		Onshore Operations			Offshore Operations	Underground Operations		
	Holding	Projects	Pipelines	Services	Offshore construction	Drilling	Underground storage	Total
Goodwill	0.0	0.0	30.4	5.5	14.8	9.1	18.3	78.1
Investments	2.0	13.2	19.9	1.0	46.9	30.8	10.9	124.7
Investments in associates	12.1	0.0	1.5	0.0	0.4	0.0	45.2	59.2
Other assets	15.0	153.5	242.3	36.0	74.8	10.3	44.5	576.3
Total assets	**29.1**	**166.7**	**294.0**	**42.4**	**137.0**	**50.3**	**118.8**	**838.3**
Segment liabilities	136.7	133.9	195.0	26.1	101.8	38.1	32.8	664.5
Total current and non-current liabilities	**136.7**	**133.9**	**195.0**	**26.1**	**101.8**	**38.1**	**32.8**	**664.5**
Equity								173.8
TOTAL LIABILITIES AND EQUITY								**838.3**

D. Notes to the income statement

D.1. Operating income

The following table shows operating expenses broken down by type:

	31/12/14	31/12/13
Revenue	**799.2**	**870.6**
Other income from ancillary activities	**0.2**	**0.1**
Purchases consumed	(191.0)	(140.3)
External services	(129.1)	(222.2)
Temporary personnel	(30.3)	(19.3)
Subcontracting	(197.7)	(201.2)
Income and other taxes	(14.0)	(13.1)
Payroll expenses	(167.7)	(205.8)
Other operating income and expenses	(0.5)	3.7
Depreciation and amortisation	(21.5)	(19.4)
Net increase/(decrease) in provisions	(11.9)	(9.2)
Operating expenses	**(763.8)**	**(826.8)**
Operating profit from ordinary activities	**35.6**	**43.9**
% of revenue	*4.5%*	*5.0%*
Share-based payments (IFRS 2)	(1.7)	(1.5)
Profit/(loss) of companies accounted for under the equity method	(5.2)	3.7
Other operating items	(0.4)	(0.4)
Recurring operating income	**28.3**	**45.7**
Goodwill impairment	(14.6)	(20.0)
Other non-recurring operating items	(1.1)	0.4
OPERATING INCOME	**12.5**	**26.0**
% of revenue	*1.6%*	*3.0%*

D.1.1 Other operating income and expenses

	2014	2013
Own work capitalised	2.0	2.5
Net gain on disposal of intangible assets and property, plant and equipment	0.9	2.0
Foreign exchange gains and losses on operations-related cash flows	(3.8)	(0.9)
Other	0.5	0.2
TOTAL	**(0.5)**	**3.7**

D.1.2 Depreciation and amortisation

Net depreciation and amortisation expenses break down as follows:

	2014	2013
Intangible assets	(0.9)	(1.1)
Property, plant and equipment	(20.6)	(18.3)
DEPRECIATION AND AMORTISATION	**(21.5)**	**(19.4)**

D.1.3 Other elements of recurring operating income and operating income

The shares of equity-accounted companies are analysed in E.5.1.

Goodwill impairment is analysed in E.1 and E.4.

D.2. Financial elements of the Income Statement

Financial income and expenses are divided into the following financial assets and liabilities categories:

31/12/14	Cost of net financial debt	Other financial income & expenses	Equity
Financial assets and liabilities measured at amortised cost	(1.9)		
Financial assets and liabilities measured at fair value through profit and loss	0.0		
Cost of discounting to present value		(0.1)	
Foreign exchange gain (loss)		0.8	1.3
Other		0.0	
TOTAL FINANCIAL INCOME (EXPENSE)	**(1.9)**	**0.7**	**1.3**

31/12/13	Cost of net financial debt	Other financial income & expenses	Equity
Financial assets and liabilities measured at amortised cost	(1.8)		
Financial assets and liabilities measured at fair value through profit and loss	0.1		
Derivatives measured at fair value through profit and loss (trading): assets and liabilities		(0.0)	
Cost of discounting to present value		(0.1)	
Foreign exchange gain (loss)		(3.0)	(2.2)
Other		0.0	
TOTAL FINANCIAL INCOME (EXPENSE)	**(1.7)**	**(3.1)**	**(2.2)**

D.3. Corporate income tax

D.3.1 Net income tax expense

	31/12/2014	31/12/2013
Current tax for the period	(11.9)	(20.6)
Prior year adjustments	0.6	0.2
Charge to provisions for taxes	(1.5)	(0.5)
Tax on profits recognised in equity	(0.4)	(0.6)
Deferred tax benefit/(expense):	(1.7)	0.8
TOTAL TAX BENEFIT/(EXPENSE)	**(14.9)**	**(20.7)**

D.3.2 Effective tax rate

The effective tax rate (excluding profits or losses of associates and impairment of goodwill) stood at 47.8% in 2014 versus 55.2% in 2013.

The Group decided to depreciate the deferred tax assets calculated on tax loss carry-forwards in France and abroad for the period for an amount of €23.3 million, of which €5.2 million was recognised in the period (of which €4.7 million through profit or loss).

When restated to account for this depreciation, the effective tax rate would have been 32.8% in 2014, versus 37.6% in 2013.

Although close to the theoretical tax rate of 33.3% (general rate in force in France, excluding additional levies), this effective rate can be explained mainly by the non-recognition of foreign deferred tax expenses as described in D.3.4, offset by tax savings due to differences in foreign rates.

The following table shows the difference between the tax resulting from the application of the standard French corporate income tax rate and the amount of tax actually recorded for the year:

	31/12/2014	31/12/2013
Net income	**(3.6)**	**0.5**
Share of profits of companies accounted for under the equity method	(5.2)	3.7
Tax recognised in profit or loss	(14.9)	(20.7)
Theoretical taxable income	**16.5**	**17.5**
Tax rate	34.43%	34.43%
Theoretical tax	**(5.7)**	**(6.0)**
Tax in countries other than France	26.2	2.7
Permanent differences	(0.7)	(5.2)
Savings on income taxed abroad	(20.3)	0.8
Impact of unrecognised tax loss carry-forwards	(6.1)	(6.6)
Other tax items	(3.5)	0.4
Impact of differences in tax rates	0.1	0.2
Goodwill impairment	(5.0)	(6.9)
ACTUAL TAX RECOGNISED IN PROFIT OR LOSS	**(14.9)**	**(20.7)**

D.3.3 Deferred tax assets and liabilities

	31/12/2014 net value	31/12/2013 net value	Change through: Profit/loss	Equity	Other movements
Deferred tax assets					
Tax loss carry-forwards	23.6	18.9	4.7		
Provisions for retirement benefit obligations	4.1	3.8	0.3		
Non-deductible provisions	0.0	0.0	0.0		
Social security liabilities	0.0	0.0	0.0		
Fair value of forex instruments	0.0	0.0	0.0		
Other	5.1	5.0	(0.3)		0.5
TOTAL DEFERRED TAX ASSETS	**32.8**	**27.7**	**4.6**	**0.0**	**0.5**
Deferred tax liabilities	(2.7)	(2.3)	(0.4)		
TOTAL DEFERRED TAX LIABILITIES	**(2.7)**	**(2.3)**	**(0.4)**	**0.0**	**0.0**
Net balance of deferred tax assets and liabilities before impairment	**30.2**	**25.5**	**4.2**	**0.0**	**0.5**
Depreciation	(23.3)	(18.2)	(4.7)		(0.5)
TOTAL NET DEFERRED TAXES	**6.8**	**7.3**	**(0.5)**	**0.0**	**0.0**

D.3.4 Unrecognised deferred taxes

The Group's policy is generally to recognise all deferred tax assets of a material nature and be depreciate them if it seems unlikely that they will be recovered over the near term.

In an exception to this rule, some deferred tax assets were, however, not recognised in the period due to the fact that their recovery in the future can virtually be ruled out.

