



European Works Council
Report following the plenary session of 21 June 2018

2017 highlights



Passenger traffic at VINCI Airports is extremely buoyant



Heavy-vehicle traffic on the VINCI Autoroutes network is now higher than before the 2008 financial downturn



Revenue and order intake are growing again in the three Contracting business lines



Business at VINCI Immobilier is brisk



Operating margins are increasing Group-wide



Contracting business lines are expanding internationally, VINCI Airports has been awarded new contracts outside France

The Group's 2017 key figures

| | 2017 | 2017/2016 change | |
|--|--------------|------------------|--|
| Revenue | €40.2bn | +5.7% | +4.4% |
| Operating income from ordinary activities (Ebit) | €4.6bn | +10.4% | <i>on a comparable structure basis</i> |
| <i>Ebit/Revenue</i> | <i>11.4%</i> | <i>+40 bp</i> | |
| Net income* | €2.7bn | +15.2% | |
| Ebitda | €6.5bn | +9.0% | |
| Free cash flow* | €2.7bn | (€0.2bn) | |
| Net financial debt at 31 December 2017 | (€14.0bn) | (€0.1bn) | |

* Excluding non-recurring changes in deferred tax

Ebitda = cash flows from operations before tax and financing costs

The 300 km South Europe Atlantic (SEA) high-speed line connecting Tours and Bordeaux



- Opened 2 July, a month ahead of the initial schedule
- Paris–Bordeaux traffic increased by 70% from July to mid-September 2017 vs. the same period in 2016
- The line has shortened Paris–Bordeaux journey times from 3 hours to 2 hours, 4 minutes
- 18.5 non-stop trains a day on average on the new Paris–Bordeaux line (under the agreement with SNCF)
- A 44-year concession (expiring 2055)

A construction project worth over €6bn (€4.2bn by VINCI companies)
leveraging the Group's full wealth of expertise

Concessions in 2017



Revenue

€5.3bn
+3.2%

Ebitda

€3.8bn
+3.8%

Revenue

€1.4bn
+33.5%

Ebitda

€0.8bn
+43.5%

Traffic in 2017
Intercity network

| | |
|----------------|-------|
| Total | +1.7% |
| Light vehicles | +1.3% |
| Heavy vehicles | +4.3% |



Passenger numbers in 2017

| | |
|--------------------|--------|
| Total | +12.4% |
| Portugal | +16.5% |
| France | +9.4% |
| Cambodia | +25.1% |
| Dominican Republic | +3.7% |
| Japan | +8.5% |
| Chile | +11.6% |





Peru: Lamsac

Work on the final section of Lima's ring road has been completed and authorities are preparing to open it to traffic. ETC (Pex) subscriber base has grown by 102%. Revenue contribution in the first full year: €85 million.



Germany: A7

VINCI Highways has won its fourth A-Modell and is cementing its position as a prominent motorway concession company in the country.



Greece

The two motorways built by VINCI in a consortium – Corinth–Patras (120 km) and Maliakos–Kleidi (240 km) – have opened to traffic. Both concessions expire in 2038.



Russia: UTS

Through UTS, VINCI Highways has confirmed its position as leading private motorway operator in Russia with two new operation contracts: 70 km of the M3 and 359 km of the MSP. First interoperability contract (700 km). 20% traffic growth on MSP sections 1 and 2.



Colombia: Bogota–Girardot

5% traffic growth. 100% of KPIs achieved. Colombian environmental authorities have reviewed and approved the strategy for the construction phase. Financial arrangements currently being finalised.



Revenue

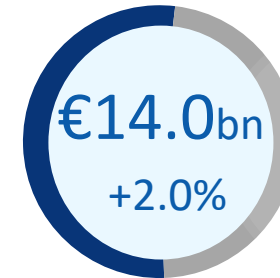
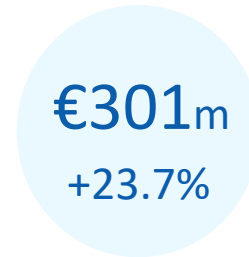
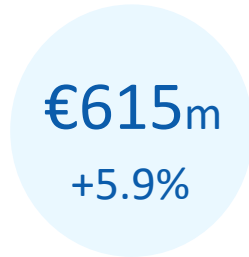
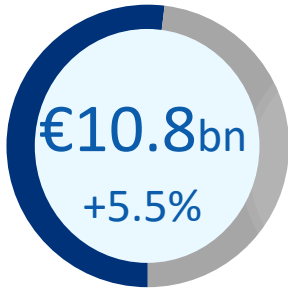
Ebit

Revenue

Ebit

Revenue

Ebit





The Testimonio II project in Monaco

Order intake

2017/2016 change

€1,545m

+39%

Homes reserved

2017/2016 change

6,630

+21%

Consolidated revenue

2017/2016 change

€896m

+15.7%

Managed revenue*

€1,116m

+ 21.3%

Recurring operating income

2017/2016 change

€89m

+30.8%

ROI/Revenue

10.0%

Ebit

2017/2016 change

€72m

+36.0%

Ebit/Revenue

8.0%

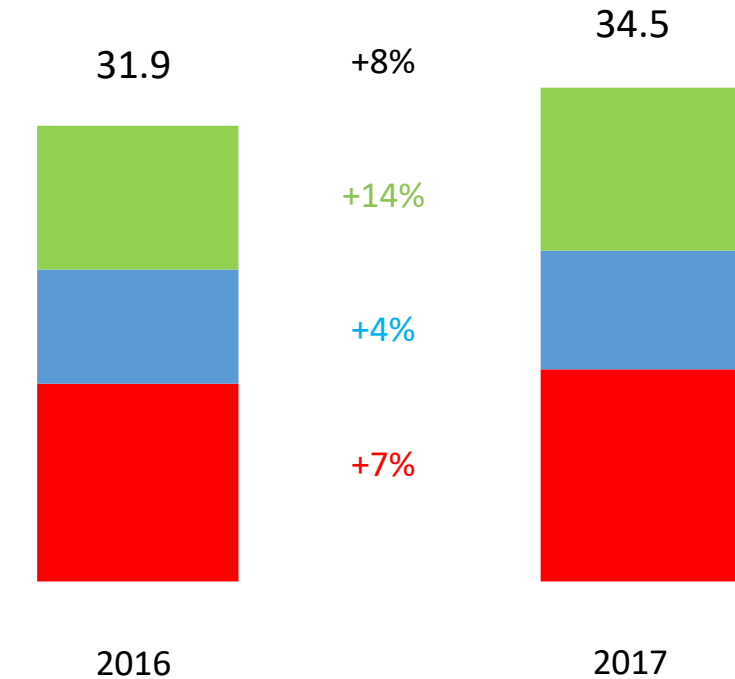
2017 highlights

- Began work on major residential programmes in Gif sur Yvette (1,160 units) and Lyon (690 units)
- Developed the Testimonio II project in Monaco (161 housing units)
- Managing 4 new student residences (Student Factory) and 4 new retirement homes (Ovelia)
- Signed the property development contract for the VINCI Group's future head office

