HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2020

Management report for the first half of 2020

1. Key events in the period 4

2. Revenue 5

3. Results 8

4. Cash flows 10

5. Balance sheet and net financial debt 11

6. Order book 12

7. Update and outlook 13

8. Interim dividend 13

9. Main transactions with related parties 13

10. Risk factors 13

Management report for the first half of 2020

After a good start to the year, continuing the trend seen in 2019, the Group's business levels and earnings were badly affected by the Covid-19 pandemic. The crisis had a particularly severe impact in France in all business lines after lockdown measures were introduced on 17 March. At the same time, steps taken around the world to try to halt the spread of Covid-19 caused air traffic to stop almost completely. In response to this unprecedented situation, we rapidly introduced measures to adjust expenditure and revise investment programmes. We also took steps to bolster our financial resources.

In Contracting, business levels are now close to normal again in all business lines. At VINCI Autoroutes, after a sharp decrease in late March, traffic levels are now on track to return to 2019 levels. At VINCI Airports, however, the upturn in business is proving limited because of ongoing tight restrictions and bans on international flights.

In the circumstances, VINCI's financial performance in 2020 will be well below that achieved in 2019.

However, we intend to focus beyond 2020, mobilised to support the resumption of economic activity in regions in which we play an essential role in both Concessions and Contracting.

We have some major advantages that will help us bounce back in 2021, depending on developments in the health situation, and resume our sustained growth trajectory:

- *A long-term business model that is well suited to the current challenges facing society: energy efficiency, new mobility and communication requirements;*
- *Long-term buoyant markets in all our business lines;*
- *The ability of our businesses to respond rapidly due to our highly decentralised organisation;*
- *Committed staff;*
- *A record order book;*
- *A very solid financial position.*

We aim to deliver sustained growth in both economic and environmental terms: through the Group's energy services, construction and mobility businesses, we will play a central role in green growth.

Addressing those issues is a challenge that strongly motivates VINCI's 220,000 staff members.

Xavier HUILLARD
Président-directeur général

Key figures

(in € millions)	First half 2020	First half 2019	Change first half 2020/2019	Full year 2019
Revenue (*)	**18,493**	**21,729**	**-14.9%**	**48,053**
Revenue generated in France (*)	9,484	12,262	-22.7%	26,307
% of revenue (*)	*51.3%*	*56.4%*		*54.7%*
Revenue generated outside France (*)	9,009	9,467	-4.8%	21,746
% of revenue (*)	*48.7%*	*43.6%*		*45.3%*
Operating income from ordinary activities	267	2,289	-88%	5,734
% of revenue (*)	*1.4%*	*10.5%*		*11.9%*
Recurring operating income	118	2,341	-95%	5,704
Operating income	-	2,348	-100%	5,664
Net income attributable to owners of the parent	**(294)**	**1,359**	**-122%**	**3,260**
% of revenue (*)	*-1.6%*	*6.3%*		*6.8%*
Diluted earnings per share *(in €)*	(0.53)	2.43	-122%	5.82
Dividend per share *(in €)*	- (**)	0.79	-100%	2.04
Cash flows from operations before tax and financing costs	**1,803**	**3,625**	**-50%**	**8,497**
Operating investments (net of disposals)	(497)	(525)	-5.5%	(1,249)
Operating cash-flow	388	823	-53%	5,266
Investments in concessions and PPPs	(569)	(507)	12.3%	(1,065)
Free cash flow	**(182)**	**316**	**-158%**	**4,201**
Equity including non-controlling interests	20,919	21,434	-515	23,042
Net financial debt	(22,142)	(24,241)	2,098	(21,654)

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) The Board of Directors has decided not to pay any interim dividend in 2020.

Consolidated revenue totalled €18.5 billion in the first half of 2020, down 14.9% relative to the first half of 2019 and down 17.0% like-for-like. Acquisitions boosted revenue by 2.4%, while currency movements had a negative effect of 0.3%.

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

Operating income from ordinary activities (Ebit) was sharply lower than in the first half of 2019, amounting to €267 million. Ebit margin was 1.4% (10.5% in the first half of 2019).

Recurring operating income – including the impact of share-based payments (IFRS 2), a negative contribution from companies accounted for under the equity method and other recurring operating items – totalled €118 million (€2,341 million in the first half of 2019).

The Group generated a consolidated net loss attributable to owners of the parent of €294 million, resulting in a loss per share[1] of €0.53 (as opposed to net income of €1,359 million and earnings per share of €2.43 in the first half of 2019).

Operating cash flow (before taking account of growth investments in concessions) amounted to €388 million (€823 million in the first half of 2019). This includes a significant reduction in the working capital requirement, which usually increases in the first half due to seasonal variations.
Free cash flow was negative in the first half of 2020, with an outflow of €182 million as opposed to an inflow of €316 million in the first half of 2019.

Net financial debt was €22.1 billion at 30 June 2020, down €2.1 billion over 12 months and up €0.5 billion relative to 31 December 2019.
To deal with the crisis, VINCI sought to bolster its financial resources by taking advantage of the reopening of the commercial paper market in late March, by obtaining an additional €3.3 billion credit facility from its banking partners and by arranging for Cofiroute to carry out a €950 million bond issue.
The Group's efforts in this area were supported by its excellent credit rating (A- from Standard & Poor's and A3 from Moody's, along with a stable outlook from both agencies).

As a result, VINCI has a large amount of liquidity. At 30 June 2020, it amounted to €18.3 billion, comprising €5.8 billion of managed net cash, €1.2 billion of commercial paper issued and €11.3 billion of unused confirmed bank credit facilities.

[1] After taking into account dilutive instruments

In the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction), order intake rose 10% year-on-year in the first half of 2020 to €22.8 billion (up 19% outside France and stable in France). On a rolling 12-month basis, order intake was up 9% (up 11% outside France and up 6% in France).
At 30 June 2020, the order book stood at €42.9 billion, an increase of 18% both compared with 31 December 2019 (up 19% outside France and up 16% in France) and over 12 months, with growth in all business lines. It represented almost 14 months of average business activity in the Contracting business. International business made up 58% of the order book at end-June 2020.

The consequences of Covid-19 on the half-year financial statements were estimated in relation to the latest pre-pandemic budget forecasts. The impacts are estimated at approximately €4.2 billion negative on revenue, €2.2 billion negative on operating income and €1.5 billion negative on consolidated net income attributable to owners of the parent. They in particular include the effects of the lower business volumes and the cost overruns generated by the pandemic, as well as the non-recurring items recognised during the period.

1. Key events in the period

1.1 Financing activities

New financing

VINCI responded to the crisis by taking steps to bolster its financial resources.

- In late March, VINCI was able to take advantage of the reopening of the commercial paper (NEU CP) market following action taken by central banks; it had €1.2 billion of commercial paper in issue at 30 June 2020 (€0.8 billion at 31 December 2019);
- In April and May, VINCI arranged an additional €3.3 billion credit facility, due to expire in March 2021, with its banking partners. In April, the company that manages London Gatwick Airport obtained a new £0.3 billion bank loan due to mature in April 2022.
- In May, Cofiroute issued €950 million of bonds maturing in May 2031, paying an annual coupon of 1%, on good terms.

Debt repayments

In the first half of 2020, the Group repaid a total of €1.6 billion of debt, including €750 billion of bonds issued by VINCI SA in 2012 and paying a coupon of 3.4%, and €650 million of bonds issued by ASF in 2010 and paying a coupon of 4.1%.

London Gatwick Airport

On 15 July 2020, Standard & Poor's reviewed the Class A debt of Gatwick Funding Limited, which raises funding for London Gatwick Airport. The agency confirmed its BBB investment-grade rating, but placed it on CreditWatch negative, having previously had a negative Outlook. On 24 June 2020, Moody's confirmed its Baa1 rating on Gatwick Funding Limited, but downgraded its outlook from stable to negative. On 30 April 2020, Fitch Ratings confirmed its BBB+ rating on Gatwick Funding Limited, but downgraded its outlook from stable to negative.

An update will be provided on London Gatwick Airport by the end of August when its first-half 2020 results are published. Those results will include the compliance certificate concerning financial covenants associated with Gatwick Funding Limited. In relation to the most recent compliance certificate published on 24 April 2020, it was stated that: *"If the impact of Covid-19 is more protracted than currently expected, with revenues lower for longer, the Senior ICR at 31 December 2020 will continue to deteriorate and could, ultimately, breach the Group's financial covenants"*.