E. Notes to the balance sheet

E.1. Goodwill

Changes in the period were as follows:

	31/12/14	31/12/13
Net goodwill at the beginning of the period	78.1	102.9
Goodwill recognised in the period		(4.9)
Impairment losses	(14.6)	(20.0)
Currency translation differences		
Entities no longer consolidated		
Other movements	0.0	0.0
NET GOODWILL AT THE END OF THE PERIOD	**63.5**	**78.1**

The main items of goodwill at 31 December 2014 are:

	31/12/14 Gross value	31/12/14 Impairment losses	31/12/14 Net value	31/12/13 Net value
Spiecapag / HDI	30.4		30.4	30.4
Entrepose Services	23.5	(23.5)	0.0	5.5
Geocean	14.8		14.8	14.8
Cofor	14.7	(14.7)	0.0	9.1
Geostock	18.3		18.3	18.3
Other goodwill items worth less than €3 million	1.1	(1.1)	0.0	0.0
TOTAL	**102.7**	**(39.3)**	**63.5**	**78.1**

E.2. Other intangible assets

	Software	Patents, licences and other	Total
GROSS VALUE			
At 01/01/2013	**0.4**	**9.3**	**9.6**
Acquisitions as part of business combinations			0.0
Other acquisitions in the period	0.4	0.2	0.6
Disposals and retirement		(0.0)	(0.0)
Currency translation differences			0.0
Other movements (including reclassifications)	5.2	(5.1)	0.0
At 31/12/2013	**5.9**	**4.3**	**10.2**
Acquisitions as part of business combinations			0.0
Other acquisitions in the period	0.3	0.1	0.4
Disposals and retirement	(0.2)	(1.3)	(1.5)
Currency translation differences	0.0	0.0	0.0
Other movements (including reclassifications)	0.2	(0.6)	(0.4)
AT 31/12/2014	**6.2**	**2.6**	**8.8**

There were no significant movements in the period.

	Software	Patents, licences and other	Total
DEPRECIATION, AMORTISATION AND IMPAIRMENT			
At 01/01/2013	**(0.3)**	**(6.2)**	**(6.6)**
Cumulative depreciation and amortisation recognised as part of business combination			0.0
Depreciation and amortisation in the period	(0.6)	(0.5)	(1.1)
Impairment losses			0.0
Impairment reversals			0.0
Disposals and retirement		0.0	0.0
Currency translation differences			0.0
Other movements (including reclassifications)	(4.1)	4.1	0.0
At 31/12/2013	**(5.0)**	**(2.6)**	**(7.6)**
Cumulative depreciation and amortisation recognised as part of business combination			0.0
Depreciation and amortisation in the period	(0.5)	(0.4)	(0.9)
Impairment losses			0.0
Impairment reversals			0.0
Disposals and retirement	0.2	1.1	1.2
Currency translation differences	(0.0)	(0.0)	(0.0)
Other movements (including reclassifications)	0.0	(0.1)	(0.1)
AT 31/12/2014	**(5.3)**	**(2.1)**	**(7.4)**
NET VALUE			
At 01/01/2013	0.1	3.0	3.1
At 31/12/2013	0.9	1.7	2.6
AT 31/12/2014	**0.9**	**0.6**	**1.4**

E.3. Property, plant and equipment

	Land	Buildings	Equipment, technical installations and fixtures	Other PPE	Total
GROSS VALUE					
At 01/01/2013	**2.9**	**7.3**	**149.0**	**32.4**	**191.6**
Acquisitions as part of business combinations					0.0
Other acquisitions in the period		0.4	59.9	9.6	69.9
Disposals and retirement		(0.0)	(18.7)	(3.8)	(22.6)
Currency translation differences		(0.0)	(3.6)	(0.8)	(4.4)
Other movements	(0.0)	(0.3)	4.6	(4.5)	(0.2)
At 31/12/2013	**2.9**	**7.3**	**191.1**	**32.8**	**234.2**
Acquisitions as part of business combinations					0.0
Other acquisitions in the period		0.0	18.5	4.6	23.1
Disposals and retirement		(0.0)	(11.7)	(5.1)	(16.8)
Currency translation differences	0.0	0.0	6.5	0.1	6.7
Other movements			4.6	(5.1)	(0.5)
AT 31/12/2014	**2.9**	**7.4**	**209.1**	**27.3**	**246.8**

	Land	Buildings	Equipment, technical installations and fixtures	Other PPE	Total
DEPRECIATION, AMORTISATION AND IMPAIRMENT					
At 01/01/2013	**(0.7)**	**(5.5)**	**(88.5)**	**(15.6)**	**(110.3)**
Cumulative depreciation and amortisation recognised as part of business combination					0.0
Other depreciation and amortisation in the period	(0.0)	(0.2)	(13.5)	(4.6)	(18.3)
Impairment losses					0.0
Impairment reversals					0.0
Disposals and retirement		0.0	11.9	3.2	15.1
Currency translation differences		0.0	0.9	0.5	1.4
Other movements		0.3	1.5	(1.8)	(0.0)
At 31/12/2013	**(0.7)**	**(5.4)**	**(87.7)**	**(18.3)**	**(112.2)**
Cumulative depreciation and amortisation recognised as part of business combination					0.0
Other depreciation and amortisation in the period	(0.0)	(0.3)	(17.7)	(2.7)	(20.6)
Impairment losses					0.0
Impairment reversals		0.0	8.6	3.6	12.1
Disposals and retirement					0.0
Currency translation differences		(0.0)	(0.6)	(0.1)	(0.6)
Other movements			0.0	0.0	0.0
AT 31/12/2014	**(0.8)**	**(5.7)**	**(97.4)**	**(17.5)**	**(121.3)**
NET VALUE					
At 01/01/2013	2.2	1.8	60.4	16.8	81.3
At 31/12/2013	2.2	1.9	103.4	14.6	122.1
AT 31/12/2014	**2.2**	**1.7**	**111.8**	**9.9**	**125.5**

The Group's main buildings are the boiler works owned by CMP Dunkerque in Dunkirk, Cofor's operating facility in Maisse and UGS's operating facility in Mittenwalde (Germany).

Other buildings consist mainly of fixtures and fittings at the Colombes, Rueil-Malmaison, Cergy and Cassis sites in France.

Equipment and tools include fixed and mobile installations used by the Group in its operations and mainly on its construction sites.

Other property, plant and equipment comprise transport vehicles, primarily trucks and vehicles used at worksites, office furniture and computer equipment.

All of the Group's property, plant and equipment assets operate at normal utilisation capacity. No items are likely over the near term to require directly attributable major expenditure on maintenance, repairs, upgrading to ensure compliance with standards or environmental remediation.

Movements in the period are primarily accounted for by the normal and routine renewal of the Group's industrial equipment.

Property, plant and equipment included €3.1 million of construction in progress at 31 December 2014, versus €5.5 million at 31 December 2013.

The net value of assets acquired under finance leases totalled €3.0 million at 31 December 2014, versus €0.9 million at 31 December 2013. They were mainly industrial assets to be used in operations. The payments on these leases are shown in note E.10.1.

Except for the movements in the period as described above, the Group has not undertaken any major short- or medium-term investment plan.

E.4. Goodwill impairment tests

In accordance with IAS 36 "Impairment of Assets", the value of goodwill and other non-financial assets underwent impairment tests at 31 December 2014, using the methods defined by the Group.

Each cash generating unit (CGU) corresponds to one of the business segments used for internal management purposes.

Value in use is calculated by discounting, at the rates shown below, projected after-tax operating cash flows (operating profit from ordinary activities + depreciation/amortisation + the change in non-current provisions – investments in operating assets – the change in the operating working capital requirement – tax).