* Including the Group's share of joint developments

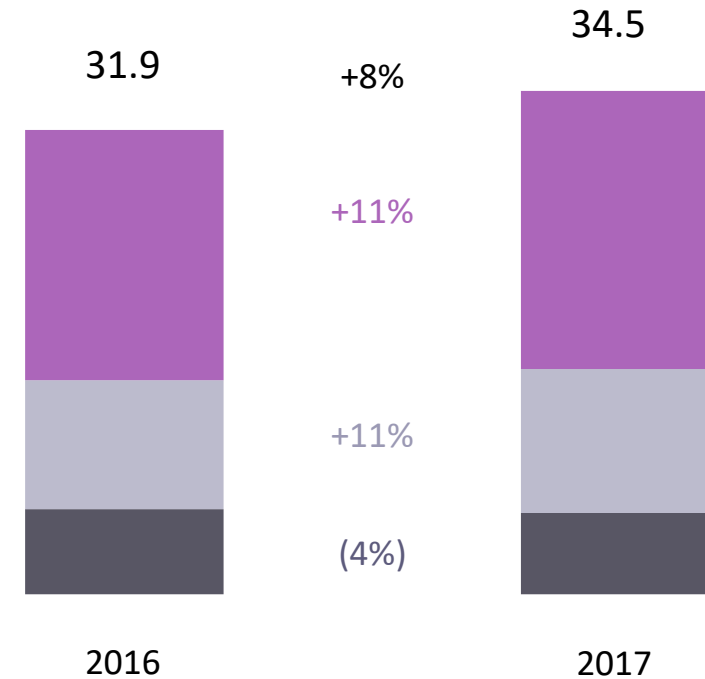
Contracting order intake in 2017: up 8%

By business line (in € billions)



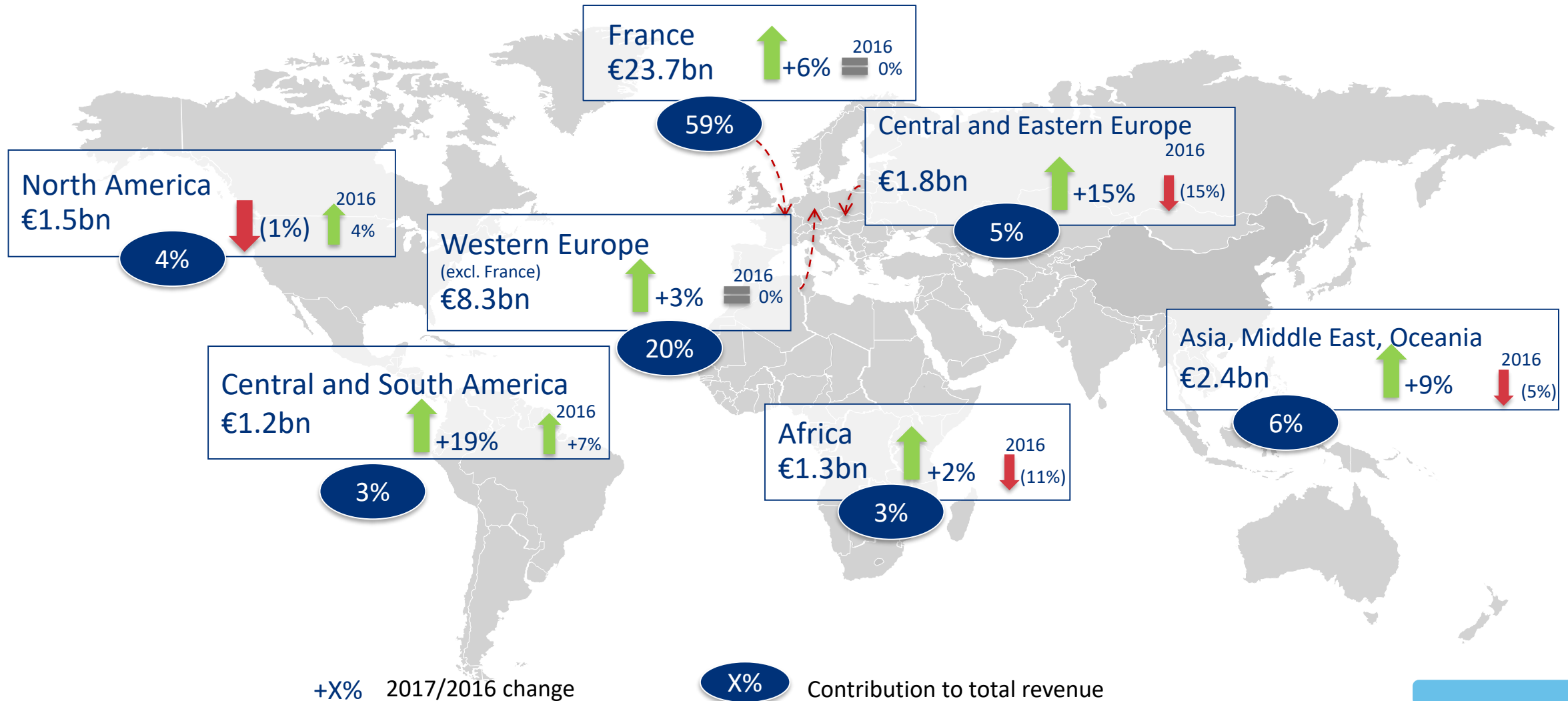
- VINCI Energies
- Eurovia
- VINCI Construction

By geography (in € billions)



- France
- Europe excl. France
- Overseas excl. Europe

VINCI generated 41% of its 2017 revenue outside France (€16.6bn)





“A sustainable economic performance is only possible in the presence of ambitious social and environmental goals.”