At 30 June 2020, the Group's long-term financial debt totalled €28.7 billion, with an average maturity of 8 years (8.1 years at 31 December 2019).

1.2 Commercial successes in the Contracting business

The Group's order intake in the first half of 2020 amounted to €22.8 billion, a year-on-year increase of 10%. Order intake rose by 35% at VINCI Construction and 1% at VINCI Energies, while it fell by 13% at Eurovia. On a rolling 12-month basis, order intake was up 9% (up 11% outside France and up 6% in France), with increases of 21% at VINCI Construction and 4% at VINCI Energies and a decrease of 4% at Eurovia.
That increase was driven by several major contracts won by the Group in Europe, including two works packages on the HS2 rail project in the United Kingdom, a contract for The Link building in Paris La Défense and several new contracts for the Grand Paris Express project. However, the number of small and medium-sized contracts won in France has slowed in the last few months. This is mainly because of the electoral situation, with the second round of municipal elections, initially scheduled for March 2020, eventually taking place in late June.

Among the contracts won by the Group in the first half of 2020, the most significant were as follows:

VINCI Energies

- A public-private partnership (PPP) contract to upgrade and operate the Bürgerforum (citizens forum) in the town of Velbert, Germany;
- Contracts for the construction and renovation of high-voltage lines in the Salzburg region in Austria and between Lower Saxony and North Hesse in Germany;
- A contract, as part of a consortium, to install the electrical architecture for Lines 16 and 17 of the Grand Paris Express.

Eurovia

- An equipment and works contract covering tracks and overhead contact lines for the West sector of Grand Paris Express Line 15 South, as part of a consortium with VINCI Energies.

VINCI Construction

- The contract for civil engineering works packages N1 and N2 on the HS2 rail project near Birmingham in the United Kingdom, as part of a joint-venture with Balfour Beatty;
- The contract to build The Link, an office building that will house Total's future head office in Paris La Défense;
- The construction contract for works package 1 in relation to Grand Paris Express Line 18, which will link Orly Airport with Massy Palaiseau;
- Contracts to upgrade the Bruce Highway and a section of the M1 (Pacific Motorway) in Queensland, Australia.

1.3 Main changes in scope

Contracting

VINCI Energies acquired a dozen companies in the first half of 2020, representing full-year revenue of more than €200 million, including Dansk Sprinkler, a fire protection specialist in Denmark, Planus Informatica e Tecnologia, a Brazilian provider of IT solutions, Sanitherm, a company specialising in the installation of Air Conditioning Ventilation Heating in the West of France, and Novabase GTE, specialized in data processing and business applications in Portugal.

VINCI Construction Terrassement acquired the Climent Travaux Publics (CTP) group, based in eastern France.

These transactions are mentioned in the Note A.2 to the consolidated financial statements ("Changes in the consolidation scope").

1.4 Other key events

VINCI Airports

In the United States, VINCI Airports renewed the operating contract for Hollywood Burbank airport in California (10-year extension) and has been designated preferred bidder for the renewal of the contract to operate the international terminal of Hartsfield-Jackson Airport in Atlanta (for a minimum term of five years).

VINCI Highways

VINCI Highways was selected by Orange County and Riverside County, near Los Angeles in California, to supply and operate a new back office system and customer service centre for the 91 Express Lanes (dedicated free-flow toll lanes within an existing motorway).

2. Revenue

Consolidated revenue totalled €18.5 billion in the first half of 2020, down 14.9% on an actual basis relative to the first half of 2019 and down 17.0% like-for-like. Changes in scope boosted revenue by 2.4%, while currency movements had a negative effect of 0.3%.

Concessions revenue totalled €2.6 billion, down 32.4% on an actual basis (down 36.9% like-for-like).

Contracting revenue was €15.8 billion, down 11.2% on an actual basis and down 12.6% like-for-like.

In France, revenue was €9.4 billion, down 22.7% on an actual basis and down 23.0% on a constant structure basis. Revenue fell 28.9% in Concessions, 21.0% in Contracting and 7.4% at VINCI Immobilier.

Outside France, revenue was €9.0 billion, down 4.8% on an actual basis and 9.6% like-for-like. There was a positive effect from changes in scope (5.4%) and a negative effect from currency movements (0.6%, caused by several currencies, particularly South American currencies, falling against the euro). During the period, 48.7% of total Group revenue came from outside France (53.7% in Contracting and 21.7% in Concessions).

Revenue by business line

(in € millions)	First half 2020	First half 2019	2020/2019 change Actual	Comparable
Concessions	2,592	3,836	-32.4%	-36.9%
VINCI Autoroutes	1,892	2,608	-27.4%	-27.4%
VINCI Airports	592	1,070	-44.7%	-56.0%
Other concessions	108	158	-31.7%	-30.9%
Contracting	15,756	17,737	-11.2%	-12.6%
VINCI Energies	6,133	6,370	-3.7%	-8.0%
Eurovia	3,824	4,353	-12.2%	-11.9%
VINCI Construction	5,799	7,013	-17.3%	-17.2%
VINCI Immobilier	436	470	-7.2%	-7.2%
Intragroup eliminations	*(292)*	*(313)*		
Revenue(*)	**18,493**	**21,729**	**-14.9**	**-17.0%**
Concession subsidiaries' works revenue	*400*	*447*	*-10.4%*	*-7.9%*
Intragroup eliminations	*(69)*	*(124)*		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	**331**	**323**	**+ 2.7%**	**+ 6.7%**
Total consolidated revenue	**18,824**	**22,052**	**-14.6%**	**-16.7%**

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

CONCESSIONS: €2,592 million (down 32.4% on an actual basis; down 36.9% like-for-like)

VINCI Autoroutes: revenue fell 27.4% to €1,892 million. After rising 9% in the first two months of the year, traffic levels at VINCI Autoroutes fell very sharply following the introduction of lockdown measures in France on 17 March. They then remained very low until traffic restrictions were partially lifted from 11 May, which meant that the year-on-year decline went from 81% in April to 56% in May. After the ban on travelling more than 100 km from home was lifted on 2 June, a further improvement took place in June, with traffic levels down 21% year-on-year. In the first half as a whole, the decline in traffic levels was 32.8%, comprising a 36.6% decrease for light vehicles and a 12.2% decrease for heavy vehicles. Heavy-vehicle traffic was more resilient, with France maintaining a basic level of economic activity.

VINCI Airports: revenue fell significantly to €592 million (down 44.7% on an actual basis and down 56.0% like-for-like). Passenger numbers at VINCI Airports fell 61% in the first half of 2020, with a 21% fall in the first quarter and a 96% drop in the second. After seeing its Asian airports affected by the coronavirus crisis in early 2020, it then saw activity at all of its airports shut down almost completely from mid-March as most countries introduced restrictions or bans on commercial flights. That situation did not change in April or May, when passenger numbers were down almost 98% year-on-year. In June, domestic flights started to resume, particularly in France, Japan and the United States, as did flights within the Schengen Area. However, passenger numbers remain very low, and were 94% lower in June 2020 than in June 2019.

Other concessions: revenue totalled €108 million, down 32% compared with the first half of 2019. The main contributors to Concessions revenue were Limea Expresa (which holds the concession for the Lima ring road in Peru), Gefyra (which holds the concession for the Rion–Antirion bridge in Greece), VINCI Stadium and Mesea (the company in charge of maintaining and operating the South Europe Atlantic high-speed rail line between Tours and Bordeaux).

CONTRACTING: €15,756 million (down 11.2% on an actual basis; down 12.6% like-for-like)

In France, revenue declined 21.0% to €7,295 million (down 21.5% on a constant structure basis).

Outside France, revenue was €8,461 million, down 0.5% on an actual basis and down 2.8% like-for-like. Acquisitions boosted revenue by 3.2%, while currency movements had a negative effect of 0.7%.

VINCI Energies: €6,133 million (down 3.7% on an actual basis; down 8.0% like-for-like)

In France, revenue fell 10.4% compared with the first half of 2019 on an actual basis to €2,637 million (down 11.8% like-for-like). VINCI Energies' presence in certain essential sectors – such as healthcare, electrical infrastructure, telecoms, pharmaceuticals and food – limited the decline in revenue.

Outside France, revenue totalled €3,496 million, representing 57% of VINCI Energies' total revenue, an increase of 2.0% on an actual basis due to the integration of acquisitions carried out since the second half of 2019 (mainly in Europe). Revenue was down 4.9% like-for-like. Certain regions in which VINCI Energies has strong positions, such as Germany, Switzerland and Scandinavia, saw business levels that were close to normal, while the situation was more difficult on the East Coast of the United States, Southeast Asia (Singapore and Indonesia) and, to a lesser extent, Africa.