Cash flow projections are generally based on the latest available three-year forecasts. Cash flows for the fourth and fifth years are extrapolated using growth rates based mainly on management's assessment of the outlook for each entity.

Beyond the fifth year, the terminal value is determined by discounting cash flows at the perpetual growth rate.

The following assumptions were used for the goodwill impairment tests:

	Net carrying value of goodwill	Model parameters applied to projected cash flows			Impairment losses recorded in the period	
		Growth rate (terminal value)	Discounting rate			
			31/12/14	31/12/13	31/12/14	31/12/13
Spiecapag / HDI	30.4	1%	7.40%	7.70%		
Entrepose Services	0.0	1%	7.40%	7.70%	(5.5)	(18.0)
Geocean	14.8	1%	7.40%	7.70%		
Cofor	0.0	1%	7.40%	7.70%	(9.1)	(2.0)
Geostock	18.3	1%	7.40%	7.70%		
Other goodwill	0.0	1%	7.40%	7.70%		
TOTAL	**63.5**				**(14.6)**	**(20.0)**

Impairment tests at 31 December 2014 resulted in the recognition of impairment losses totalling €5.5 million for Entrepose Services' goodwill ("Services" CGU) and €9.1 million for Cofor's goodwill ("Drilling" CGU).

The net figures for these two goodwills have been set to zero.

Sensitivity of the value in use of CGUs to the assumptions drawn upon

The following table shows the sensitivity of enterprise value to the assumptions made for the main goodwill items:

Sensitivity to interest rates

2014	Discounting rate for cash flows		Growth rate to infinity for cash flows	
	0.50%	-0.50%	0.50%	-0.50%
Spiecapag / HDI	(16.0)	18.8	15.2	(12.9)
Geocean	(5.4)	6.3	5.0	(4.3)
Geostock	(2.3)	2.6	2.1	(1.9)

2013	Discounting rate for cash flows		Growth rate to infinity for cash flows	
	0.50%	-0.50%	0.50%	-0.50%
Spiecapag / HDI	(8.5)	9.8	7.8	(6.8)
Entrepose Services	(1.4)	1.6	1.3	(1.1)
Geocean	(5.1)	5.9	4.7	(4.1)
Cofor	(2.1)	2.4	1.7	(1.6)
Geostock	(2.0)	2.3	1.8	(1.5)

A 0.50% increase or decrease in the assumptions made would not have resulted in an impairment being recognised in the Group's consolidated financial statements at 31 December 2014.

Sensitivity to cash flows

2014	Change in forecast pre-income tax cash flows	
	5.00%	-5.00%
Spiecapag / HDI	8.4	(8.4)
Geocean	2.7	(2.7)
Geostock	1.1	(1.2)

2013	Change in forecast pre-income tax cash flows	
	5.00%	-5.00%
Spiecapag / HDI	6.8	(6.8)
Entrepose Services	0.9	(0.9)
Geocean	3.7	(3.7)
Cofor	2.0	(2.0)
Geostock	1.8	(1.8)

With the exception of the goodwill of Entrepose Services and Cofor, a 5% increase or decrease in forecast operating cash flows would not lead to impairment losses in the Group's consolidated financial statements at 31 December 2014.

E.5. Investments in companies accounted for under the equity method

E.5.1 Changes during the period

	31/12/14	31/12/13
Value of investments at start of the period	**59.2**	**51.2**
Share capital increases of associates	0.3	
Share of profit/(loss) for the period attributable to owners of the parent	(5.2)	3.7
Dividends paid out	(2.0)	(1.8)
Changes in consolidation scope and currency translation differences	0.1	6.2
Net change in consolidation rate	0.3	
Reclassifications	10.3	
VALUE OF INVESTMENTS AT END OF THE PERIOD	**63.1**	**59.2**

	31/12/14	31/12/13
Negative value of investments accounted for using the equity method		
Opening figure	0.0	0.0
Reclassifications	(10.3)	
CLOSING FIGURE: PROVISION FOR FINANCIAL RISK	**(10.3)**	**0.0**

In 2014, the application of IFRS 10 and 11 resulted in a change in the method of consolidation for certain entities which had previously been accounted for at their portion of the assets, liabilities, income and expenses ("joint ventures" as defined in A.2.1). Although this had little impact on the 2013 accounts (see A.2.1), operating activities in 2014 were affected by these joint ventures, whose performance is particularly reflected by the negative value of the investments accounted for using the equity method on the balance sheet, reclassified as liabilities under a provision for financial risk (see E.8.2).

E.5.2 Financial information on companies accounted for under the equity method

Investments in companies accounted for under the equity method break down as follows:
(excluding joint ventures reclassified in liabilities)

	% equity interest	31/12/14	31/12/13
Geosud (which holds a 50% stake in the GIE Geomethane)	30%	45.6	45.2
Other companies accounted for under the equity method		17.5	14.0
INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD		**63.1**	**59.2**

The financial figures for the key companies accounted for under the equity method are shown below (Group's share):

	31/12/14	31/12/13
Revenue	93.0	35.2
Attributable net income	(5.2)	3.3
Equity	50.9	53.6

E.5.3 Related party transactions

The financial statements include various commercial transactions between the Group and companies accounted for under the equity method. However, these transactions are immaterial.

E.6. Other non-current financial assets and liabilities

Other non-current financial assets

	31/12/14	31/12/13
Available-for-sale assets	0.5	1.1
Loans and receivables at amortised cost	6.6	7.0
OTHER NON-CURRENT FINANCIAL ASSETS	**7.1**	**8.1**

Available-for-sale assets consist solely of shares in newly formed companies that had no significant business activity at the end of the period.

Loans and receivables at amortised cost are mainly guarantee deposits that relate, in particular, to tax proceedings abroad.

Other non-current liabilities

	notes	31/12/14	31/12/13
Measurement of options and earn-out clauses		6.0	6.1
Debts on performance shares	*cf. E.7.2*	1.2	1.9
OTHER NON-CURRENT LIABILITIES		**7.2**	**7.9**

Call options and earn-out mainly consist of the commitments made towards Geostock's non-controlling shareholder during the successive phases in the acquisition of Geostock Holding in 2012.

E.7. Equity

E.7.1 Composition of share capital

Share capital is represented by 5,165,408 fully paid shares with a par value of one euro each, entirely owned by the VINCI group.

E.7.2 Share-based payments

VINCI plans

Some employees and corporate officers of the Group benefited from the following VINCI plans:
• allocation of performance shares from 2009 to 2014;
• allocation of VINCI stock options from 2009 to 2014.

The VINCI Group Savings Scheme (see note A.3.5) is also available to the employees of participating Group companies.

Additional information on current VINCI plans may be found in VINCI's 2014 Annual Report, in note E.18 of the notes to the consolidated financial statements.

E.8. Provisions

	Notes	Total	Non-current portion	Current portion
Provisions for retirement benefit obligations	*E.8.1*	12.5	10.7	1.8
Other provisions	*E.8.2*	74.2	35.6	38.6
TOTAL PROVISIONS		**86.7**	**46.3**	**40.4**

E.8.1 Provisions for retirement benefit obligations

E.8.1.1 Defined benefit plans

The Group's provisions for employee benefits under defined benefit plans are for lump-sum retirement bonuses (RBs) and long-service awards (LSAs).