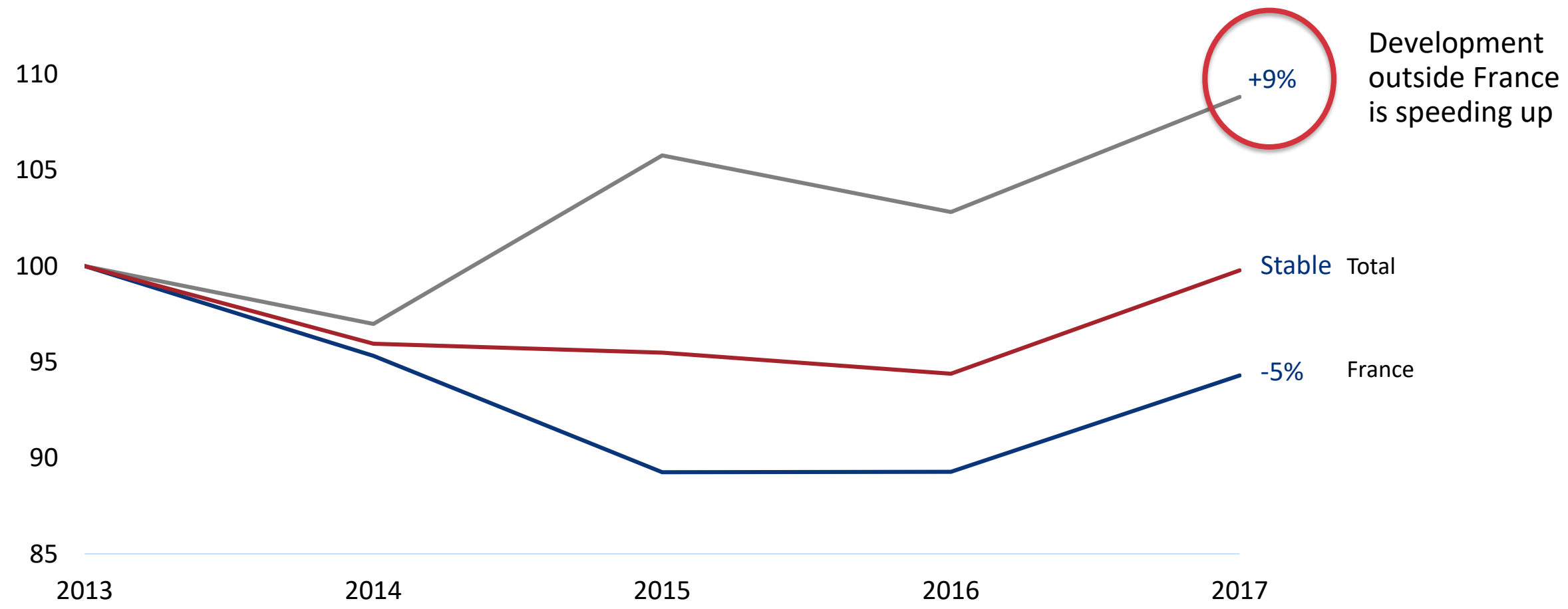


2017 financial performance

Revenue growth resumed in 2017: up 5.7% overall (5.6% in France, 5.8% outside France)
o/w organic: up 4.4% (5.9% in Concessions, 3.6% in Contracting)



Revenue since 2013 (base 100)



Operating income from ordinary activities (Ebit): €4.6bn (up 10.4%)

Ebit/Revenue: 11.4% (up 40 bp)



Concessions

Contracting

Ebit

Ebit/Revenue

Ebit

Ebit/Revenue

€3.3bn
+10.1%

46.8%
-10 bp

€1.3bn
+9.3%

3.8%
+10 bp

VINCI
Autoroutes

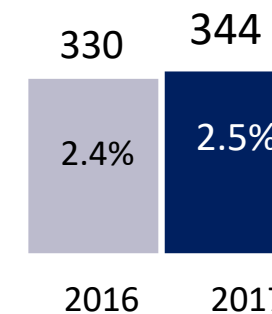
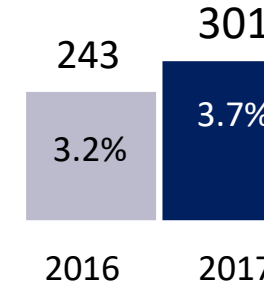
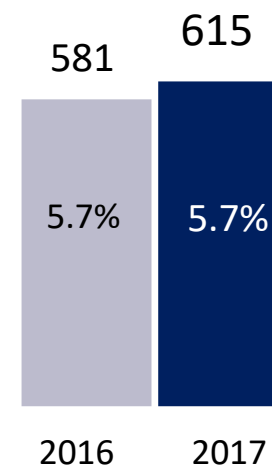
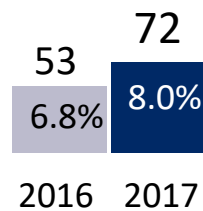
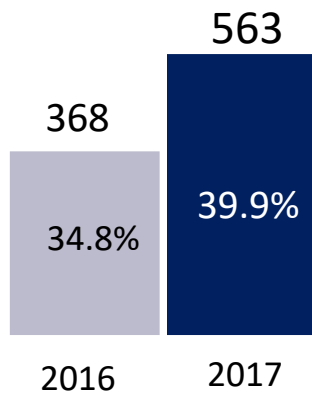
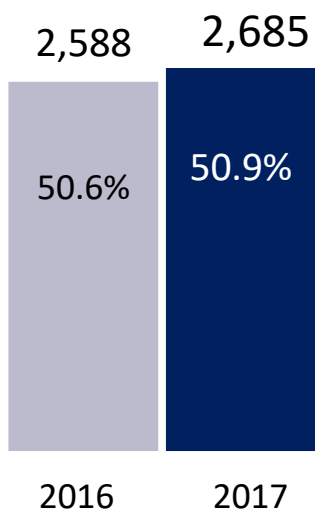
VINCI
Airports

VINCI
Immobilier

VINCI
Energies

Eurovia

VINCI
Construction



(Ebit/Revenue as a % and Ebit in € millions)

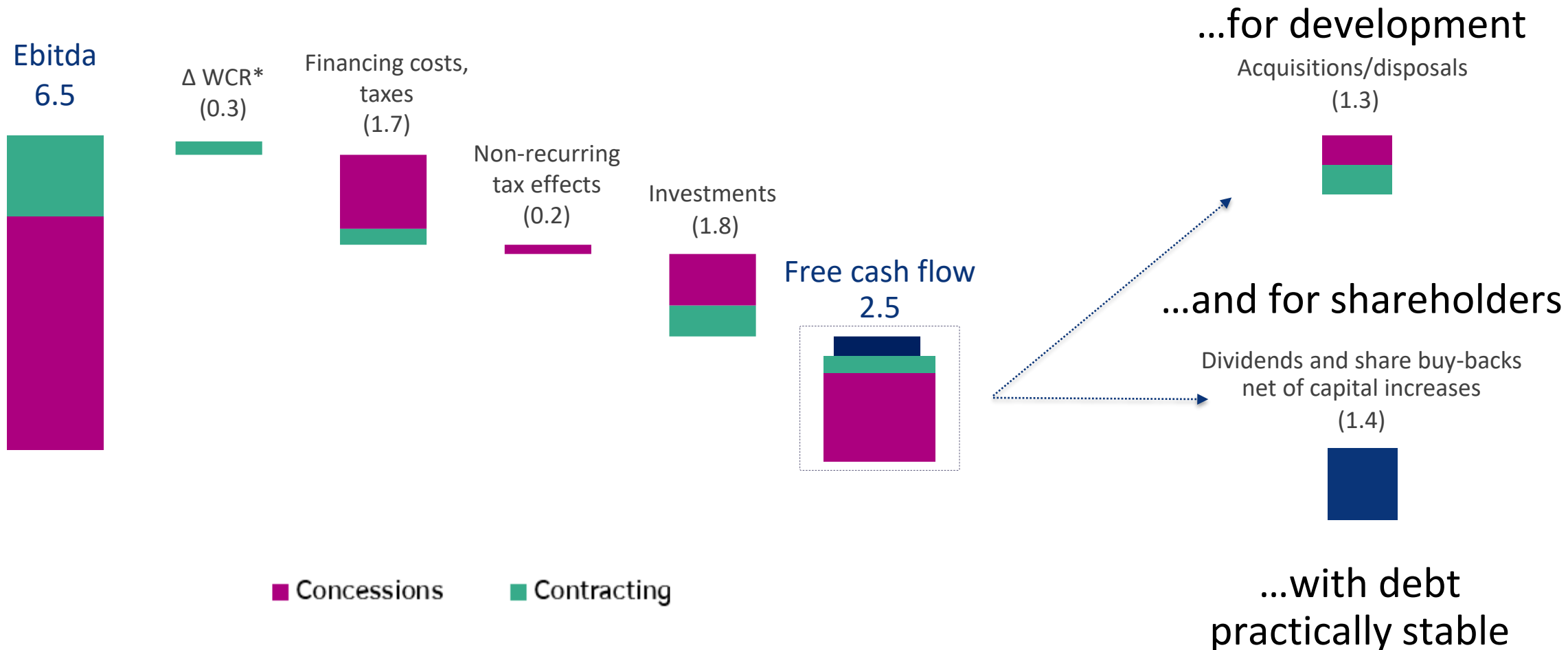
Growth in earnings per share

| <i>(in € millions)</i> | 2017 | 2016 | Δ 2017/2016 |
|--|---------|---------|-------------|
| Operating income | 4,550 | 4,118 | +10.5% |
| Financial income/(expense) | (442) | (561) | |
| Income tax | (1,271) | (1,142) | |
| <i>Effective tax rate*</i> | 33.2% | 32.7% | |
| Non-controlling interests | (90) | (39) | |
| Net income attributable to owners of the parent | 2,747 | 2,505 | +9.7% |
| Net income attributable to owners of the parent* | 2,737 | 2,376 | +15.2% |
| Earnings per share* <i>(in €)</i> | 4.89 | 4.24 | +15.2% |