Eurovia: €3,824 million (down 12.2% on an actual basis; down 11.9% like-for-like)

In France, revenue came in at €1,920 million, down around 24% on both an actual basis and like-for-like. After shutting down almost completely for a month, on-site activity resumed from mid-April and accelerated in May. With its experience of previous recessions, Eurovia was able to adjust its operational arrangements quickly to the situation.

Outside France, revenue amounted to €1,904 million (almost 50% of the total), up 3.9% on an actual basis and up 5.1% like-for-like. Business activity continued in most of Eurovia's countries, with levels rising in the United States, Germany and the Czech Republic. However, business levels fell in the United Kingdom, Canada and Chile.
Seasonal variations are significant at Eurovia, with first-half revenue generally accounting for less than 45% of the full-year total. Such variations are particularly pronounced in Eurovia's North American and Central European operations.

VINCI Construction: €5,799 million (down 17.3% on an actual basis; down 17.2% like-for-like)

In France, revenue was €2,738 million (47% of the total), down 27.4% on an actual basis and down 27.8% like-for-like. The large majority worksites shut down for more than a month before work resumed gradually from late April. That resumption took place more quickly on public works sites than on building sites, which are more affected by social distancing rules.

Outside France, revenue was €3,061 million (53% of the total), down 5.5% on an actual basis and down 4.8% like-for-like It was possible to maintain business activity at least partially in many countries. Situations varied fairly widely between divisions and geographical zones. They also changed during the period depending on decisions taken by local health authorities. Business levels increased at VINCI Construction's Central European subsidiaries and in its Major Projects division, particularly due to the ramp-ups and start-ups of projects won those last months. Revenue of VINCI Construction International Networks' African and Oceania subsidiaries remained stable, but revenue from the oil and gas sector was badly affected by the sharp fall in oil prices.

VINCI Immobilier: €436 million (down 7.2% both on an actual basis and like-for-like)

Revenue including the Group's share of joint developments totalled €526 million, a decrease of 12%. It rose until mid-March due to further strong production in commercial property relating to several major developments, such as the To-Lyon project in the Part Dieu district of Lyon. It then fell as construction sites shut down for more than a month.
Since the start of the crisis, the company has suffered delays in obtaining planning permission in the residential segment because of the electoral situation in France, and new developments have been slower to begin. As a result, including the Urbat subsidiary, the number of homes reserved in France fell 48% to 1,817 in the first half of 2020.

Revenue by geographical area

	First half 2020	% of total	First half 2019	2020/2019 change	
(in € millions)				Actual	At constant exchange rates
France	**9,484**	**51.3%**	**12,262**	**-22.7%**	**-22.7%**
Germany	1,436	7.8%	1,371	+ 4.8%	+ 4.8%
United Kingdom	1,234	6.7%	1,301	-5.2%	-5.3%
Central and Eastern Europe (*)	851	4.6%	884	-3.7%	-1.6%
Rest of Europe	1,980	10.7%	2,216	-10.6%	-11.0%
Europe excluding France	**5,501**	**29.7%**	**5,771**	**-4.7%**	**-4.6%**
Americas	1,843	10.0%	1,800	+ 2.4%	+ 3.8%
of which United States	*1,060*	*5.7%*	*892*	*+ 18.9%*	*+ 14.9%*
Africa	627	3.4%	687	-8.8%	-7.8%
Russia, Asia Pacific and Middle East	1,037	5.6%	1,209	-14.2%	-12.5%
International excluding Europe	**3,508**	**19.0%**	**3,696**	**-5.1%**	**-3.7%**
Total International	**9,009**	**48.7%**	**9,467**	**-4.8%**	**-4.2%**
Revenue (*)	**18,493**	**100.0%**	**21,729**	**-14.9%**	**-14.7%**

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

3. Results

3.1 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) was €267 million, sharply lower than in the first half of 2019 (€2,289 million). Ebit margin was 1.4% (10.5% in the first half of 2019).

Operating income from ordinary activities/operating income

(in € millions)	First half 2020	% of revenue (*)	First half 2019	% of revenue (*)	change 2020/2019
Concessions	545	21.0%	1,844	48.1%	-70%
VINCI Autoroutes	701	37.0%	1,407	53.9%	-50%
VINCI Airports	(127)	-21.4%	432	40.4%	-129%
Other concessions	(29)	-	5	-	-
Contracting	(255)	-1.6%	432	2.4%	-159%
VINCI Energies	186	3.0%	378	5.9%	-51%
Eurovia	(120)	-3.1%	(10)	-0.2%	-1,085%
VINCI Construction	(321)	-5.5%	64	0.9%	-605%
VINCI Immobilier	(27)	-6.3%	5	1.1%	-639%
Holding companies	4	-	8	-	-
Operating income from ordinary activities (Ebit)	**267**	**1.4%**	**2,289**	**10.5%**	**-88%**
Share-based payments (IFRS 2)	(90)	-	(100)	-	-
Income/(loss) of companies accounted for under the equity method	(88)	-	121	-	-
Other recurring operating items	29	-	32	-	-
Recurring operating income	**118**	**0.6%**	**2,341**	**10.8%**	**-95%**
Non-recurring operating items	(119)	-	7	-	-
Operating income	**-**	**-0.0%**	**2,348**	**10.8%**	**-100%**

NB: Operating income from ordinary activities is defined as operating income before the effects of share-based payments (IFRS 2), the income or loss of companies accounted for under the equity method and other recurring and non-recurring operating items.
(*) Excluding concession subsidiaries' revenue from works done by non-Group companies.

In **Concessions**, Ebit amounted to €545 million, equal to 21% of revenue. Earnings at the Group's concession-holding subsidiaries were badly affected by the decline in revenue, because their costs are mostly fixed.

At VINCI Autoroutes, Ebit amounted to €701 million, down 50% relative to the first-half 2019 figure of €1,407 million. Ebit margin fell from 53.9% in the first half of 2019 to 37% in the first half of 2020, due to lower revenue.

VINCI Airports posted a €127 million loss at the Ebit level, as opposed to a profit of €432 million in the year-earlier period. The business line's cost structure, which is essentially fixed, was unable to absorb the very sharp decline in revenue observed since mid-March, despite the implementation of a cost optimization plan, involving a drastic cut in operating expenses. Furthermore, a detailed analysis of credit risk was carried out with respect to airlines, prompting VINCI Airports to write down amounts owed by airlines most weakened by the pandemic.

The **Contracting** business made a loss of €255 million at the Ebit level, equal to 1.6% of revenue, as opposed to a profit of €432 million (2.4% of revenue) in the first half of 2019. The Contracting business was hit by lower-than-normal business activity, particularly in France after the lockdown was introduced, and reduced productivity because of containment measures on worksites.

Ebit at VINCI Energies totalled €186 million, equal to 3.0% of revenue compared with €378 million and 5.9% in the first half of 2019. This represents a good performance in the context of the Covid-19 crisis and provides further evidence of the good resilience of companies in VINCI Energies. Ebit in certain geographical zones was close to 2019 levels, particularly in Germany and Switzerland.

Eurovia's contribution to Ebit is traditionally negative in the first half of the year (losses of €120 million in the first half of 2020 and €10 million in the first half of 2019); this is not representative of its expected full-year performance because seasonal variations in business levels affect coverage of overheads. Despite the sudden shutdown of its worksites in France, Eurovia was able to limit the reduction in its Ebit margin through the implementation of short-time working and the reduction of its use of subcontractors and temporary staff from the start of the lockdown.

VINCI Construction made a loss of €321 million at the Ebit level as opposed to a profit of €64 million in the first half of 2019. As a result, its Ebit margin was -5.5% versus 0.9% in the first half of 2019. This situation results in particular from the reduced coverage of overheads induced by the crisis and additional costs arising from the shutdown then resumption of projects, together with new health standards. The crisis also exacerbated the already highlighted problems in the oil and gas market. These have led to the implementation of a plan to reorganise Entrepose, including the pooling of expertise with the Major Projects division and with Sogea Satom.

VINCI Immobilier made a loss of €27 million at the Ebit level, with Ebit margin of -6.3% (profit of €5 million and positive margin of 1.1% in the first half of 2019). This was caused by developments being delayed by the Covid-19 pandemic and the risk of penalties and additional technical costs being taken into account in operating margins.

