

Half-year consolidated financial statements

Key figures

<i>(in € millions)</i>	First half 2018	First half 2017	Change first half 2018/2017	Full year 2017
Revenue ^(*)	19,758	18,513	6.7 %	40,248
Revenue generated in France ^(*)	11,480	10,974	4.6 %	23,680
% of revenue ^(*)	58.1 %	59.3 %		58.8 %
Revenue generated outside France ^(*)	8,278	7,539	9.8 %	16,568
% of revenue ^(*)	41.9 %	40.7 %		41.2 %
Operating income from ordinary activities	2,099	1,883	11.4 %	4,607
% of revenue ^(*)	10.6 %	10.2 %		11.4 %
Recurring operating income	2,154	1,853	16.2 %	4,592
Operating income	2,171	1,846	17.6 %	4,550
Net income attributable to owners of the parent	1,300	1,030	26.2 %	2,747
% of revenue ^(*)	6.6 %	5.6 %		6.8 %
Diluted earnings per share <i>(in €)</i>	2.32	1.84	26.1 %	4.91
Net income attributable to owners of the parent excluding non-recurring tax effects ^(**)	1,300	1,030	26.2 %	2,737
Diluted earnings per share excluding non-recurring tax effects <i>(in €)</i> ^(**)	2.32	1.84	26.1 %	4.89
Dividend per share <i>(in €)</i>	0.75 ^(***)	0.69	8.7 %	2.45
Cash flows from operations before tax and financing costs	2,937	2,806	4.7 %	6,500
Operating investments (net of disposals)	(476)	(313)	52.2 %	(745)
Growth investments in concessions and PPPs	(463)	(557)	-16.8 %	(1,010)
Free cash flow (after investments and excluding non-recurring tax effects) ^(**)	(136)	(128)	6.3%	2,725
Equity including non-controlling interests	18,333	16,859	1,473	18,383
Net financial debt	(16,674)	(15,541)	(1,133)	(14,001)

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

(**) In 2017, net non-recurring tax effects on net income attributable to owners of the parent had a positive impact of €10 million. Those effects resulted from the following tax measures adopted in France's 2018 Finance Act and 2017 Amended Finance Act: the surtax equal to 30% of corporate income tax, the annulment of the 3% dividend tax and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax. At 30 June 2018, deferred tax was valued using the same assumptions.

(***) Interim dividend to be paid on 8 November 2018.

From 1 January 2018, the Group has applied IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments" according to the "simplified retrospective" approach, recognising the cumulative effects of first-time adoption on opening equity at 1 January 2018. As a result, the 2017 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note A.4. of the 2018 half-year financial report.

Consolidated income statement for the period

<i>(in € millions)</i>	First half 2018	First half 2017	Full year 2017
Revenue ^(*)	19,758	18,513	40,248
Concession subsidiaries' revenue derived from works carried out by non-Group companies	286	325	629
Total revenue	20,043	18,838	40,876
Revenue from ancillary activities	108	101	200
Operating expenses	(18,052)	(17,055)	(36,468)
Operating income from ordinary activities	2,099	1,883	4,607
Share-based payments (IFRS 2)	(79)	(57)	(163)
Profit/(loss) of companies accounted for under the equity method	81	34	146
Other recurring operating items	53	(7)	-
Recurring operating income	2,154	1,853	4,592
Non-recurring operating items	18	(7)	(41)
Operating income	2,171	1,846	4,550
Cost of gross financial debt	(249)	(279)	(537)
Financial income from cash investments	13	45	56
Cost of net financial debt	(236)	(234)	(481)
Other financial income and expense	19	18	40
Income tax expense	(629)	(575)	(1,271)
<i>of which non-recurring tax effects ^(**)</i>	-	-	44
Net income	1,326	1,055	2,837
Net income attributable to non-controlling interests	26	25	90
Net income attributable to owners of the parent ^(**)	1,300	1,030	2,747
Basic earnings per share <i>(in €) ^(*)</i>	2.34	1.86	4.95
Diluted earnings per share <i>(in €) ^(*)</i>	2.32	1.84	4.91
Net income attributable to owners of the parent excluding non-recurring tax effects in deferred tax ^(**)	1,300	1,030	2,737
Diluted earnings per share excluding non-recurring tax effects <i>(in €) ^(**)</i>	2.32	1.84	4.89

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

(**) In 2017, the net impact of non-recurring tax effects was limited: a €44 million positive effect on the consolidated tax charge and a €10 million positive impact on net income attributable to owners of the parent. That impact resulted from the following tax measures adopted in France's 2018 Finance Act and 2017 Amended Finance Act: the surtax equal to 30% of corporate income tax, the annulment of the 3% dividend tax and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax. At 30 June 2018, deferred tax was valued using the same assumptions.