* Excluding non-recurring tax effects

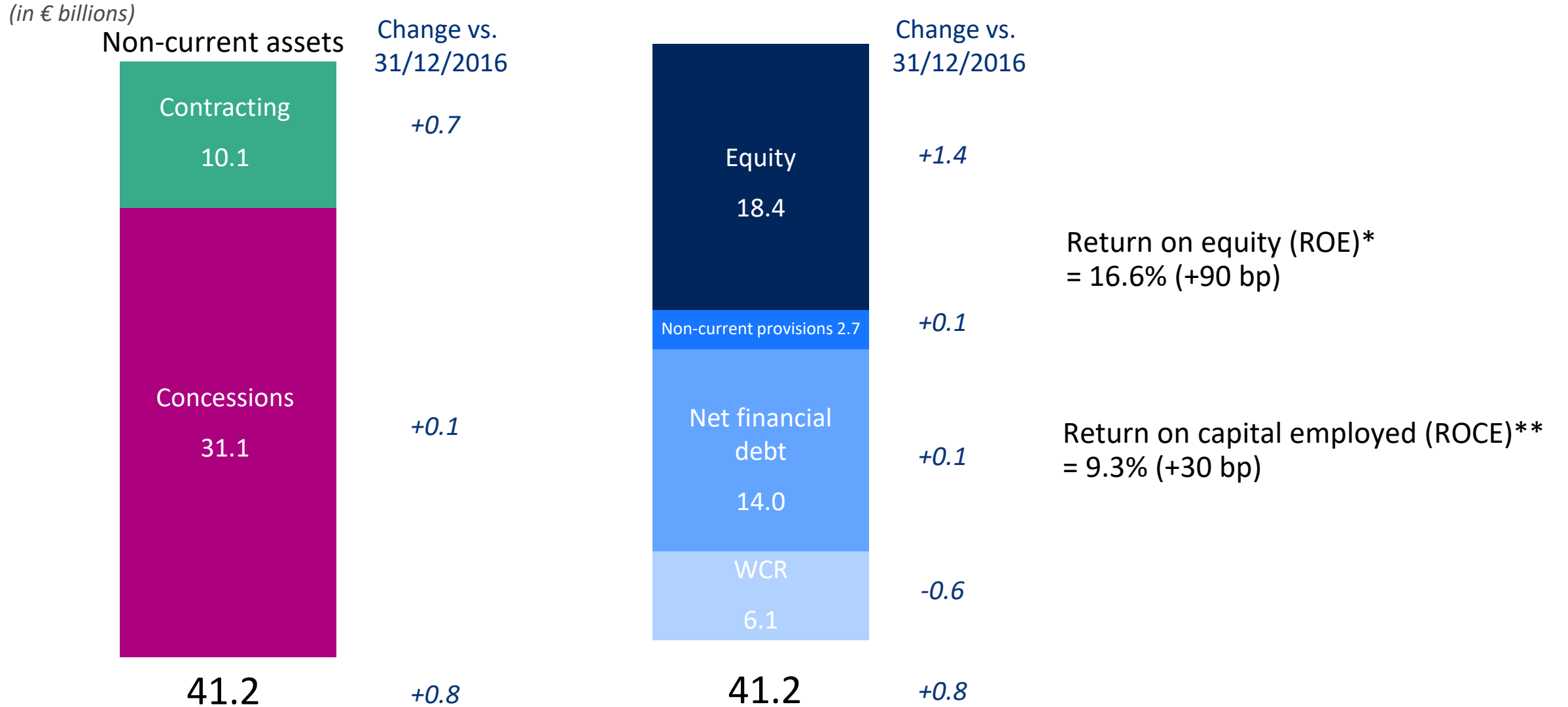
Strong cash generation...

(in € billions)



* Working capital requirement

A solid financial structure



* ROE: net income for the current period attributable to owners of the parent, divided by equity excluding non-controlling interests at the previous year end

** ROCE: net operating income after tax, excluding non-recurring items, divided by the average capital employed at the opening and closing balance sheet dates for the financial year in question

Solid credit ratings

| | | | |
|---------|-------|------------------|-------------------------|
| S&P | A-/A2 | Outlook positive | Since March 2018 |
| Moody's | A3/P1 | Outlook stable | Confirmed December 2017 |

A high level of cash

€4.8bn managed net cash at 31 December 2017

€6.0bn unused bank credit facilities expiring in 2021

Excellent debt refinancing terms

2017: €3.7bn of new debt issues, 9.8 years average maturity, 1.66%* average cost after hedging