Recurring operating income amounted to €118 million (€2,341 million in the first half of 2019). This reflects:

- share-based payment expense, which reflects the benefits granted to employees under the Group's savings and performance share plans and amounted to €90 million (€100 million in the first half of 2019);
- other recurring operating items producing a net expense of €59 million (net income of €153 million in the first half of 2019), including the negative contribution of equity-accounted companies, particularly in the airports business, as opposed to a positive contribution in 2019.

Recurring operating income by business line

(in € millions)	First half 2020	% of revenue (*)	First half 2019	% of revenue	2020/2019 change
Concessions	474	18.3%	1,954	50.9%	-76%
VINCI Autoroutes	698	36.9%	1,402	53.8%	-50%
VINCI Airports	(201)	-34.0%	518	48.4%	-139%
Other concessions	(23)	-	34	-	-
Contracting	(327)	-2.1%	373	2.1%	-188%
VINCI Energies	154	2.5%	348	5.5%	-56%
Eurovia	(138)	-3.6%	(25)	-0.6%	-454%
VINCI Construction	(343)	-5.9%	50	0.7%	-783%
VINCI Immobilier	(29)	-6.7%	12	2.6%	-336%
Holding companies	1	-	2	-	-
Recurring operating income	**118**	**0.6%**	**2,341**	**10.8%**	**-95%**

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

Non-recurring operating items produced a net expense of €119 million in the first half of 2020, as opposed to net income of €7 million in the first half of 2019. They included impairment of goodwill for an amount of €68 million, concerning, for the most part, VINCI Energies in the United States, as well as restructuring costs and asset write-downs, particularly at VINCI Construction and VINCI Airports.

After taking account of both recurring and non-recurring items, operating income was zero in the first half of 2020, as opposed to €2,348 million in the first half of 2019.

3.2 Net income

The Group generated a consolidated net loss attributable to owners of the parent of €294 million (1.6% of revenue), as opposed to a profit of €1,359 million (6.3% of revenue) in the first half of 2019.

That equated to a net loss per share, after taking account of dilutive instruments, of €0.53, as opposed to earnings per share of €2.43 in the first half of 2019.

The cost of net financial debt was €303 million in the first half of 2020 (€270 million in the first half of 2019). The fall in the cost of the Group's gross long-term euro-denominated debt, following refinancing operations in 2019 and 2020 at lower rates than those of the debts repaid, did not fully offset the effect of integrating acquisitions made in 2019, particularly by VINCI Airports in the United Kingdom, over the full half-year period. In the first half of 2020, the average interest rate on long-term gross financial debt was 2.3% (2.4% in 2019 and 2.1% in the first half of 2019).

Other financial income and expense resulted in a net expense of €9 million, compared with €31 million in the first half of 2019. That net expense comprised:

- the cost of discounting retirement benefit obligations and provisions for the obligation to maintain the condition of concession intangible assets in an amount of €3 million (€39 million in the first half of 2019);
- a €19 million gain relating to capitalised borrowing costs on current concession investments (gain of €18 million in the first half of 2019);
- IFRS 16 lease expenses amounting to €21 million (€15 million in the first half of 2019);
- negative currency effects amounting to €4 million (positive effect of €5 million in the first half of 2019).

Tax expense totalled €107 million in the first half of 2020, compared with €635 million and an effective tax rate of 33.0% in the first half of 2019. It included the negative impact of the cancellation of the tax rate reduction initially planned in the United Kingdom (from 19% to 17%), leading in particular to the revaluation of deferred tax liabilities arising from the valuation difference on the company that owns London Gatwick Airport (€100 million increase in tax expense), and a positive impact from a favourable conclusion of a former tax dispute concerning Cofiroute. Furthermore, in the context of the Covid-19 pandemic, a detailed review of deferred tax assets led to the recognition of impairment in some countries. Given these non-recurring items and the seasonality of results, the effective tax rate in the first half of 2020 (-47.7%) cannot be extrapolated over the whole year.

Losses attributable to non-controlling interests totalled €124 million (income of €52 million in the first half of 2019). It includes the one attributable to London Gatwick Airport.

4. Cash flows

Ebitda totalled €1,803 million in the first half of 2020 (€3,625 million in the first half of 2019), equal to 9.7% of revenue compared with 16.7% in the first half of 2019. Performance in the various business lines reflects the impact of the Covid-19 crisis and lower business levels during lockdowns.

Ebitda in the **Concessions** business fell 44% to €1,502 million (€2,692 million in the first half of 2019), equal to 57.9% of revenue compared with 70.2% in the first half of 2019.
VINCI Autoroutes' Ebitda declined by 34% to €1,324 million, versus €2,004 million in the first half of 2019. Its Ebitda margin was 69.9%, down from 76.8% in the year-earlier period.
Ebitda at VINCI Airports was down 77% to €140 million (€608 million in the first half of 2019), equal to 23.7% of revenue compared with 56.8% in the first half of 2019.

Ebitda in the **Contracting** business amounted to €304 million, equal to 1.9% of revenue (€877 million and 4.9% in the first half of 2019).

Ebitda by business line

					Value	
(in € millions)	First half 2020	% of revenue (*)	First half 2019	% of revenue (*)	Value	%
Concessions	1,502	57.9%	2,692	70.2%	(1,190)	-44%
VINCI Autoroutes	1,324	69.9%	2,004	76.8%	(680)	-34%
VINCI Airports	140	23.7%	608	56.8%	(467)	-77%
Other concessions	38	-	80	-	(42)	-
Contracting	304	1.9%	877	4.9%	(572)	-65%
VINCI Energies	361	5.9%	508	8.0%	(147)	-29%
Eurovia	56	1.5%	130	3.0%	(74)	-57%
VINCI Construction	(114)	-2.0%	238	3.4%	(352)	-148%
VINCI Immobilier	(18)	-4.0%	11	2.3%	(28)	-262%
Holding companies	14	-	46	-	(32)	-
Total Ebitda	**1,803**	**9.7%**	**3,625**	**16.7%**	**(1,822)**	**-50%**

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

The change in the working capital requirement relating to business activities and current provisions usually represents a deterioration in the first half of the year due to seasonal variations in the Contracting business. Accordingly, it deteriorated by €1,354 million in the first half of 2019. In the first half of 2020, it shows a positive balance of €471 million. This remarkable improvement in contracting is explained by a particularly sustained level of collection of trade receivables in the 2nd quarter and by an increase in advances following the awarding of several major construction projects.

Income taxes paid rose €245 million to €774 million as opposed to €529 million in the first half of 2019, when the Group received a reimbursement for the final year of the CICE tax credit in France.

Net interest paid totalled €351 million in the first half of 2020, higher than the €250 million paid in the first half of 2019, due in particular to London Gatwick Airport being integrated for the full half-year period.

Dividends paid by companies accounted for under the equity method amounted to €31 million in the first half of 2020 as opposed to €110 million in the first half of 2019.

Cash flow from operating activities[2] totalled €1,180 million, down €422 million relative to the first-half 2019 figure of €1,602 million.

After accounting for operating investments net of disposals amounting to €497 million (down €29 million on the year-earlier figure of €525 million) and repayments of lease liabilities (€296 million), **operating cash flow**[1] was €388 million (€823 million in the first half of 2019).

[2]See glossary.

Growth investments in concessions and public-private partnerships (PPPs) totalled €569 million (€507 million in the year-earlier period). This figure includes €377 million invested by VINCI Autoroutes (€375 million in the first half of 2019) and €189 million by VINCI Airports, in particular in Cambodia, Portugal and Serbia (€119 million in the first half of 2019).

Free cash flow[1] was negative at €182 million, versus an inflow of €316 million in the first half of 2019. It included a €47 million outflow in Concessions (including a €315 million inflow at VINCI Autoroutes and a €388 million outflow at VINCI Airports) and a €250 million outflow in Contracting. The corresponding figures in the first half of 2019 were an inflow of €1,191 million and an outflow of €987 million.

Financial investments, net of disposals, totalled around €144 million, mainly relating to acquisitions made by VINCI Energies in Europe.
In the first half of 2019, financial investments totalled around €8 billion, mainly comprising VINCI Airports' acquisition of a 50.01% stake in London Gatwick Airport for €7.7 billion, breaking down into a cash payment of €3.1 billion to buy the shares and the assumption of €4.6 billion of net debt.