Consolidated comprehensive income statement for the period

<i>(in € millions)</i>	First half 2018			First half 2017			Full year 2017		
	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Net income	1,300	26	1,326	1,030	25	1,055	2,747	90	2,837
Changes in fair value of cash flow and net investment hedging instruments (*)	(19)	-	(19)	51	1	52	137	1	137
Hedging costs	3	-	3	-	-	-	-	-	-
Tax(**)	(4)	-	(4)	(17)	-	(17)	(47)	-	(47)
Currency translation differences	17	2	19	(147)	(9)	(156)	(335)	(11)	(346)
Share in net income of companies accounted for under the equity method	32	-	32	49	-	49	57	-	57
Other comprehensive income that may be recycled subsequently to net income	29	2	31	(64)	(8)	(73)	(188)	(11)	(199)
Equity instruments	1	-	1	-	-	-	-	-	-
Actuarial gains and losses on retirement benefit obligations	(23)	-	(23)	33	-	33	137	1	138
Tax	6	-	6	(18)	-	(18)	(31)	-	(31)
Share in net income of companies accounted for under the equity method	(1)	-	(1)	(1)	-	(1)	(1)	-	(1)
Other comprehensive income that may not be recycled subsequently to net income	(16)	-	(16)	14	-	14	105	1	106
Total other comprehensive income recognised directly in equity	13	2	15	(51)	(8)	(59)	(83)	(10)	(93)
Total comprehensive income	1,314	28	1,341	979	17	996	2,664	80	2,744

(*) Changes in the fair value of cash flow hedges are recognised in equity for the effective portion. Cumulative gains and losses in equity are taken to profit or loss at the time when the cash flow affects profit or loss.

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

Consolidated balance sheet

Assets

<i>(in € millions)</i>	30/06/2018	30/06/2017	31/12/2017
Non-current assets			
Concession intangible assets	26,647	26,463	26,539
Goodwill	9,406	8,193	8,600
Other intangible assets	431	413	417
Property, plant and equipment	4,658	4,359	4,421
Investments in companies accounted for under the equity method	1,552	1,500	1,573
Other non-current financial assets	1,263	1,146	1,102
Derivative financial instruments - non-current assets	550	660	621
Deferred tax assets	257	237	255
Total non-current assets	44,763	42,972	43,527
Current assets			
Inventories and work in progress	1,139	946	1,056
Trade and other receivables	12,868	11,638	12,432
Other current operating assets	5,349	4,823	5,035
Other current non-operating assets	46	49	58
Current tax assets	259	268	406
Other current financial assets	34	29	38
Derivative financial instruments - current assets	232	265	261
Cash management financial assets	174	153	184
Cash and cash equivalents	5,997	4,784	6,807
Total current assets	26,098	22,954	26,276
Total assets	70,861	65,925	69,803

Consolidated balance sheet

Equity and liabilities

<i>(in € millions)</i>	30/06/2018	30/06/2017	31/12/2017
Equity			
Share capital	1,491	1,483	1,478
Share premium	10,253	9,660	9,886
Treasury shares	(2,161)	(1,893)	(1,751)
Consolidated reserves	7,886	7,046	6,509
Currency translation reserves	(215)	(72)	(276)
Net income attributable to owners of the parent	1,300	1,030	2,747
Amounts recognised directly in equity	(817)	(924)	(782)
Equity attributable to owners of the parent	17,737	16,329	17,812
Non-controlling interests	596	531	572
Total equity	18,333	16,859	18,383
Non-current liabilities			
Non-current provisions	1,065	982	1,053
Provisions for employee benefits	1,519	1,628	1,481
Bonds	14,529	13,428	14,130
Other loans and borrowings	2,907	2,657	2,512
Derivative financial instruments - non-current liabilities	276	253	288
Other non-current liabilities	269	133	192
Deferred tax liabilities	1,648	1,879	1,735
Total non-current liabilities	22,214	20,959	21,391
Current liabilities			
Current provisions	4,181	4,065	4,322
Trade payables	7,707	7,345	8,198
Other current operating liabilities	11,855	11,014	11,852
Other current non-operating liabilities	416	395	487
Current tax liabilities	241	221	225
Derivative financial instruments - current liabilities	77	169	114
Current borrowings	5,838	4,897	4,830
Total current liabilities	30,314	28,106	30,029
Total equity and liabilities	70,861	65,925	69,803