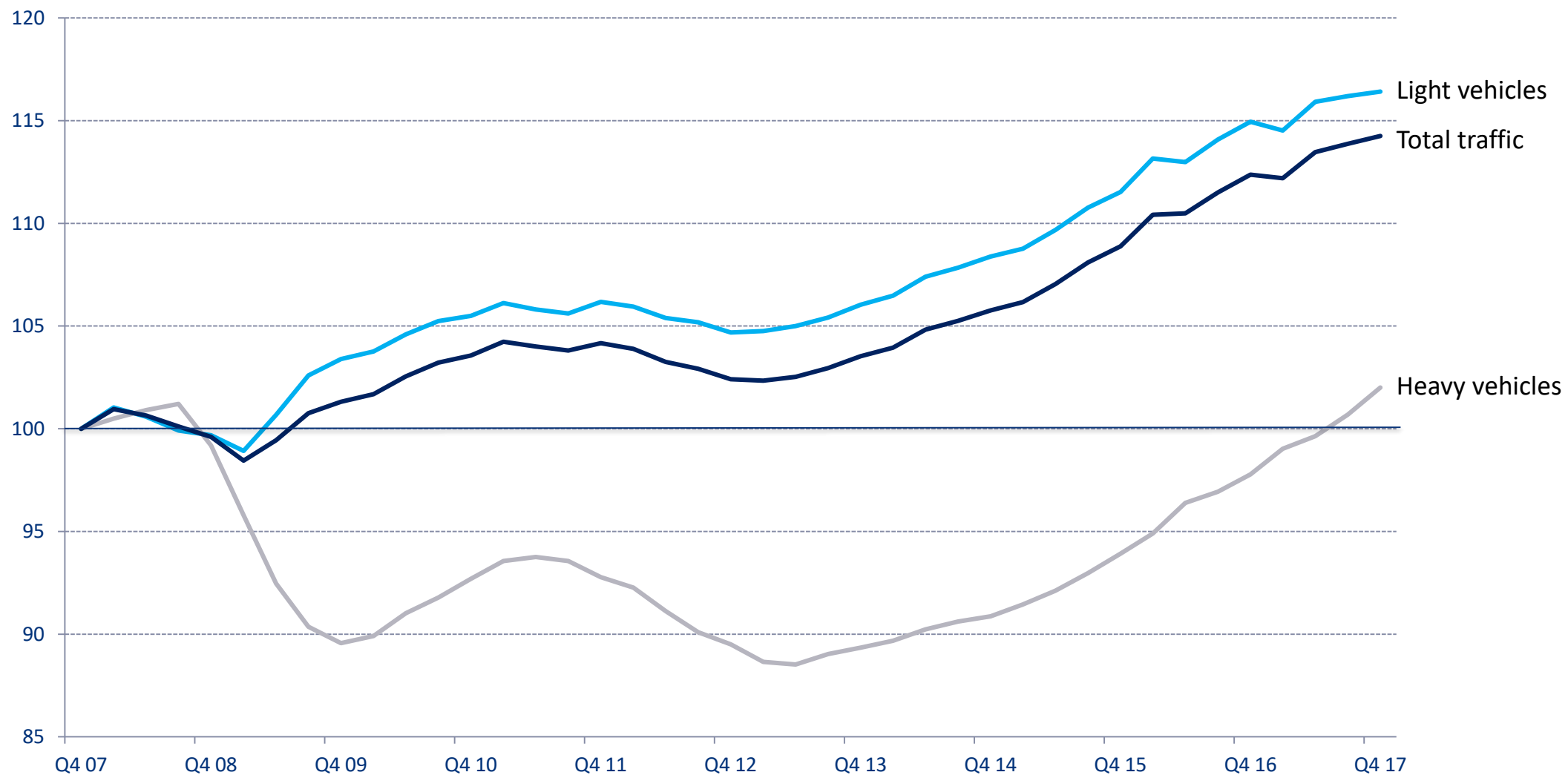
2018: €1.3bn of new debt issues, including a €1bn, 12-year bond issue with an annual coupon of 1.375%

➔ Weighted average cost of debt decreased from 3.16% in 2016 to 2.68% in 2017

* Based on variable interest rates at 31 December 2017

Outlook and strategy

Robust growth at VINCI Autoroutes, buoyed by heavy-vehicle traffic



2017/2007 change

Light vehicles
+16.4%

Total traffic
+14.3%

Heavy vehicles
+2.0%

Taking over operations in Salvador (Brazil) and Kobe (Japan) New concession in Belgrade (Serbia)



Salvador airport
Took over operations 2 January 2018



Kobe airport
Took over operations 1 April 2018



Belgrade airport
Due to take over operations end-2018

These three airports catered to **15.9** million passengers in 2017.

By end-2018, VINCI Airports will operate **37** airports, including **25** outside France.

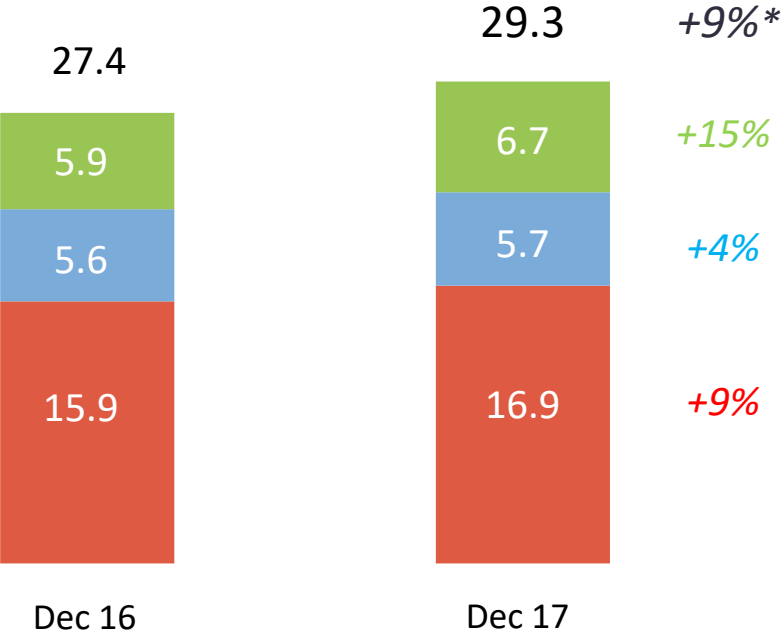
Contracting: the upturn is gaining momentum



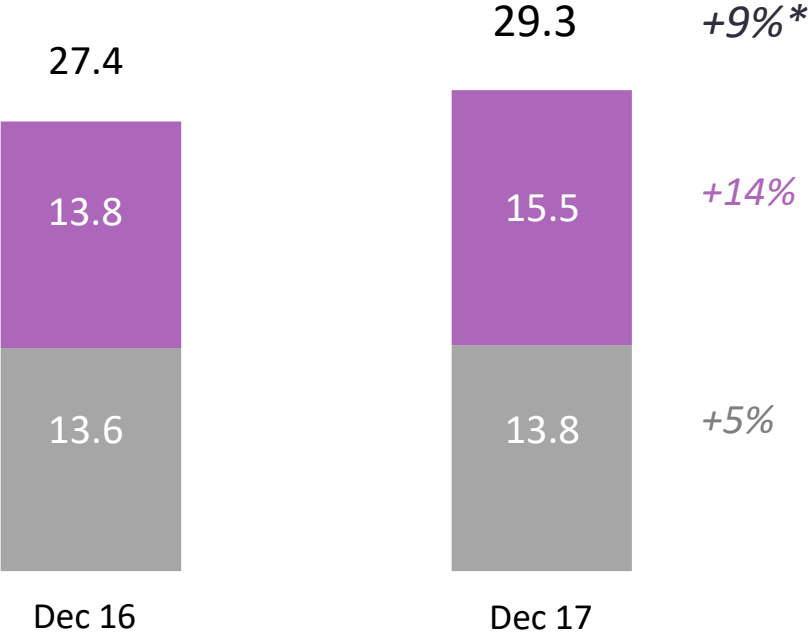
9% order book growth*

(in € billions)