Transactions involving VINCI's capital generated a cash outflow of €253 million as opposed to an inflow of €88 million in the first half of 2019. They comprised:

- Capital increases by VINCI SA, involving the creation of almost 1 million new shares in relation to Group savings plans and totalling €83 million;
- Buy-backs of VINCI shares on the market carried out in the first quarter of 2020 for €335 million, with 3.5 million shares purchased at an average price of €96.09 per share. Given the uncertainty arising from the Covid-19 pandemic, share buy-backs were suspended in March 2020 and the share buy-back plan approved in the 18 June 2020 Shareholders' General Meeting has not been implemented to date.

On the other hand, cash dividends paid by the Group in the first half of 2020 amounted to €8 million (€1,092 million in the first half of 2019). The balance of the dividend for the previous year was paid in July, whereas in 2019 it was paid in April.
Shareholders were offered the option of receiving the final dividend in respect of 2019 (€1.25 per share) in cash or in new shares at the price of €78.71 per share. Of a total of 554,379,328 shares with dividend rights (€693 million in total), shareholders elected to receive payment in new shares in respect of 336,226,351 existing shares, i.e. over 60% of the total, and in cash in respect of 218,152,977 existing shares (€273 million. That amount was recognised under current financial liabilities at 30 June 2020).

As a result of these cash flows, together with the positive impact of exchange-rate movements, net financial debt increased by €0.5 billion in the first half of the year, taking the total to €22.1 billion at 30 June 2020.

5. Balance sheet and net financial debt

Non-current assets amounted to €55.3 billion at 30 June 2020 (€55.6 billion at 30 June 2019, €57.0 billion at 31 December 2019), including €41.4 billion in the Concessions business (€42.3 billion at 30 June 2019, €43 billion at 31 December 2019) and €13.2 billion in Contracting (€12.7 billion at 30 June 2019, €13.0 billion at 31 December 2019).

After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €6.4 billion, down €0.6 billion compared with 31 December 2019 (€7.0 billion), capital employed was €48.9 billion at 30 June 2020 (€50.6 billion at 30 June 2019 and €50.1 billion at 31 December 2019).
Capital employed in the Concessions business amounted to €40 billion, accounting for 82% of the total (81% at 30 June 2019 and 82% at 31 December 2019).

Equity totalled €20.9 billion at 30 June 2020, down €0.5 billion compared with 30 June 2019 (€21.4 billion) and down €2.1 billion compared with 31 December 2019 (€23.0 billion). It included €2.2 billion relating to non-controlling interests (€2.7 billion at 30 June 2019 and €2.6 billion at 31 December 2019), including €1.6 billion for London Gatwick airport.
The number of shares, including treasury shares, was 606,212,714 at 30 June 2020 (605,237,689 at 31 December 2019). Treasury shares amounted to 8.5% of the total capital at 30 June 2020 (8.3% at 31 December 2019, 7.7% at 30 June 2019).

Net financial debt at end-June 2020 was €22.1 billion, down €2.1 billion relative to 30 June 2019 (€24.2 billion) and up €0.5 billion relative to 31 December 2019 (€21.7 billion). That figure reflects financial debt of €27.9 billion (€28.4 billion at 31 December 2019) and managed net cash of €5.8 billion (€6.8 billion at 31 December 2019).
For the Concessions business, including its holding companies, net financial debt stood at €33.8 billion, down €0.2 billion relative to 31 December 2019 (€34.0 billion). The Contracting business showed net financial debt of €0.7 billion, down €1.3 billion compared with 30 June 2019 (€2.0 billion) and up €0.5 billion compared with 31 December 2019 (€0.2 billion). The holding companies and other activities posted a net financial surplus of €12.3 billion, slightly lower than the figure at 31 December 2019 (€12.5 billion). Of that surplus, €16.2 billion consisted of the net balance of loans granted to Group subsidiaries and subsidiaries' investments in holding companies.
The ratio of net financial debt to equity was 1.1 at 30 June 2020 (0.9 at 31 December 2019). The ratio of net financial debt to Ebitda on a rolling 12-month basis was 3.3 at 30 June 2020 (2.5 at 31 December 2019).

Liquidity at end-June 2020 amounted to €18.3 billion, versus €13.5 billion at end-June 2019 and €15.9 billion at 31 December 2019. The liquidity figure comprises €5.8 billion of managed net cash, €1.2 billion of commercial paper outstanding (€1.8 billion at June 30, 2019 and €0.8 billion at December 31, 2019) and €11.3 billion of unused confirmed bank credit facilities held by VINCI, including €8.0 billion expiring in November 2024. Credit facilities held by London Gatwick Airport total £600 million, including £300 million expiring in June 2024, and were fully used at 30 June 2020.

Net financial surplus (debt)

(in € millions)	30/06/2020	including external financial	Net financial debt/Ebitda	30/06/2019	including external financial	31/12/2019	including external financial	Change 30/06/2020 vs. 30/06/2019	Change 30/06/2020 vs. 31/12/2019
Concessions	(33,777)	(20,143)	x 7,3	(34,131)	(19,419)	(33,952)	(19,901)	354	176
VINCI Autoroutes	(19,668)	(14,500)	x 5,6	(19,500)	(14,405)	(19,964)	(14,275)	(168)	296
VINCI Airports	(10,691)	(4,876)	x 10,7	(12,049)	(4,208)	(10,530)	(4,829)	1,358	(160)
Other concessions	(3,418)	(767)		(2,582)	(806)	(3,458)	(797)	(836)	40
Contracting	(706)	1,421		(2,044)	1,270	(168)	1,729	1,338	(538)
VINCI Energies	(1,178)	248	x 1,3	(1,577)	225	(1,186)	354	399	8
Eurovia	(64)	63		(656)	62	100	105	592	(164)
VINCI Construction	536	1,109		189	982	918	1,270	347	(383)
Holding companies and miscellaneous	12,340	(3,421)		11,935	(6,091)	12,466	(3,482)	406	(126)
Total	**(22,142)**	**(22,142)**	**x 3,3**	**(24,241)**	**(24,241)**	**(21,654)**	**(21,654)**	**2,098**	**(488)**

6. Order book

At 30 June 2020, the Contracting order book stood at a record €42.9 billion, an increase of almost 18% compared with 31 December 2019 and more than 18% over 12 months. Relative to 30 June 2019, the order book was up more than 15% in France and 21% outside France.

VINCI Energies' order book stood at €10.2 billion at 30 June 2020, up almost 13% compared with 31 December 2019 (up 14% in France and up 11% outside France) and 9% higher over 12 months (up 12% in France and up 6% outside France). It represented nine months of VINCI Energies' average business activity.

Eurovia's order book stood at €8.8 billion, up 10% since the start of the year (up 18% in France and up 6% outside France) and almost 7% higher relative to end-June 2019 (up 15% in France and up 2% outside France). It represented almost 11 months of Eurovia's average business activity.

VINCI Construction's order book stood at €23.9 billion at 30 June 2020, up 23% compared with 31 December 2019 (up 16% in France and up 28% outside France) and 28% higher over 12 months (up 17% in France and up 38% outside France). It represented almost 21 months of VINCI Construction's average business activity.

Order book

(in € billions)	30/06/2020	of which France	of which outside France	30/06/2019	31/12/2019
VINCI Energies	10.2	4.8	5.4	9.4	9.1
Eurovia	8.8	3.3	5.4	8.2	8.0
VINCI Construction	23.9	9.9	14.0	18.6	19.4
Contracting	**42.9**	**18.0**	**24.9**	**36.2**	**36.5**
VINCI Immobilier	**1.1**	**1.1**	**-**	**0.7**	**1.1**

7. Update and outlook

VINCI saw a further improvement in business activity in July 2020.

- At VINCI Autoroutes, between 1 and 26 July 2020, traffic levels were down 2.0% compared with the same period of 2019.
- At VINCI Airports, between 1 and 26 July 2020, the decline in passenger numbers was 84% compared with the year-earlier period.
- In Contracting, business activity is now close to its estimated normal level in all three business lines, although the situation remains tough in some countries.

Barring any further adverse development of the pandemic and excluding exceptional events, VINCI's forecasts are as follows.

Full-year 2020

- In Concessions:
  - a 15-20% contraction in traffic levels at VINCI Autoroutes;
  - around 65% fall in passenger numbers at VINCI Airports.
- In Contracting, a 5-10% fall in revenue and a 150-200 bp decline in Ebit margin compared with 2019.

On this basis, developments in terms of revenue will have a significant impact on the Group's earnings.
That impact cannot be quantified reliably at the moment because of uncertainty about the economic upturn and the pace at which traffic levels at VINCI Autoroutes and passenger numbers at VINCI Airports will recover.