	RB	LSA	TOTAL	< 1 year	> 1 year
1 January 2014	**11.2**	**0.2**	**11.4**	**1.6**	**9.8**
Service cost	0.8		0.8		
Interest cost	0.4		0.4		
benefits paid	(1.9)		(1.9)		
external payment	0.0	0.1	0.1		
Actuarial gains and losses	1.7		1.7		
Change in scope			0.0		
translation differences			0.0		
31/12/2014 - PROVISIONS IN BALANCE SHEET	**12.2**	**0.3**	**12.5**	**1.8**	**10.7**
Fair value of hedging assets	2.2				
PRESENT VALUE OF RETIREMENT BENEFIT OBLIGATIONS	**14.3**				

	RB	LSA	TOTAL	< 1 year	> 1 year
1 January 2013	**10.5**	**0.2**	**10.7**	**1.4**	**9.3**
Service cost	0.8	0.1	0.9		
Interest cost	0.4		0.4		
benefits paid	(1.0)		(1.0)		
external payment	(0.2)		(0.2)		
Actuarial gains and losses	0.6		0.6		
Change in scope	0.0		0.0		
translation differences	0.0		0.0		
31/12/2013 - PROVISIONS IN BALANCE SHEET	**11.2**	**0.2**	**11.4**	**1.6**	**9.8**
Fair value of hedging assets	2.1				
PRESENT VALUE OF RETIREMENT BENEFIT OBLIGATIONS	**13.3**				

The key actuarial assumptions used to calculate the Group's obligations at 31 December 2014 are as follows:

Discount rate:	2.30%
Retirement	at initiative of the employee
Retirement age:	retirement with a full pension for supervisory & administrative staff who started work at 20 and for managers who started work at 23
Employer's contribution rate:	45%
Staff turnover rate:	6.7% < 39 years, 3.3% from 40 to 54 years and 0% > 55 years
Average salary increase (including inflation):	1.80%
Mortality tables:	TF-TH 06 08

The discount rate was determined on the basis of the yields of private-sector premium category bonds (rated AA or better) for maturities that match the plans' expected cash flows. A single discount rate was ultimately chosen equivalent to the various yields for each maturity period.

The other local economic and demographic actuarial assumptions were based on current conditions in France.

The actuarial variances recognised in equity are a loss of €1.7 million. At 31 December 2014, the total cumulative amount of actuarial gains and losses recognised in equity is €2.7 million before tax.

A 0.5 % increase or decrease in the discount rate would affect the actuarial liability at the balance sheet date as follows:
- A 0.5% increase: €(0.7) million
- A 0.5% decrease: €0.8 million

Hedging assets are made up of payments to insurance companies. They were measured at their fair value at 31 December 2014, which is equal to their carrying amount.

E.8.1.2 Expenses recognised in respect of defined contribution plans

In some countries, and particularly in France, the Group contributes to basic State pension schemes, for which the expense recognised equals the amount of the contributions paid to government bodies. Basic State pension schemes are considered to be defined contribution plans. In some countries, the proportion of contributions paid specifically for pensions cannot be clearly ascertained.

The amount of retirement benefit contributions under defined contribution plans (excluding basic State schemes) expensed in the period amounted to €6.3 million at 31 December 2014, up from €5.6 million at 31 December 2013. This includes the contributions paid to the external multi-employer pension fund (CNPO) used to make lump-sum retirement payments to construction workers.

E.8.2 Other provisions

PROVISION FOR	31/12/2013	Entry in consolidation scope/other movements	Increases	Reversals (provisions used)	Reversals (not used)	Conversion differences and sundry	31/12/2014
Contractual disputes	0.0						0.0
Employee & welfare institution disputes	0.8		1.3			(0.0)	2.2
Tax and customs disputes	18.3		12.1	(2.2)	(4.2)	1.3	25.3
Project completion	19.5		4.0	(3.6)	(1.3)	0.4	19.1
After-sales service	1.1		0.0	(0.1)		0.1	1.1
Other current risks	13.1		7.8	(5.4)	(1.5)	0.0	14.0
Completion losses	0.3		2.2	(0.3)		0.0	2.2
Financial risk	0.0		10.3	0.0		0.0	10.3
TOTAL OTHER PROVISIONS	**53.1**	**0.0**	**37.8**	**(11.5)**	**(7.0)**	**1.8**	**74.2**

BREAKDOWN	31/12/2013	31/12/2014
Non-current provisions	14.5	35.6
Current provisions	38.6	38.6
TOTAL OTHER PROVISIONS	**53.1**	**74.2**

Changes for the period are due to the recurring lifecycle of the Group's activities.

Provisions also include an amount of €10.3m for financial risks of equity-accounted investments (see A.3.14 and E.5).

E.8.2.1 Disputes and arbitration

The companies comprising the Group are sometimes involved in litigation arising from their operations. The related risks are assessed by the Group and the subsidiaries involved, according to their knowledge of projects, and suitable provisions are consequently made.

E.8.2.2 Employee training entitlement

An Act of 4 May 2004 entitles the employees of French companies to at least 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure for this training is expensed over the period and therefore does not normally require a provision. Under this training requirement the Group's employees were entitled to 88,061 hours of training at 31 December 2014.

E.9. Working capital requirement and current assets and liabilities

E.9.1 Change in working capital requirement

	31/12/14	31/12/13
Inventories and work in progress	1.9	1.9
Trade receivables	309.2	328.1
Other current operating assets	128.4	78.9
Inventories and operating receivables (I)	**439.5**	**409.0**
Trade payables (excluding payables on non-current assets)	(171.6)	(178.5)
Other current operating liabilities	(259.2)	(231.1)
Trade and other operating payables (II)	**(430.8)**	**(409.5)**
Working capital requirement (excluding current provisions) (I + II)	**8.8**	**(0.6)**
Current provisions (excluding portion of non-current provisions < 1 year)	(38.5)	(35.3)
Working capital requirement (including current provisions)	**(29.7)**	**(35.9)**
NET CHANGE	**(6.2)**	
Other changes*	6.3	
Net change in the cash flow statement	**0.1**	

** Mainly translation differences*

E.9.2 Trade receivables

Trade receivables and any provisions are shown in the table below:

	31/12/14	31/12/13
Trade receivables (invoiced receivables and deferred income)	320.0	334.8
Provisions on trade receivables	(10.8)	(6.7)
NET TRADE RECEIVABLES	**309.2**	**328.1**
BREAKDOWN		
Less than 1 year	309.2	328.1
From 1 to 5 years		
More than 5 years		

Trade receivables are broken down by segment and region in note C.2. "Information by operating segment".
Their sensitivity to credit risk and their breakdown by currency are presented in note E.11 "Financial risk management".

E.9.3 Other current operating assets

	Gross	Impairment	Net	Net 31/12/2013
Advances and payments on account paid	16.6		16.6	9.1
Intercompany loans	32.1	(0.5)	31.7	15.1
Tax and employee-related receivables	35.7	(3.4)	32.3	23.3
Other operating receivables	31.5	(11.9)	19.7	17.4
Other financial assets	0.0		0.0	0.3
Derivatives, assets, on operations-related cash flows & miscellaneous	0.0		0.0	0.7
Prepaid expenses	28.0		28.0	13.0
TOTAL	**144.1**	**(15.7)**	**128.4**	**78.9**

E.9.4 Other current operating liabilities

	Net	Net 31/12/2013
Advances and down payments received	74.2	50.1
Intercompany loans	33.6	17.4
Tax and employee-related payables	65.0	50.6
Other operating liabilities	23.9	15.0
Derivatives, liabilities, on operations-related cash flows & miscellaneous	7.9	1.6
Prepaid income	54.7	98.1
TOTAL	**259.2**	**232.7**

Advances and down payments received and deferred income consist mainly of Group long-term contracts recognised in accordance with IAS 11 (see note A.3.3). Their year-end amounts may vary substantially depending on the progress of project completion.

E.10. Net financial surplus (debt)

At 31 December 2014, the net financial surplus, as defined in A.3.21, stood at €19.7 million versus €6.5 million at 31 December 2013.

Aside from the natural fluctuation in cash flow caused by projects in progress, the 2014 net financial surplus was affected by a payment of annual dividends of €(11.7) million during the period.