By business line



By geography

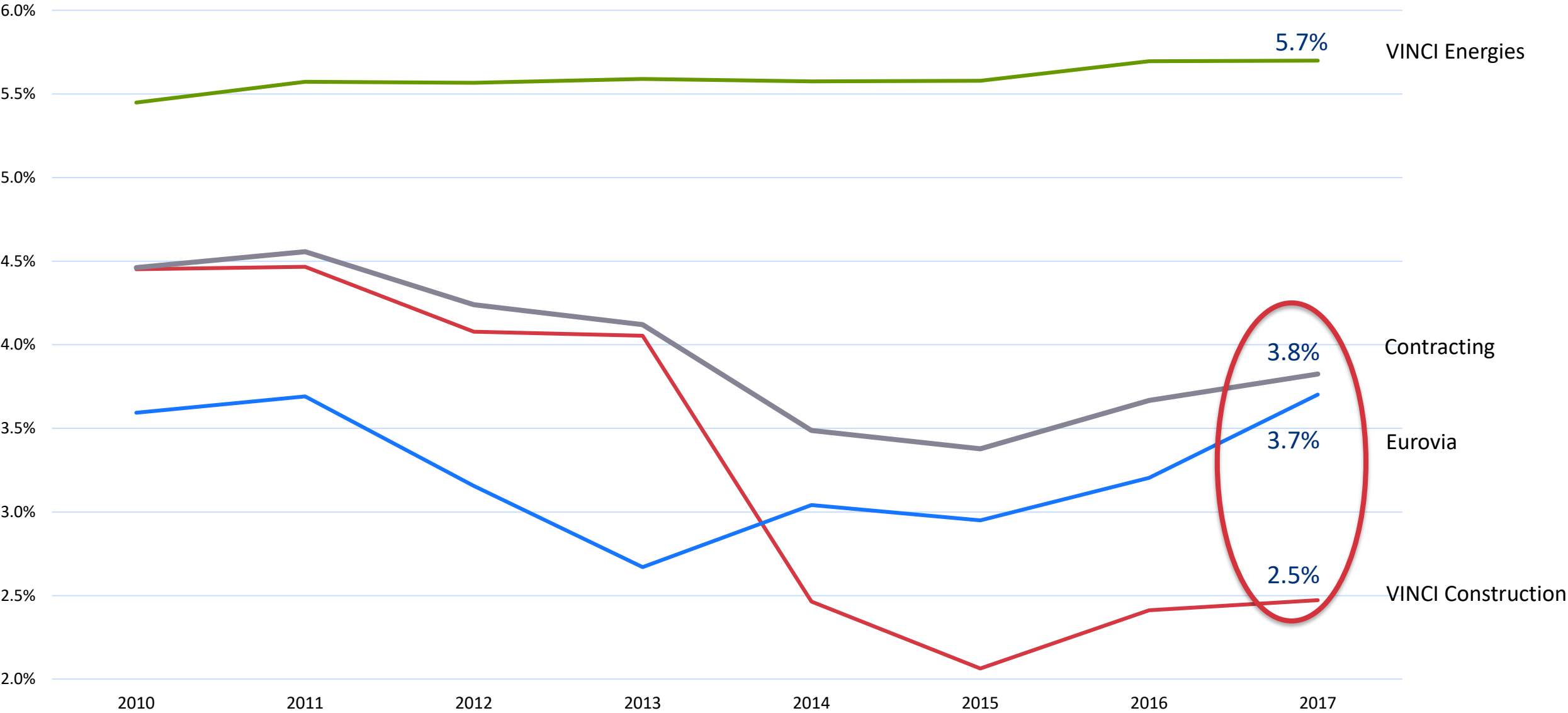
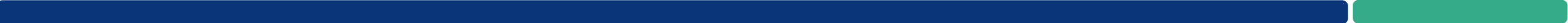


- VINCI Energies
- Eurovia
- VINCI Construction

- France
- International

*Excl. SEA project and negative currency effects

Contracting: operating margins are improving



Concessions

Concession revenues are trending upwards.

VINCI Autoroutes traffic should increase at roughly the same pace as in 2017 (barring further increases in fuel prices).

VINCI Airports traffic growth should be slower than in 2017 due to the very high benchmark.

Contracting

Revenue should grow across Contracting activities in France and outside France.

Margins should continue to improve.

We are expecting increases in consolidated revenue, operating income and net income.

Dividend proposed to the 17 April 2018 Shareholders' General Meeting

€2.45

+16.7%
versus 2016

€0.69

Paid 9 November 2017

O/w

€1.76

Pending

24 April 2018

Ex-date

26 April 2018

Payment

Dividend per share (in €)



Concessions

- ✓ Extend maturity of concession portfolio
- ✓ Focus on airports and motorways (greenfield and brownfield projects)

Contracting

Prioritise development in:

- ✓ VINCI Energies
- ✓ Specialist activities at Eurovia and VINCI Construction



Integrated Concessions-Contracting business model

- ✓ Leverage synergies between concession and contracting expertise on new infrastructure projects

International

- ✓ Generate over 50% of revenue outside France in the near future
- ✓ Generate a growing portion of total revenue outside Europe