In the circumstances, the Group's earnings are likely to show a year-on-year decline in the second half of 2020. However, that decline, barring exceptional events, should be much less pronounced than that seen in the first half of 2020.

For 2021, the Group expects its earnings to rise relative to 2020 but remain lower than their 2019 level overall.

VINCI's business levels in the next few years should be supported by the various stimulus plans adopted, particularly in Europe, where they are focused on the environment.

8. Interim dividend

On 30 July 2020, the Board of Directors decided, given the current exceptional circumstances, not to pay an interim dividend. However, that decision does not predetermine the appropriation of full-year 2020 income, which the Board of Directors will propose on examining the Group's full-year financial statements.

9. Main transactions with related parties

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

10. Risk factors

The main risk factors that VINCI could face are described in Section D "Risk factors and management procedures" of the Report of the Board of Directors contained in the 2019 universal registration document. That section was subject to an amendment filed with the Autorité des Marchés Financiers on 17 April 2020 in connection with the Covid-19 pandemic.

Condensed half-year consolidated financial statements at 30 June 2020

Half-year consolidated financial statements	**16**
Consolidated income statement for the period	16
Consolidated comprehensive income statement for the period	17
Consolidated balance sheet	18
Consolidated cash flow statement	20
Consolidated statement of changes in equity	22
Notes to the consolidated financial statements	**23**

Half-year consolidated financial statements

Consolidated income statement for the period

(in € millions)	Notes	First half 2020	First half 2019	Full year 2019
Revenue (*)	**1-2**	**18,493**	**21,729**	**48,053**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		331	323	699
Total revenue		18,824	22,052	48,753
Revenue from ancillary activities		70	108	198
Operating expenses	4	(18,628)	(19,871)	(43,216)
Operating income from ordinary activities	**1-4**	**267**	**2,289**	**5,734**
Share-based payments (IFRS 2)	27	(90)	(100)	(291)
Profit/(loss) of companies accounted for under the equity method	4-10	(88)	121	212
Other recurring operating items		29	32	48
Recurring operating income	**4**	**118**	**2,341**	**5,704**
Non-recurring operating items	4	(119)	7	(40)
Operating income	**4**	**-**	**2,348**	**5,664**
Cost of gross financial debt		(317)	(290)	(592)
Financial income from cash investments		14	20	41
Cost of net financial debt	**5**	**(303)**	**(270)**	**(551)**
Other financial income and expense	6	(9)	(31)	(71)
Income tax expense	7	(107)	(635)	(1,634)
Net income		**(419)**	**1,412**	**3,408**
Net income attributable to non-controlling interests		(124)	52	148
Net income attributable to owners of the parent		**(294)**	**1,359**	**3,260**
Basic earnings per share *(in €)*	8	(0.53)	2.45	5.88
Diluted earnings per share *(in €)*	8	(0.53)	2.43	5.82

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

Consolidated comprehensive income statement for the period

	First half 2020			First half 2019			Full year 2019		
(in € millions)	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	**(294)**	**(124)**	**(419)**	**1,359**	**52**	**1,412**	**3,260**	**148**	**3,408**
Changes in fair value of cash flow and net investment hedging instruments (*)	38	-	38	(1)	-	(1)	(214)	-	(214)
Hedging costs	(9)	-	(9)	3	-	3	(8)	-	(8)
Tax (**)	61	-	61	39	-	40	39	-	39
Currency translation differences	(477)	(125)	(602)	(62)	(68)	(130)	181	34	215
Share in net income of companies accounted for under the equity method	(58)	-	(58)	(84)	-	(84)	(84)	-	(84)
Other comprehensive income that may be recycled subsequently to net income	**(445)**	**(125)**	**(570)**	**(106)**	**(68)**	**(174)**	**(87)**	**34**	**(53)**
Equity instruments	(1)	-	(1)	-	-	-	(1)	-	(1)
Actuarial gains and losses on retirement benefit obligations	(6)	(29)	(36)	(125)	(3)	(128)	(293)	(20)	(313)
Tax	(7)	6	(1)	31	1	32	73	4	77
Share in net income of companies accounted for under the equity method	-	-	-	-	-	-	(2)	-	(2)
Other comprehensive income that may not be recycled subsequently to net income	**(14)**	**(23)**	**(37)**	**(94)**	**(3)**	**(97)**	**(222)**	**(17)**	**(239)**
Total other comprehensive income recognised directly in equity	**(459)**	**(148)**	**(607)**	**(200)**	**(71)**	**(271)**	**(309)**	**17**	**(292)**
Total comprehensive income	**(753)**	**(272)**	**(1,025)**	**1,160**	**(19)**	**1,141**	**2,951**	**165**	**3,117**

(*) Changes in the fair value of cash flow hedges are recognised in equity for the effective portion. Cumulative gains and losses in equity are taken to profit or loss at the time when the cash flow affects profit or loss.
In the first half of 2020, these changes consisted of a €203 million negative impact related to cash flow hedges and a €241 million positive impact related to net investment hedges.

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

Consolidated balance sheet

Assets

(in € millions)	Notes	30/06/2020	30/06/2019	31/12/2019
Non-current assets				
Concession intangible assets	12	26,389	26,957	26,869
Goodwill	9	11,667	11,216	11,647
Other intangible assets	15.1	6,739	7,045	7,410
Property, plant and equipment	15.2	9,750	9,604 (*)	10,189 (*)
Investments in companies accounted for under the equity method	10	1,786	1,761	1,870
Other non-current financial assets	11-13	1,405	1,492	1,525
Derivative financial instruments – non-current assets		1,407	1,120	1,051
Deferred tax assets		370	323	370
Total non-current assets		**59,512**	**59,518**	**60,931**
Current assets				
Inventories and work in progress	16	1,524	1,367	1,434
Trade and other receivables	16	12,902	13,852	14,523
Other current operating assets	16	5,376	5,258	5,252
Other current non-operating assets		29	45	48
Current tax assets		637	165	166
Other current financial assets		18	41	53
Derivative financial instruments – current assets		331	227	210
Cash management financial assets	23	157	585	287
Cash and cash equivalents	23	7,609	6,356	8,257
Total current assets		**28,583**	**27,895**	**30,229**
Total assets		**88,095**	**87,413**	**91,159**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Consolidated balance sheet

Equity and liabilities

(in € millions)	Notes	30/06/2020	30/06/2019	31/12/2019
Equity				
Share capital	20.1	1,516	1,501	1,513
Share premium		10,959	10,534	10,879
Treasury shares	20.2	(3,231)	(2,685)	(3,083)
Other equity instruments		39	-	-
Consolidated reserves		11,553	9,282	9,252
Currency translation reserves		(498)	(264)	(18)
Net income attributable to owners of the parent		(294)	1,359	3,260
Amounts recognised directly in equity	20.3	(1,346)	(1,007)	(1,364)
Equity attributable to owners of the parent		**18,697**	**18,720**	**20,438**
Non-controlling interests		2,222	2,714	2,604
Total equity		**20,919**	**21,434**	**23,042**
Non-current liabilities				
Non-current provisions	17	1,266	1,266	1,341
Provisions for employee benefits	26	1,934	1,718	1,911
Bonds	22	23,150	22,787	23,300
Other loans and borrowings	22	3,267	3,351	3,075
Derivative financial instruments – non-current liabilities		543	663	473
Non-current lease liabilities	18	1,337	1,115 (*)	1,358 (*)
Other non-current liabilities		683	374	451
Deferred tax liabilities		2,523	2,817	2,701
Total non-current liabilities		**34,705**	**34,090**	**34,610**
Current liabilities				
Current provisions	16	4,654	4,358	4,741
Trade payables	16	8,152	7,885	8,514
Other current operating liabilities	16	13,489	12,660	14,177
Other current non-operating liabilities		840	489	662
Current tax liabilities		157	303	292
Current lease liabilities	18	490	467 (*)	504 (*)
Derivative financial instruments – current liabilities		428	85	399
Current borrowings	22	4,260	5,642	4,217
Total current liabilities		**32,471**	**31,889**	**33,507**
Total equity and liabilities		**88,095**	**87,413**	**91,159**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Consolidated cash flow statement