Net financial surplus (debt) broken down balance sheet line item:

	31/12/14	31/12/13
Other borrowings and financial liabilities	(111.5)	(116.1)
Current financial liabilities	(23.7)	(22.6)
Cash-management financial assets	47.3	9.1
Cash and cash equivalents	107.6	136.1
Derivative financial instruments - current assets	0.0	0.0
NET FINANCIAL SURPLUS	**19.7**	**6.5**

E.10.1 Financial liabilities

	notes	31/12/2014	31/12/2013
Short and medium-term debt	*E.10.1.1*	129.8	131.9
Fair value of derivative financial instruments	*E.11.3.2*	0.0	0.0
Bank overdrafts	*E.10.2.1*	0.7	0.0
Other current financial liabilities		26.7	6.8
FINANCIAL LIABILITIES		**157.2**	**138.7**
of which: current liabilities		*23.7*	*22.6*
of which: non-current liabilities		*133.5*	*116.1*

E.10.1.1 Short- and medium-term debt

	31/12/2014	31/12/2013
Bank borrowings	8.1	8.3
Loans from the VINCI group	114.5	118.7
Finance leases	2.8	0.8
Credit line drawdowns	4.4	4.1
SHORT AND MEDIUM-TERM DEBT	**129.8**	**131.9**
of which: short term (current) portion	*18.3*	*15.8*
of which: long term (non-current) portion	*111.5*	*116.1*

E.10.1.2 Main borrowings and financial liabilities

				31/12/14			31/12/13	
Issuer/Beneficiary	Currency	Contractual interest rate	Maturity	Outstanding principal	Carrying value	o/w accrued interest	Outstanding principal	Carrying value
BANK BORROWINGS AND OTHER FINANCIAL LIABILITIES								
VINCI Finance international/EC	EUR	Euribor 6 m +0.95%	July-16	28.3	28.4	0.1	31.0	31.1
VINCI Finance international/EC	EUR	Euribor 6 m +1.70%	Oct.-17	46.0	46.2	0.2	50.0	50.2
VINCI Finance international/Geoshipping	USD	USD Libor 6 m +1.20%	July-18	39.7	39.9	0.3	37.2	37.4
BNPP/Cofor	EUR	3.87%	May-18	5.7	5.7	0.0	7.4	7.4
Other borrowings	EUR and other currencies		< 5 years	2.4	2.4		0.9	0.9
BORROWING RELATED TO FINANCE LEASE								
Other borrowings	EUR		< 5 years	2.8	2.8		0.8	0.8
Credit line drawdowns	USD		2015	0.7	0.7			
	other currencies		2015	3.8	3.8		4.1	4.1
SHORT AND MEDIUM-TERM DEBT				**129.3**	**129.8**	**0.6**	**131.4**	**131.9**

E.10.1.3 Maturity of debt

The following table shows that the redemption value of the Group's debt and associated interest payments, based on interest rates at 31 December 2014, breaks down as follows:

	31/12/2014	Principal cash flow (expenditure)		
	Outstanding principal	Less than 1 year	From 1 to 5 years	> 5 years
Bank borrowings and other financial liabilities				
VINCI Finance international/EC	28.3	2.7	25.5	
VINCI Finance international/EC	46.0	4.0	42.0	
VINCI Finance international/Geoshipping	39.7	3.0	36.7	
BNPP/Cofor	5.7	1.6	4.1	
Credit line drawdowns	3.8	3.8		
TOTAL BROKEN DOWN	**123.4**	**15.1**	**108.3**	**0.0**
TOTAL STILL DUE IN BALANCE SHEET	**129.3**			

E.10.2 Financial resources and liquidity position

At 31 December 2014, the Group held €109.5 million in liquid financial resources realisable in the very near term, including €63.2 million of net managed cash (see note E.10.2.1) and €46.3 million of undrawn revolving credit lines (see note E.10.2.2).

E.10.2.1 Managed net cash

Managed net cash is the cash that is freely and readily available. It excludes, among other things, cash assets and liabilities of companies that are controlled jointly with partners, or subsidiaries in which the presence of a non-controlling shareholder prevents cash pooling with the Group.

	31/12/14		31/12/13	
	Total on balance sheet	Net cash managed	Total on balance sheet	Net cash managed
Cash equivalents	31.0	29.1	26.9	5.4
Cash in bank	76.6	34.8	109.2	90.8
Bank overdrafts	(0.7)	(0.7)	(0.0)	(0.0)
CASH MANAGEMENT	**106.9**	**63.2**	**136.1**	**96.2**
Cash assets	*107.6*		*156.8*	
Cash liabilities	*(0.7)*		*(0.1)*	
Net cash position	*106.9*		*156.7*	

E.10.2.2 Revolving credit lines

The authorised and drawn down amounts of the Group's revolving credit lines and maturities are shown in the table below:

	Drawn-down at 31/12/2014	Authorised at 31/12/2014	Maturity of lines drawn		
			Less than 1 year	from 1 to 5 years	More than 5 years
VINCI SA line	3.7	50.0		3.7	
TOTAL	**3.7**	**50.0**	**0.0**	**3.7**	**0.0**

E.10.2.3 Financial covenants

The main loans outstanding at the balance sheet date had no clauses that accelerate repayment if certain financial ratios are not met.

E.11. Financial risk management

The Group is exposed to the following risks related to the use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information on the Group's exposure to each of the above risks as well as on its objectives, policies and procedures for measuring and managing risk, and on its management of capital. Quantitative information can be found elsewhere in the consolidated financial statements.

The objectives of the Group's risk management policy are to identify and measure the risks the Group faces, to define limits for these risks, implement control procedures, manage risks and ensure that limits are not exceeded. The risk management policy and systems are regularly reviewed to account for changes in market conditions and in the Group's businesses. Through its risk-management rules and training and management procedures, the Group aims to build a disciplined and constructive risk-control environment in which all employees understand their specific role and responsibilities.

E.11.1 Credit risk

Credit risk represents the Group's risk of financial loss in the event that a client, or a counterparty to a financial instrument, fails to meet its contractual obligations. Its "Contracting" business is the most exposed to credit risk.

Managing client risk within the Group

In the course of its business, the Entrepose Group may be exposed to the risk that a client will fail to pay a debt or perform an obligation, either during a project or when the facility is delivered.

The Entrepose Group only signs contracts once it has made sure that the client is solvent or that the necessary funding is in place.

In general, the Entrepose Group's clients are internationally reputed oil and gas companies, such as Total, EDF, GDF Suez, BP, ExxonMobil, Shell and Chevron, or national operators with which it maintains a long-standing commercial relationship, such as SNDP in Tunisia and Sonatrach in Algeria.

In other cases, the Entrepose Group can also provide project financing through a banking partner in the form of a buyer's or financial credit.

Lastly, the modus operandi of the Entrepose Group is based on advance or milestone payments; this ensures that a positive cash balance is generally maintained and accordingly it minimises its financial exposure.

Largest clients in terms of trade receivables:

WEIGHT OF:	31/12/2014	Field of operations	%	31/12/2013	Field of operations
Clients representing > 10% of trade receivables:					
Largest client	72.6	Onshore operations	22%	28%	Onshore operations
Second largest client	32.9	Offshore operations	10%	10%	
Other clients (<10%)	203.7		68%	61%	
TOTAL TRADE RECEIVABLES	**309.2**		**100%**	**100%**	

Largest clients in terms of revenue:

WEIGHT OF:	31/12/2014	Field of operations	%	31/12/2013	Field of operations
Clients weighing > 10% of annual Group revenue:					
Largest client	239.2	Onshore operations	30%	37%	Onshore operations
Second largest client	99.2	Onshore operations	12%		
Other clients	460.8		58%	63%	
TOTAL REVENUE	**799.2**		**100%**	**100%**	

Financial instruments and short-term investments

Financial instruments are contracted with financial institutions that meet the credit-rating criteria defined and monitored by the VINCI Group, which are communicated to all VINCI Group companies.

Since the Group invests only in securities with high credit ratings, the Group does not expect any counterparty to default.