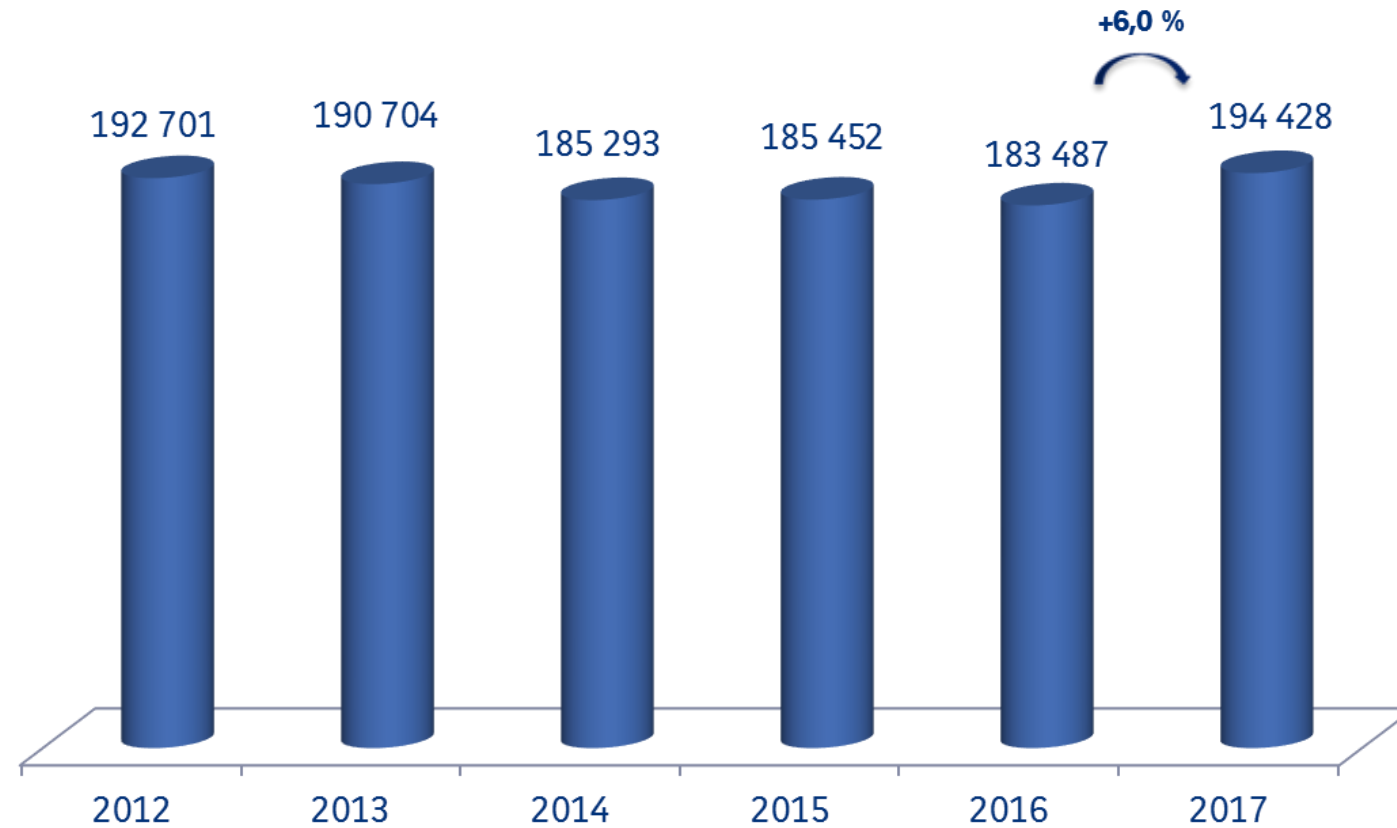


Workforce and jobs

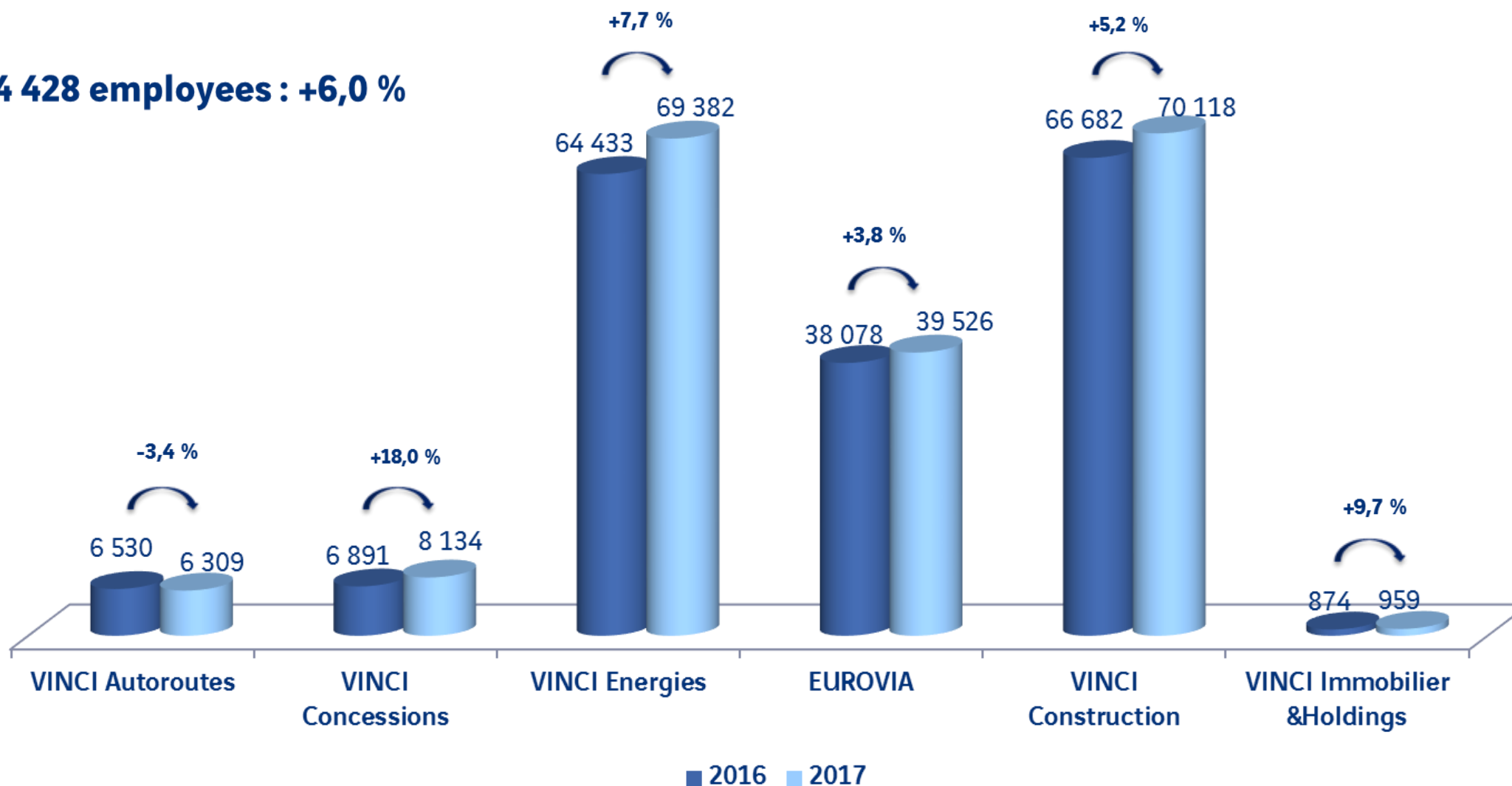


- A Group operating in **around one hundred countries** worldwide
- An increase in the number of employees (**+6.0%** compared to 12/2016)

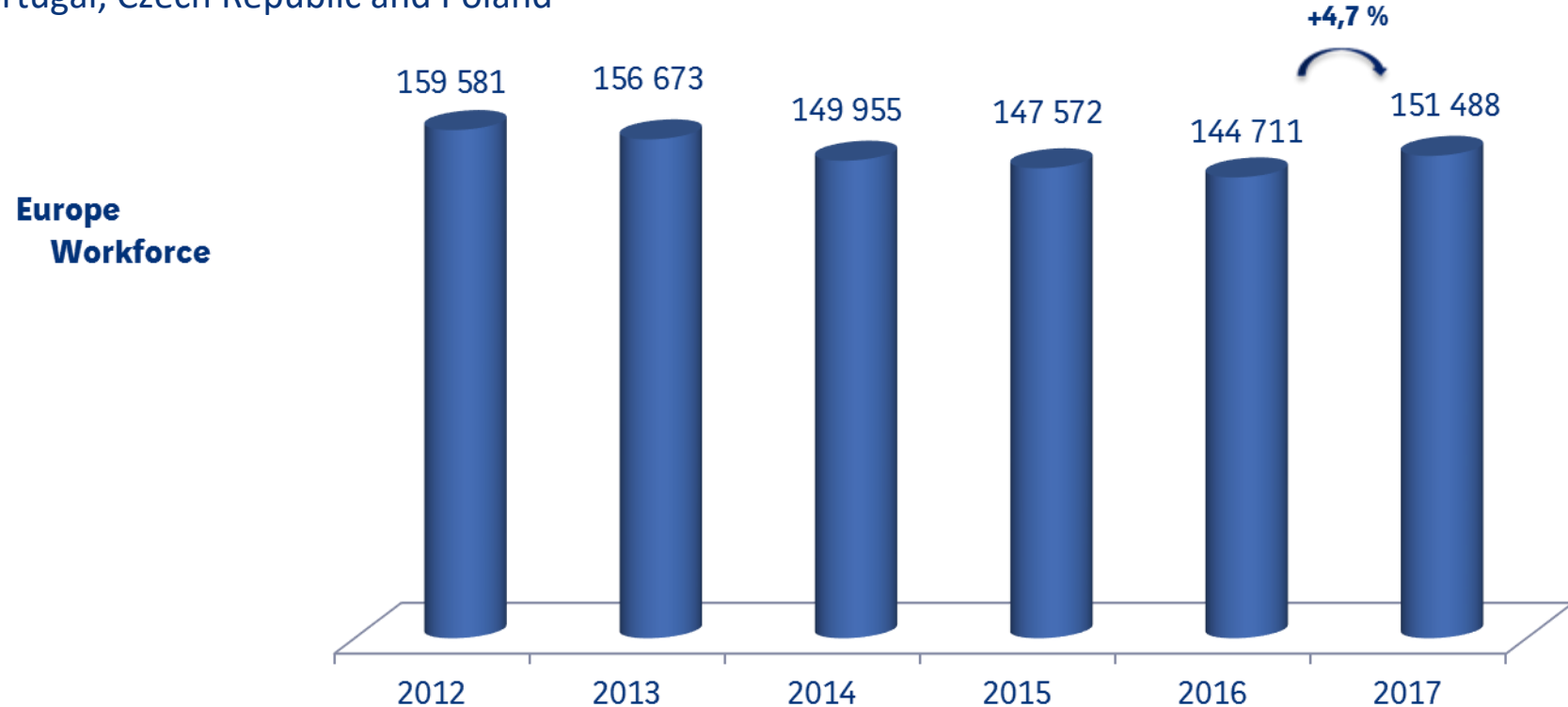
Global workforce



194 428 employees : +6,0 %



- A Group with operations in 28 European countries
- **77,9%** of the global workforce is in Europe (including overseas departments and territories)
- Increase in European workforce (+4,7 % compared with 2016)
- **87%** of the European workforce in **6 countries**: France (including overseas departments and territories), Germany, UK, Portugal, Czech Republic and Poland