(in € millions)	Notes	First half 2020	First half 2019	Full year 2019
Consolidated net income for the period (including non-controlling interests)		**(419)**	**1,412**	**3,408**
Depreciation and amortisation		1,598	1,431	3,040
Net increase/(decrease) in provisions and impairment		87	26	90
Share-based payments (IFRS 2) and other restatements		4	(30)	64
Gain or loss on disposals		20	(27)	(67)
Change in fair value of financial instruments		15	34	(4)
Share of profit/loss of companies accounted for under the equity method and dividends received from unconsolidated companies		86	(123)	(218)
Cost of net financial debt recognised	5	303	270	551
Capitalised borrowing costs		(19)	(18)	(41)
Financial expense on leases	6	21	15	40
Current and deferred tax expense recognised		107	635	1,634
Cash flows from operations before tax and financing costs	**1**	**1,803**	**3,625**	**8,497**
Changes in operating working capital requirement and current provisions	16	471	(1,354)	428
Income taxes paid		(774)	(529)	(1,547)
Net interest paid		(351)	(250)	(458)
Dividends received from companies accounted for under the equity method		31	110	170
Cash flows (used in)/from operating activities	**I**	**1,180**	**1,602**	**7,090**
Purchases of property, plant and equipment and intangible assets		*(547)*	*(562)*	*(1,365)*
Proceeds from sales of property, plant and equipment and intangible assets		*51*	*36*	*117*
Operating investments (net of disposals)	1	(497)	(525)	(1,249)
Investments in concession fixed assets (net of grants received)		*(564)*	*(498)*	*(1,031)*
Financial receivables (PPP contracts and others)		*(5)*	*(8)*	*(34)*
Growth investments in concessions and PPPs	1	(569)	(507)	(1,065)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*(128)*	*(3,320)* (*)	*(3,611)* (*)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*1*	*12*	*43*
Net financial investments		(127)	(3,309)	(3,568)
Other		(23)	(102)	(90)
Net cash flows (used in)/from investing activities	**II**	**(1,216)**	**(4,443)**	**(5,972)**
Share capital increases and decreases and repurchases of other equity instruments		83	202	560
Transactions on treasury shares	20.2	(336)	(502)	(903)
Non-controlling interests in share capital increases and decreases of subsidiaries		-	392 (*)	394 (*)
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(6)	(5)	(21)
Dividends paid	21	(9)	(1,092)	(1,772)
- to shareholders of VINCI SA		*(1)*	*(1,065)*	*(1,504)*
- to non-controlling interests		*(8)*	*(26)*	*(267)*
Proceeds from new long-term borrowings		1,657	4,227	4,626
Repayments of long-term borrowings		(1,648)	(2,118)	(2,335)
Repayments of lease liabilities and financial expense on leases		(296)	(254)	(575)
Change in cash management assets and other current financial debts		486	119	(630)
Net cash flows (used in)/from financing activities	**III**	**(68)**	**971**	**(656)**
Other changes	IV	(51)	69	102
Change in net cash	**I+II+III+IV**	**(156)**	**(1,801)**	**564**
Net cash and cash equivalents at beginning of period		**7,346**	**6,782**	**6,782**
Net cash and cash equivalents at end of period	**23**	**7,190**	**4,980**	**7,346**
Change in cash management assets and other current financial debts		(486)	(119)	630
(Proceeds from)/repayment of loans		(9)	(2,109)	(2,291)
Other changes		162	(4,657)	(5,003)
Debts assumed during business combinations		*(4)*	*(4,688)* (*)	*(4,757)* (*)
Change in net financial debt		**(488)**	**(8,686)**	**(6,100)**
Net financial debt at beginning of period		**(21,654)**	**(15,554)**	**(15,554)**
Net financial debt at end of period	**22**	**(22,142)**	**(24,241)**	**(21,654)**

(*) Including the acquisition of London Gatwick Airport on 13 May 2019.

Reconciliation of key performance indicators with the consolidated cash flow statement

(in € millions)	First half 2020	First half 2019	Full year 2019
Cash flows (used in)/from operating activities	**1,180**	**1,602**	**7,090**
Operating investments (net of disposals)	(497)	(525)	(1,249)
Repayments of lease liabilities and financial expense on leases	(296)	(254)	(575)
Operating cash flow	**388**	**823**	**5,266**
Growth investments in concessions and PPPs	(569)	(507)	(1,065)
Free cash flow	**(182)**	**316**	**4,201**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	(128)	(3,320)	(3,611)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	1	12	43
Net impact of changes in scope including net debt assumed	6	(4,631)	(4,677)
Net financial investments	**(121)**	**(7,939)**	**(8,245)**
Other	(23)	(102)	(90)
Total net financial investments	**(144)**	**(8,041)**	**(8,335)**

Consolidated statement of changes in 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**
Reported balance at 31/12/2018	**1,494**	**10,339**	**(2,323)**	**-**	**7,767**	**2,983**	**(213)**	**(861)**	**19,185**	**633**	**19,818**
Impact of changed methods (*)	-	-	-		(2)	-	-	-	(2)	-	(3)
Adjusted balance at 01/01/2019	**1,494**	**10,339**	**(2,323)**		**7,765**	**2,983**	**(213)**	**(861)**	**19,183**	**633**	**19,815**
Net income for the period	-	-	-	-	-	1,359	-	-	1,359	52	1,412
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	(62)	(53)	(115)	(71)	(186)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	8	(93)	(85)	-	(85)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**1,359**	**(54)**	**(146)**	**1,160**	**(19)**	**1,141**
Increase in share capital	7	195	-	-	-	-	-	-	202	392	594
Decrease in share capital	-	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(362)	-	(139)	-	-	-	(502)	-	(502)
Appropriation of income and dividend payments	-	-	-	-	1,918	(2,983)	-	-	(1,065)	(26)	(1,092)
Share-based payments (IFRS 2)	-	-	-	-	70	-	-	-	70	-	70
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	2	-	(2)	-	1	1	2
Changes in consolidation scope	-	-	-	-	(5)	-	5	-	-	1,734	1,734
Other	-	-	-	-	(328)	-	1	(1)	(328)	(1)	(329)
Equity at 30/06/2019	**1,501**	**10,534**	**(2,685)**	**-**	**9,282**	**1,359**	**(264)**	**(1,007)**	**18,720**	**2,714**	**21,434**
Net income for the period	-	-	-	-	-	1,901	-	-	1,901	96	1,997
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	243	(351)	(108)	88	(20)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	2	(4)	(2)	-	(2)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**1,901**	**245**	**(355)**	**1,791**	**184**	**1,975**
Increase in share capital	12	345	-	-	-	-	-	-	357	2	359
Decrease in share capital	-	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(398)	-	(3)	-	-	-	(401)	-	(401)
Appropriation of income and dividend payments	-	-	-	-	(439)	-	-	-	(439)	(241)	(680)
Share-based payments (IFRS 2)	-	-	-	-	125	-	-	-	125	-	125
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(10)	-	-	-	(10)	(2)	(12)
Changes in consolidation scope	-	-	-	-	(2)	-	2	-	-	(53)	(53)
Other	-	-	-	-	298	-	(2)	(2)	294	1	294
Equity at 31/12/2019	**1,513**	**10,879**	**(3,083)**	**-**	**9,252**	**3,260**	**(18)**	**(1,364)**	**20,438**	**2,604**	**23,042**
Net income for the period	-	-	-	-	-	(294)	-	-	(294)	(124)	(419)
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	-	(477)	76	(401)	(148)	(549)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	-	(58)	(58)	-	(58)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(294)**	**(477)**	**18**	**(753)**	**(272)**	**(1,025)**
Increase in share capital	2	80	-	-	-	-	-	-	83	-	83
Decrease in share capital	-	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(148)	-	(188)	-	-	-	(336)	-	(336)
Appropriation of income and dividend payments	-	-	-	39	2,527	(3,260)	-	-	(694)	(8)	(702)
Share-based payments (IFRS 2)	-	-	-	-	62	-	-	-	62	-	62
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	-	(3)	-	-	-	(3)	2	(1)
Changes in consolidation scope	-	-	-	-	2	-	(2)	-	-	(104)	(104)
Other	-	-	-	-	(100)	-	-	-	(100)	(1)	(101)
Equity at 30/06/2020	**1,516**	**10,959**	**(3,231)**	**39**	**11,553**	**(294)**	**(498)**	**(1,346)**	**18,697**	**2,222**	**20,919**

(*) Change in accounting methods related to the first-time adoption of IFRS 16 "Leases".