Consolidated cash flow statement

(in € millions)	First half 2018	First half 2017	Full year 2017
Consolidated net income for the period (including non-controlling interests)	1,326	1,055	2,837
Depreciation and amortisation	1,076	1,039	2,128
Net increase/(decrease) in provisions and impairment	(32)	22	(4)
Share-based payments (IFRS 2) and other restatements	(100)	(6)	53
Gain or loss on disposals	(49)	(36)	(44)
Change in fair value of financial instruments	(22)	4	15
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated companies	(84)	(35)	(152)
Capitalised borrowing costs	(43)	(45)	(86)
Cost of net financial debt recognised	236	234	481
Current and deferred tax expense recognised	629	575	1,271
Cash flows from operations before tax and financing costs	2,937	2,806	6,500
Changes in operating working capital requirement and current provisions	(1,535)	(1,130)	(286)
Income taxes paid ⁽¹⁾	(452)	(693)	(1,647)
Net interest paid	(285)	(328)	(470)
Dividends received from companies accounted for under the equity method	138	85	184
Cash flows (used in)/from operating activities⁽¹⁾	I	803	741
Cash flows (used in)/from operating activities⁽¹⁾	803	741	4,280
Purchases of property, plant and equipment and intangible assets	(529)	(380)	(865)
Proceeds from sales of property, plant and equipment and intangible assets	54	68	120
Operating investments (net of disposals)	(476)	(313)	(745)
Operating cash flow⁽¹⁾	327	429	3,535
Investments in concession fixed assets (net of grants received)	(470)	(557)	(1,055)
Financial receivables (PPP contracts and others)	7	-	45
Growth investments in concessions and PPPs	(463)	(557)	(1,010)
Free cash flow (after investments)⁽¹⁾	(136)	(128)	2,525
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	(615)	(222)	(946)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	5	3	16
Net effect of changes in scope of consolidation	(404)	21	(7)
Net financial investments ⁽²⁾	(1,013)	(197)	(937)
Other	(63)	(311)	(355)
Net cash flows (used in)/from investing activities	II	(2,016)	(1,378)
Net cash flows (used in)/from investing activities	(2,016)	(1,378)	(3,046)
Share capital increases and decreases and repurchases of other equity instruments	380	207	443
Transactions on treasury shares	(475)	(366)	(647)
Non-controlling interests in share capital increases and decreases of subsidiaries	-	-	1
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)	(5)	(2)	(22)
Dividends paid	(1,011)	(840)	(1,248)
- to shareholders of VINCI SA	(974)	(814)	(1,197)
- to non-controlling interests	(36)	(26)	(51)
Proceeds from new long-term borrowings	1,778	2,552	4,112
Repayments of long-term borrowings	(1,876)	(2,394)	(3,258)
Change in cash management assets and other current financial debts ⁽³⁾	1,146	(223)	(581)
Net cash flows (used in)/from financing activities	III	(62)	(1,065)
Net cash flows (used in)/from financing activities	(62)	(1,065)	(1,200)
Other changes ⁽⁴⁾	IV	365	(26)
Change in net cash	I+II+III+IV	(911)	(1,728)
Change in net cash	(911)	(1,728)	75
Net cash and cash equivalents at beginning of period	5,703	5,628	5,628
Net cash and cash equivalents at end of period	4,792	3,900	5,703
Change in cash management assets and other current financial debts	(1,146)	223	581
(Proceeds from)/repayment of loans	97	(158)	(855)
Other changes ⁽⁴⁾	(714)	61	136
Change in net financial debt	(2,673)	(1,603)	(63)
Net financial debt at beginning of period	(14,001)	(13,938)	(13,938)
Net financial debt at end of period	(16,674)	(15,541)	(14,001)

(1) Including non-recurring tax effects: a net outflow of €200 million at 31 December 2017 and a net inflow of €113 million in the first half of 2018.

(2) Including the acquisition of PrimeLine Utility Services and Wah Loon Engineering in the first half of 2018 for respectively €365 million and €116 million.

In 2017, the investment in the concession for Salvador de Bahia Airport in Brazil for €216 million, and approximately 30 acquisitions by VINCI Energies for €551 million.

(3) Including issues of commercial paper for €1,100 million in the first half of 2018.

(4) Including the debts of companies integrated during the period on the dates on which the Group acquired control over them.