- **VINCI Autoroutes:** in 2018 in France, it is expecting an upturn in hiring. The number of people it is hiring on permanent contracts has already started increasing (58 in 2016, 117 in 2017).

VINCI Autoroutes is also helping its employees adapt to ongoing changes in motorway-related job requirements:

- VINCI's HR policy is aimed at anticipating developments in trends and protecting jobs in a situation where evolving technology and shifting motorway users' expectations have transformed motorway-related jobs.
- VINCI Autoroutes has an ambitious and comprehensive strategic workforce planning policy to enable employees who want to grow in the organisation to do so. In 2017, 85 employees took "footbridges" to change jobs and fields of expertise. At the same time, 292 employees started diversifying their activities (i.e. expanding their skills by spending part of their work time fulfilling duties relating to a different field of expertise while remaining in the same job). This arrangement in particular helps to cover seasonal variations in activity. VINCI Autoroutes invested in 8,000 hours of training to support these 377 employees and enable their career moves.
- The *Evolution Péage* ("toll evolution") programme has been helping toll employees to grow into other jobs in toll plaza operations and remote customer assistance, for several years now. The employees in this programme have also been trained in customer relations, toll technical system maintenance and collecting dues from toll evaders.
- This strategic workforce planning policy aimed at sharpening employees' skills includes a substantial training component. VINCI Autoroutes invested €9 million (or about 4% of its payroll) in this training programme in 2017 and each employee received an average of 29 hours of training during the year. This training is also geared to sharing knowledge within the company and is built, to a large extent, on VINCI Autoroutes employee expertise (in-house trainers provide 82% of the hours of training).

- **VINCI Construction:** the situation in France is still contrasting.

The Southwest area, Côte-d'Azur, Lyon area and Northern area have started recovering whereas the other regions are showing no noteworthy signs of an upturn.

Ile de France (the Greater Paris area) is a class by itself and the recovery is strong in building as well as civil engineering (on account of the Grand Paris programme).

The workforce in Europe should stabilise.

Given demand for infrastructure outside France and Europe, VINCI Construction should continue to create jobs, even though the trends will vary on account of geopolitical risks.

- **VINCI Concessions:** in 2018, it will see a substantial increase in the size of the workforce it manages, as new infrastructure in its asset portfolio is commissioned and, even more so, as its portfolio grows to encompass concession assets already in operation.

The key developments expected to grow the workforce follow:

- Starting up operations in Salvador de Bahia (Brazil)
- Opening section 2 of the Lamsac expressway in Lima (Peru) to traffic
- Starting up operations and maintenance at the Regina Bypass in Canada
- Developing our motorway business in Germany and Greece
- Acquiring (pending confirmation) airports and other operations in Costa Rica, the US, the UK and Sweden
- Acquiring (pending confirmation) the airport in Belgrade, Serbia

In France, after integrating the airports in Lyon and growing the workforce at MESEA to start up operation on the South Europe Atlantic high-speed line, the headcount is stable.

The only country that saw a significant decrease in the workforce it manages is the UK, as its Severn River Crossing concession expired.

● EUROVIA: France

Roadworks in urban areas, in particular involving mass transit projects, are seeing buoyant growth. Roadworks in rural areas, however, remain fragile. Rail works remain solid as projects involving rapid transit and busy areas have taken over from work on the South Europe Atlantic line. The Signalling and Demolition specialist subsidiaries are growing. Acquisitions resumed in 2017 (4 companies generating a total of €18 million in business and bringing in a total of 140 new employees).

Recruitment was brisk in 2017: we hired 1,756 people on permanent contracts (including 370 managers), i.e. 68% more than in 2016. This trend should continue in 2018.

The average use of temporary workers increased from 13.8% in 2016 to 17.1% in 2017 in Eurovia's traditional activities, and could increase further in 2018 to cover the transition between the rise in activity and the growth in the workforce.

3.4% of employees worked part-time in 2017 compared to 10.3% on 2016. The use of part-time work should remain contained within very specific areas where the upturn remains fragile.

Eurovia's workforce grew very slightly as the upturn began in 2017, and should grow more significantly in 2018.

Outside France

In 2017, growth was very robust in Central Europe, momentum was good in Germany and the recovery was noticeable in Spain. The Americas and UK region also grew but the effects were less visible due to exchange rates. This trend should continue in 2018, combined with revenue management strategy. Eurovia made five acquisitions, in Germany, Latvia, the US (Florida) and Canada (Quebec) amounting to €50 million in revenue and 400 new employees in total. It is planning to make further acquisitions, principally in the Americas.

In 2017, we hired 3,648 people on long-term contracts (20.5% more than in 2016). We are expecting this trend to continue, and to be especially brisk in Central Europe.

Eurovia's workforce outside France should continue to grow, in a situation where it is tightening its business management and facing fierce competition on the recruitment market.

- **VINCI Energies:** 2017 consolidated revenue rose 5.5% year on year to €10.8 billion and its recalibrated budget for 2018 amounts to €12.25 billion, up 13.9% versus 2017.

On a pro-forma basis, i.e. without including VINCI Energies' 34 acquisitions in 2017 (which brought in about 9,000 new employees), we generated 2.8% organic growth last year. The figure naturally varied from one division to another but increased in all three: 5.1% at VINCI Energies France, 0.9% at VINCI Energies Europe and 0.4% at VINCI Energies International & Systems. So, besides boosting its external growth, VINCI Energies also posted organic growth for the first time since 2012. This upturn also spread across all our business activities and geographies. It was especially noticeable in H2 (H1 was still lacklustre). It also brought about a sharp increase in order intake (again, across more or less all our business activities and geographies).

In 2018, we are expecting to see more pro-forma growth (but to the tune of 1.9%, i.e. less than in 2017). That said, this forecast dates back to last autumn and is probably a bit cautious. The increase, again, will spread across our three divisions.

Our workforce will therefore at least remain stable (pro-forma), and will probably increase slightly in France and outside France. There may, however, be contrasting situations in some markets, countries and perhaps regions. Some scopes continue to face headwinds (in particular Oil & Gas and Power & Mobility at VINCI Energies International & Systems).

Buoyant order intake in Q1 2018, exceeding budget forecasts and Q1 2017 figures, underpin this outlook.



R E A L
S U C C E S S
I S T H E
S U C C E S S
Y O U S H A R E