E.11.2 Liquidity risk

Liquidity risk is the risk that the Group will experience difficulty honouring its debts when they come due. The Group manages liquidity risk by ensuring, in so far as possible, that it always has enough cash to meet its obligations, even when credit conditions are strained, without incurring unacceptable losses or damaging the Group's reputation.

Managing liquidity risk within the Group

As explained under "Managing client risk", the Group's general rule is to ensure that cash flow on its contracts is positive or at least neutral. This policy results in a structurally negative working capital requirement and a positive net cash position.

At 31 December 2014, cash and cash equivalents amounted to €106.9 million, or 51 days of operating expenses based on the 2014 income statement.

At 31 December 2013, cash and cash equivalents amounted to €136.1 million, or 60 days of operating expenses based on the 2013 income statement.

The Group has also negotiated lines of credit with the VINCI Group and financial partners, some of which had been drawn down at the balance sheet date. See note E.10.2.2.

E.11.3 Market risk

Market risk is the risk of fluctuations in market prices, such as exchange rates, interest rates and the price of equity instruments. These can affect the Group's profit or loss or the value of any financial instruments it holds. The aim of market risk management is to keep exposure to market risk within acceptable limits, while optimising the risk-to-return ratio.

To manage its market risks, the Group buys and sells derivatives and assumes financial liabilities.

E.11.3.1 Interest rate risk

The Group's borrowings are at variable interest rates and consist mainly of the medium/long-term loans indicated in note E.10.1.2.

The Group considers that its exposure to interest rate risk is low.

E.11.3.2 Foreign exchange risk

The Entrepose Group's reporting currency is the euro.

Most contracts are denominated in currencies that are freely convertible, such as the euro (EUR), the US dollar (USD), the Australian dollar (AUD) and the Russian Rouble (RUB).

Exchange rate risks are assessed on a contract-by-contract basis to determine whether there will be a significant profit when the contractual currency is not the operating entity's functional currency.

In such a case, the currency risk may be hedged, either during the tendering phase or, once the contract has been signed, by using currency futures.

The currency options outstanding on the balance sheet date are as below:

		Notional total (in millions of currency)	< 1 year	from 1 to 5 years	> 5 years	Market value 31/12/14	Market value 31/12/13	Change in the Period
CURRENCY FINANCIAL INSTRUMENTS (CURRENCY OPTIONS AND FORWARD SALES)								
Forward purchases and sales	USD	44.0	44.0			(0.2)	0.6	
	RUB	2,200.0		2,200.0		(7.5)	(1.6)	
	other					(0.2)	0.1	
						(7.9)	**(0.9)**	**(7.0)**
		included in:						
		Other current assets				*0.0*	*0.7*	
		Other current liabilities				*(7.9)*	*(1.6)*	

E.11.3.2.1 Breakdown of main assets and liabilities by currency

Trade receivables:

TRADE RECEIVABLES	31/12/14	31/12/13
EUR	172.9	132.8
USD	45.5	62.3
ZAR	4.9	5.0
AUD	13.2	10.7
PGK	0.0	70.3
QAR	5.8	7.0
DZD	5.6	17.8
GBP	3.0	5.9
Other currencies (MAD, NGN, TND etc.)	58.2	16.3
TOTAL	**309.2**	**328.1**

Cash position:

		(in millions of currency)	31/12/2014 equivalent (in € millions)	31/12/2013
EUR	Euro	32.4	32.4	53.4
USD	US Dollar	35.0	28.8	36.3
AUD	Australian Dollar	15.7	10.6	19.3
PGK	Papua New Guinea Kina	22.7	7.2	11.6
MAD	Moroccan Dirham	59.5	5.4	1.6
COP	Colombian Peso	11,424.4	4.0	0.3
RUB	Russian Rouble	238.2	3.3	0.1
DZD	Algerian Dinar	290.4	2.7	4.0
Other currencies			12.5	9.6
NET CASH POSITION			**106.9**	**136.1**
breaking down into:				
Cash and cash equivalents			*107.6*	*136.1*
Current financial liabilities			*(0.7)*	*(0.0)*
			106.9	**136.1**

Financial liabilities:

	31/12/2014	31/12/2013	% 2014
Euro	84.9	89.9	65%
US Dollar	41.1	37.9	32%
Other currencies	3.8	4.1	3%
TOTAL SHORT AND MEDIUM-TERM DEBT	**129.8**	**131.9**	**100%**

E.11.3.2.2 Exposure to foreign currency exchange rate risk

The table below shows the impact on:

- equity attributable to owners of the parent, through the currency translation reserves, of a 10% increase or decrease in the exchange rates of the main currencies against the euro at the Group's balance sheet date;
- revenue and revenue attributable to owners of the parent, of a 10% appreciation or a 10% depreciation in the average exchange rates of the Group's main currencies in the period against the euro.

		Appreciation against €		Depreciation against €	
	Value at 31/12/2014	+10% of year-end rates	+10% of average rates	-10% of year-end rates	-10 % of average rates
Revenue	799.2		+42.6		(42.6)
Net income attributable to owners of the parent	(4.3)		+3.8		(3.8)
Equity attributable to owners of the parent (currency translation reserve)	148.5	+6.0		(6.0)	

		Appreciation against €		Depreciation against €	
	Value at 31/12/2013	+10% of year-end rates	+10% of average rates	-10% of year-end rates	-10% of average rates
Revenue	870.6		+52.0		(52.0)
Net income attributable to owners of the parent	0.7		+2.7		(2.7)
Equity attributable to owners of the parent (currency translation reserve)	164.7	+4.0		(4.0)	

E.12. Carrying amount and fair value of financial assets and liabilities by accounting category

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

31/12/2014	Asset Classes							Fair value			
BALANCE SHEET HEADINGS AND INSTRUMENT CLASSES	Net carrying amount on the balance sheet	Financial instruments through P&L	Hedging derivatives	Assets at Fair Value (Fair Value option)	Available-for-sale assets	Loans and receivables	Liabilities at amortised cost	Quoted prices & availability	Internal model with observable parameters	Internal model with non-observable parameters	Fair value of the class
Other financial assets	7.1				0.5	6.6			6.6	0.5	7.1
Non-consolidated investments	*0.5*				*0.5*					*0.5*	*0.5*
Loans and other non-current financial assets	*6.6*					*6.6*			*6.6*		*6.6*
Total non-current financial assets	**7.1**				**0.5**	**6.6**			**6.6**	**0.5**	**7.1**
Advances and down payments paid to suppliers	16.6					16.6			16.6		16.6
Trade receivables	309.2					309.2			309.2		309.2
Other receivables	83.7					83.7			83.7		83.7
Other financial assets	0.0							0.0	0.0		0.0
of which pledged mutual fund shares	*0.0*				*0.0*			*0.0*			*0.0*
of which derivable instruments (assets)	*0.0*		*0.0*						*0.0*		*0.0*
Cash and cash equivalents	107.6			107.6				107.6			107.6
Total current financial assets	**517.1**		**0.0**	**107.6**	**0.0**	**409.5**	**0.0**	**107.6**	**409.5**		**517.1**
Total financial assets	**524.3**		**0.0**	**107.6**	**0.5**	**416.1**	**0.0**	**107.6**	**416.2**	**0.5**	**524.3**
Borrowings and financial liabilities (portion > 1 year)	(111.5)						(111.5)		(111.5)		(111.5)
Other financial liabilities	(7.2)						(7.2)		(7.2)		(7.2)
Total non-current financial liabilities	**(118.7)**						**(118.7)**		**(118.7)**		**(118.7)**
Borrowings and financial liabilities (portion < 1 year)	(23.0)						(23.0)		(23.0)		(23.0)
Advances and down payments received	(74.2)						(74.2)		(74.2)		(74.2)
Trade payables	(171.0)						(171.0)		(171.0)		(171.0)
Other liabilities	(122.5)						(122.5)		(122.5)		(122.5)
Other financial liabilities	(8.5)						(0.7)	(0.7)			(0.7)
of which bank overdrafts	*(0.7)*						*(0.7)*	*(0.7)*			*(0.7)*
of which derivable instruments (liabilities)	*(7.9)*						*(7.9)*		*(7.9)*		*(7.9)*
Total current financial liabilities	**(399.2)**	**0.0**	**0.0**				**(399.2)**	**(0.7)**	**(398.5)**		**(399.2)**
Total financial liabilities	**(517.9)**	**0.0**	**0.0**				**(517.9)**	**(0.7)**	**(517.2)**		**(517.9)**
TOTAL	**6.4**	**0.0**	**0.0**	**107.6**	**0.5**	**416.1**	**(517.9)**	**106.9**	**(101.1)**	**0.5**	**6.4**

31/12/2013	Asset Classes							Fair value			
BALANCE SHEET HEADINGS AND INSTRUMENT CLASSES	Net carrying amount on the balance sheet	Financial instruments through P&L	Hedging derivatives	Assets at Fair Value (Fair Value option)	Available-for-sale assets	Loans and receivables	Liabilities at amortised cost	Quoted prices & availability	Internal model with observable parameters	Internal model with non-observable parameters	Fair value of the class
Other financial assets	8.1				1.1	7.0			7.0	1.1	8.1
Non-consolidated investments	*1.1*				*1.1*					*1.1*	*1.1*
Loans and other non-current financial assets	*7.0*					*7.0*			*7.0*		*7.0*
Total non-current financial assets	**8.1**				**1.1**	**7.0**			**7.0**	**1.1**	**8.1**
Advances and down payments paid to suppliers	9.1					9.1			9.1		9.1
Trade receivables	328.1					328.1			328.1		328.1
Other receivables	55.8					55.8			55.8		55.8
Other financial assets	0.7							0.0	0.7		0.7
of which pledged mutual fund shares	*0.0*				*0.0*			*0.0*			*0.0*
of which derivable instruments (assets)	*0.7*		*0.7*						*0.7*		*0.7*
Cash and cash equivalents	136.1			136.1				136.1			136.1
Total current financial assets	**529.8**		**0.7**	**136.1**	**0.0**	**393.0**	**0.0**	**136.1**	**393.7**		**529.8**
Total financial assets	**538.0**		**0.7**	**136.1**	**1.1**	**400.1**	**0.0**	**136.1**	**400.8**	**1.1**	**538.0**
Borrowings and financial liabilities (portion > 1 year)	(116.1)						(116.1)		(116.1)		(116.1)
Other financial liabilities	(7.9)						(7.9)		(7.9)		(7.9)
Total non-current financial liabilities	**(124.0)**						**(124.0)**		**(124.0)**		**(124.0)**
Borrowings and financial liabilities (portion < 1 year)	(22.6)						(22.6)		(22.6)		(22.6)
Advances and down payments received	(50.1)						(50.1)		(50.1)		(50.1)
Trade payables	(180.1)						(180.1)		(180.1)		(180.1)
Other liabilities	(82.9)						(82.9)		(82.9)		(82.9)
Other financial liabilities	(1.6)						(0.0)	(0.0)			(0.0)
of which bank overdrafts	*(0.0)*						*(0.0)*	*(0.0)*			*(0.0)*
of which derivable instruments (liabilities)	*(1.6)*						*(1.6)*		*(1.6)*		*(1.6)*
Total current financial liabilities	**(337.3)**	**0.0**	**0.0**				**(337.3)**	**(0.0)**	**(337.3)**		**(337.3)**
Total financial liabilities	**(461.3)**	**0.0**	**0.0**				**(461.3)**	**(0.0)**	**(461.3)**		**(461.3)**
TOTAL	**76.7**	**0.0**	**0.7**	**136.1**	**1.1**	**400.1**	**(461.3)**	**136.1**	**(60.5)**	**1.1**	**76.7**

F. Other notes

F.1. Transactions with related parties

Related party transactions involve:
- remuneration and related benefits paid to members of the governing and management bodies;
- transactions with companies in which the Group exercises significant influence or holds joint control;
- transactions with VINCI Group companies.

Transactions between related parties are conducted based on market prices.

F.1.1 Transactions with corporate officers

The following table provides details of compensation and benefits paid in a full year by the Entrepose Group and its subsidiaries to those persons who were members of the Group Executive Committee on the balance sheet date and held key positions within the Group.

(in thousands of euros)	31/12/2014	31/12/2013
Remuneration paid and expensed	2,721	2,553
Post-employment benefits	714	1,070
Termination benefits	518	0
Other long-term benefits	0	0
Share-based payment expenses	226	111
TOTAL	**4,179**	**3,734**

F.1.2 Transactions with the VINCI Group

The VINCI group, through VINCI Construction Participations S.A.S., is the parent company of the Entrepose Group.

Since 1 September 2007, Entrepose Group has itself been consolidated in the financial statements of the VINCI Group, whose registered office address is 1, cours Ferdinand de Lesseps – 92751 Rueil-Malmaison Cedex (France).

Transactions between the Entrepose Group and VINCI Group companies consist mainly of:
- cash pooling transactions with VINCI SA, leading to a current account (asset) totalling €3.7 million being recorded at the balance sheet date.
- loans and negotiated credit lines (see note E.10.2 above);
- lastly, normal business transactions as part of Entrepose Contracting's operating activities, in particular with other VINCI Construction companies.

F.2. Contractual obligations and other commitments made and received

Contractual obligations and other commitments made and received break down as follows:

F.2.1 Contractual obligations

With the exception of the properties described in note E.3, the Group rents all the buildings and land required for its operations.

The main commercial leases concern the registered office of the Group and some of its subsidiaries in Colombes (France), the commercial leases of the sub-group Entrepose Services in Cergy (France) and the offices and workshop of Geostock in Rueil-Malmaison (France) and Geocean in Cassis (France).

The figures below show the Group's commitments under the commercial leases taken out by its main subsidiaries and branches and which cannot be terminated without penalty.

(in € millions)	31/12/14	31/12/13
Operating leases	20.3	28.3
Purchase and capital expenditure obligations	0.0	0.0

Operating lease expenses in the period totalled €10.2 million, down from €11.0 million in 2013.

The financial statements for the period also include leases of movable property mainly used on worksites amounting to €46.7 million versus €125.9 million in 2013. These lease expenses, some of which are subject to short-term commitments whose figures are given in the table below, are likely to significantly fluctuate from one year to the next according to the needs of the projects in progress.

Contractual obligations break down by maturity as follows:

		Payments due by period		
(in € millions)	Total	< 1 year	from 1 to 5 years	> 5 years
Operating leases	20.3	10.9	8.9	0.6
Purchase and capital expenditure obligations	0.0			

F.2.2 Other commitments made and received

F.2.2.1 Commitments related to external growth transactions

	Total	< 1 year	from 1 to 5 years	> 5 years
COMMITMENTS RECEIVED				
Asset and liability guarantees	0.8			
obtained from sellers when acquiring:				
- Sandia Technologies	0.8	0.8		

F.3. Statutory Auditors' fees

As recommended by the AMF, this table shows the fees of the Company's Statutory Auditors for all fully consolidated companies.

	Deloitte				KPMG			
in thousands of euros	2014	2013	2014	2013	2014	2013	2014	2013
1) AUDIT								
1.1 Audit, certification and review of the separate and consolidated financial statements								
- Entrepose Group	5	70	2.2%	36.0%	5	70	1.5%	18.2%
- Fully consolidated subsidiaries	154	125	67.0%	64.0%	235	314	70.8%	81.8%
1.2 Other verifications and services directly related to the auditor's work								
Issuer							0.0%	0.0%
- Fully consolidated subsidiaries					22		6.6%	
Sub total	**159**	**195**	**69.1%**	**100.0%**	**262**	**384**	**78.9%**	**100.0%**
2) OTHER SERVICES PROVIDED BY MEMBERS OF THE NETWORK TO FULLY CONSOLIDATED SUBSIDIARIES								
2.1 Legal, tax, payroll	71				70	0	21.1%	0.0%
2.5 Other								
Sub total	**71**	**0**	**0.0%**	**0.0%**	**70**	**0**	**21.1%**	**0.0%**
TOTAL FEES	**230**	**195**	**69.1%**	**100.0%**	**332**	**384**	**100.0%**	**100.0%**

G. List of the main consolidated companies at 31 December 2014

Company	Legal form	Address	Siren No. or Registration No.	Percentage interest / December 2014	Percentage interest / December 2013	Consolidation method
ENTREPOSE Group	SAS	165 Boulevard de Valmy 92707 Colombes Cedex - France	410430706			Consolidating entity
PROJECTS SEGMENT						
Entrepose Projets	SAS	165 Boulevard de Valmy 92707 Colombes Cedex - France	529170888	100.00	100.00	Full consolidation
CMP Dunkerque	SA	Avenue de la Gironde 59944 Dunkerque - France	401315999	99.99	99.99	Full consolidation
CMPEA	SARL	Route de Sedan Wadelincourt 08209 Sedan - France	352897870	84.00	84.00	Full consolidation
Entrepose Algérie	EURL	Lot No 15 Hassi Messaoud-Ouargla - Algeria	99830049193602	99.99	99.99	Full consolidation
Delattre Bezons Nigeria	Ltd	184 Moshood Olugbani Street –Lagos - Nigeria	VIV1000224444	96.19	96.19	Full consolidation
EV LNG	Ltd	68 St George Terrace, Perth, WA6000, Australia	ABN 18,155,114,846	50.00	50.00	Equity method
PIPELINES SEGMENT						
Spiecapag	SAS	165 Boulevard de Valmy 92707 Colombes Cedex - France	399237494	100.00	100.00	Full consolidation
Spiecapag Australia	Ltd	66-84 Goulburn Street, W Buck, level 29, NSW 2000 Sydney, Australia	ABN 53067306138	100.00	100.00	Full consolidation
Spiecapag Nuigini	Ltd	C/O PWC, level 6 Credit Hse, Cuthbertson St, Port Moresby, PNG	IPA 1-71498	100.00	100.00	Full consolidation
Spiecapag Régions Sud	SAS	10 Avenue de Pradie, ZI du Bois Vert, 31120 Portet sur Garonne - France	403284839	100.00	100.00	Full consolidation
Horizontal Drilling International (HDI)	SAS	165 Boulevard de Valmy 92707 Colombes Cedex - France	388835308	100.00	100.00	Full consolidation
SERVICES SEGMENT						
Entrepose Services	SAS	21/23 rue du petit Albi, BP 58540, Cergy Pontoise Cedex, France	448268045	100.00	100.00	Full consolidation
NumRS	SAS	21/23 rue du petit Albi, BP 58540, Cergy Pontoise Cedex, France	389075540	100.00	100.00	Full consolidation
ISIS	Ltd	66 Matei Voievod Secteur 2, Bucarest, Romania	J40/19164/2006	100.00	100.00	Full consolidation
ABO Supply	Ltd	1404 North Sam Houston Parkway East, suite 100, Houston, Texas 77032, USA	800561397	100.00	100.00	Full consolidation
OFFSHORE CONSTRUCTION SEGMENT						
Geocean	SAS	Quartier du Brégadan, ZA Technoparc CS 60001, 13711 Cassis Cedex - France	408536746	100.00	100.00	Full consolidation
Geoshipping Pte	Ltd	80 Raffles Place #26-01 UOB Plaza, Singapore 048624	201319431G	100.00	100.00	Full consolidation
PT Indonesia	Ltd	N.8 Kebon Melati Kebon Melati Tanah Abang Central Jakarta - Indonesia	09.05.1.45.46022	94.00	94.00	Full consolidation
DRILLING SEGMENT						
Cofor	SA	39 Rue de la Ferte Alais, 91720 Maisse, France	343681169	95.01	95.01	Full consolidation
UNDERGROUND STORAGE SEGMENT						
Geostock	SAS	7 rue E. et A. Peugeot, 92563 Rueil-Malmaison Cedex - France	434023032	90.00	90.00	Full consolidation
UGS	GMBH	Berliner Chaussee 2, 15749 Mittenwalde, Germany	DE138547687 / 049-121-00001	54.00	54.00	Full consolidation
Geosud	SAS	7 rue E. et A. Peugeot, 92563 Rueil-Malmaison Cedex - France	513326736	27.00	27.00	Equity method
Jointly controlled operations (1)						
SPC - Contreras / Incahuasi	Pipelines	JV	Bolivia	70.00	70.00	note (2)
SPC - HAK	Pipelines	JV	France	50.00	50.00	note (2)
Yamal LNG	Projects	JV	Russia	50.00	50.00	note (2)

(1) Jointly controlled operations are ad hoc ventures between partners for the purposes of a specific long-term contract.
(2) These activities are consolidated on the basis of the Group's percentage interest in assets, liabilities, income and expenses.

H. Post-balance sheet events

Proposed appropriation of net income

The CEO approved the consolidated financial statements for the period ended 31 December 2014, on 26 January 2015. These financial statements will only become definitive when ratified by the Sole Shareholder on 16 February 2015.

No dividends will be paid for the period ended 31 December 2014.

Auditors' report on consolidated financial statements

Financial year ending 31 December 2014

For the attention of the Sole Shareholder,

In compliance with the assignment entrusted to us by you, we hereby report to you for the financial year ending 31 December 2014, on:
• the audit of the consolidated financial statements of the company Entrepose Group, as they are attached to this report;
• the justification of our assessments;
• the specific verification required by law.

The consolidated financial statements have been approved by the CEO. Our role is to express an opinion on these statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit with due diligence to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes verifying, using sampling techniques or other methods of selection, evidence supporting the amounts and information provided in the consolidated financial statements. It also includes assessing the accounting principles put into practice, significant estimates made and the overall presentation of the financial statements. We believe that the elements that we have collected are adequate and suitable for establishing our opinion.

We certify that the consolidated financial statements give a true and fair view of the assets and liabilities, financial position and results of the Group comprising the consolidated companies, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

2. Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

As indicated in note A.3.1 of the appendix to the consolidated financial statements, Entrepose Group has recourse to the estimates established according to the information available at the time of establishing its consolidated financial statements, in a context in which the consequences of the weak economic recovery in Europe, and particularly in France, and the slowing of the global economy, as well as geopolitical tensions encountered in certain geographical areas, render the understanding of medium-term perspectives difficult for businesses. These estimates concern, in particular:
• construction contracts: Entrepose Group records the result of its long-term contracts under the percentage-of-completion method on the basis of the best available estimates of the results on completion as indicated in note A.3.1.1 of the appendix to the consolidated financial statements. We assessed the assumptions used by the companies of the Group for these estimates and reviewed the calculations made.
• goodwill impairment tests: at least once a year, Entrepose Group carries out goodwill impairment tests, based on the methods described in notes A.3.1.2 and E.4 of the appendix to the consolidated financial statements. We examined the methods of performing these impairment tests in addition to the cash flow projections and assumptions used.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3. Specific verification

In accordance with professional standards applicable in France, we also carried out the specific verification required by law of the information on the Group given in the management report.

We have no comments on its sincerity and consistency with the consolidated financial statements.

The auditors

Paris La Défense and Neuilly-sur-Seine, 6 February 2015

KPMG Audit IS	DELOITTE & ASSOCIÉS
Philippe Bourhis	Marc de Villartay

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