Notes to the consolidated financial statements

A. Key events and changes in consolidation scope 25

1. Key events – Impact of the Covid-19 public health crisis 25
2. Changes in consolidation scope 26

B. Accounting policies, measurement methods and specific arrangements made in the context of the Covid-19 public health crisis 27

1. Accounting policies 27
2. Consolidation methods 28
3. Measurement rules and methods 29
4. Specific arrangements made in the context of the Covid-19 public health crisis 30

C. Financial indicators by business line and geographical area 32

1. Information by operating segment 32
2. Breakdown of revenue by geographical area 39
3. Reconciliation between capital employed and the financial statements 40

D. Main income statement items 41

4. Operating income 41
5. Cost of net financial debt 42
6. Other financial income and expense 42
7. Income tax expense 42
8. Earnings per share 43

E. Investments in other companies 44

9. Goodwill and goodwill impairment tests 44
10. Investments in companies accounted for under the equity method: associates and joint ventures 45
11. Other non-current financial assets 46

F. Concessions business: PPP contracts, concession contracts and other infrastructure 47

12. Concession intangible assets 47
13. PPP financial receivables (controlled companies) 48
14. Off-balance sheet commitments in the Concessions business 48

G. Other balance sheet items and business-related commitments 50

15. Other intangible assets and property, plant and equipment 50
16. Working capital requirement and current provisions 51
17. Non-current provisions 52
18. Lease liabilities 52
19. Other contractual obligations of an operational nature and other commitments given and received 53

H. Equity 54

20. Information on equity 54
21. Dividends 56

I. Financing and financial risk management 57

22. Net financial debt 57
23. Net cash managed and available resources 60
24. Financial risk management 61
25. Book and fair value of financial instruments by accounting category 62

J. Employee benefits and share-based payments 64

26. Provisions for employee benefits 64
27. Share-based payments 64

K. Other notes 67

28. Related party transactions 67
29. Note on litigation 67
30. Post-balance sheet events 68

L. Other consolidation rules and methods 69

A. Key events and changes in consolidation scope

1. Key events – Impact of the Covid-19 public health crisis

Covid-19 was declared a pandemic by the World Health Organisation on 11 March 2020. Faced with this unprecedented global health crisis, VINCI's absolute priorities are the safety of its staff, partners, subcontractors, customers and stakeholders, along with the continuity of the public services for which it is responsible.

Assessment of financial performance

The Group's business levels and earnings were badly affected by the Covid-19 pandemic, in both Concessions and Contracting.

- Consolidated revenue totalled €18.5 billion in the first half of 2020, down 14.9% relative to the first half of 2019 and down 17.0% like-for-like;
- Operating income from ordinary activities (Ebit) was sharply lower than in the first half of 2019, amounting to €267 million. Ebit margin was 1.4% (10.5% in the first half of 2019);
- Recurring operating income – including a negative contribution from companies accounted for under the equity method – totalled €118 million (€2,341 million in the first half of 2019);
- The Group generated a consolidated net loss attributable to owners of the parent of €294 million (net profit of €1,359 million in the first half of 2019);
- Net financial debt was €22.1 billion at 30 June 2020, down €2.1 billion over 12 months and up €0.5 billion relative to 31 December 2019.

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

The Group did not change its financial performance indicators. The effects of the pandemic are spread across the income statement and certain elements cannot be isolated, either because they resulted in a decline in revenue or because the Covid-19 impact cannot be determined reliably.

Recurring operating income was affected by the fall in revenue, which resulted in lower-than-normal business activity, particularly in France after the lockdown was introduced, along with reduced productivity because of the introduction of new health standards and containment measures on worksites. Additional costs mainly concern:

- the cost of demobilising, shutting down and remobilising worksites, and measures taken by the Group to ensure the on-site safety of staff members given the health risks;
- fixed personnel costs, partly offset by furlough compensation payments;
- the cost of unused premises and equipment.

These additional expenses incurred in the first half of 2020 are not included in the measurement of progress towards completion of construction contracts, and so did not result in the recognition of any revenue.
Some income statement items such as impairment charges relating to goodwill and other material assets and restructuring costs are presented under non-recurring items, as they had already been in the past.

Financing transactions and liquidity management

In the first half of 2020, the Group took steps to protect and strengthen its financial position.

At 30 June 2020, VINCI had total liquidity (including commercial paper) of €18.3 billion, comprising:

- managed net cash of €5.8 billion, showing excellent control over the operational cash position in the first half of the year;
- an unused confirmed syndicated bank credit facility of €8.0 billion, due to expire in November 2024;
- an additional credit facility, arranged in April and May from a syndicate of 11 banks, in an amount of €3.3 billion and due to expire in March 2021;
- €1.2 billion of commercial paper in issue at 30 June 2020 (€0.8 billion at 31 December 2019).

2. Changes in consolidation scope

Changes in consolidation scope in the first half of 2020 are presented below. The main changes result from the acquisition of about 20 companies by VINCI Energies in France, elsewhere in Europe and South America, by Eurovia and by VINCI Construction in France (including the Climent group of six companies operating in public works and quarries).
Other changes relate mainly to legal restructuring within the Group.

	30/06/2020			30/06/2019			31/12/2019		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**2,052**	1,112	940	**2,010**	1,101	909	**2,047**	1,106	941
Joint ventures (*)	**146**	94	52	**143**	89	54	**151**	98	53
Associates (*)	**40**	20	20	**41**	20	21	**38**	20	18
Total	**2,238**	**1,226**	**1,012**	**2,194**	**1,210**	**984**	**2,236**	**1,224**	**1,012**

(*) Companies accounted for under the equity method.

Acquisitions and disposals in previous periods

The main transaction in 2019 was the acquisition by VINCI Airports of a 50.01% stake in the holding company that controls Gatwick Airports Limited on 13 May 2019.

In accordance with IFRS 3, VINCI has assessed the fair value of the identifiable assets and liabilities acquired. The allocation attributed to the identifiable assets and liabilities on the date when control was acquired in 2019 was ended in the first half of 2020 and resulted in €1,422 million of goodwill being recognised definitively at 30 June 2020.

Details of this transaction are provided in Note B.1.1 "Changes in consolidation scope" of the 2019 universal registration document.

The other transactions taking place in 2019 included the acquisition of around 30 companies by VINCI Energies and VINCI Immobilier's purchase of a 49.9% stake in Urbat. VINCI has also reviewed the value of identifiable assets and liabilities on the dates those companies were acquired. No material adjustment has been made.

B. Accounting policies, measurement methods and specific arrangements made in the context of the Covid-19 public health crisis

1. Accounting policies

The accounting policies used at 30 June 2020 are consistent with those used in preparing the consolidated financial statements at 31 December 2019, except for the standards and/or amendments adopted by the European Union and mandatorily applicable as from 1 January 2020 (*).

The Group's condensed half-year consolidated financial statements at 30 June 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They were approved by the Board of Directors on 30 July 2020. As these are condensed consolidated financial statements, they do not include all the information required by IFRSs in relation to full-year financial statements and should therefore be read in conjunction with the Group's consolidated financial statements for the period ended 31 December 2019, as set out in the universal registration document no. D.20-0090, filed with the AMF on 2 March 2020 and amended on 17 April 2020 in the context of the Covid-19 pandemic.

The Group's consolidated financial statements are presented in millions of euros, rounded to the nearest million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

New standards and interpretations applicable from 1 January 2020

Standards and interpretations mandatorily applicable from 1 January 2020 have no material impact on VINCI's consolidated financial statements at 30 June 2020. These are mainly:

- Amendments to IFRS 3 "Business Combinations" – Definition of a Business;
- Amendments to IAS 1 and IAS 8 – Definition of Material;
- Amendments to references to the conceptual framework in IFRS standards;
- Amendments to IFRS 9 and IFRS 7 – Interest Rate Benchmark Reform:

These amendments allow the Group not to take into account the effects of the interest rate reform, including when assessing the highly probable nature of hedged interest flows, until the transition to new indices becomes effective.
They amend certain provisions relating to hedge accounting. Accordingly, the Group is paying greater attention to arrangements in relation to new financing. IBOR rates continue to serve as benchmarks in the financial markets and are used to value financial instruments due to mature after those rates are expected to be discontinued.
The Group has applied these amendments early from 1 January 2019.

- IFRS IC interpretation relating to the assessment of the non-cancellable period of a lease and the amortisation period of leasehold improvements.

The Group has noted the decisions taken by the IFRS IC, published on 16 December 2019, concerning the assessment of lease terms for leases renewable by tacit agreement and cancellable leases (with no particular contractual end-date). The IFRS IC confirmed that the non-cancellable period must be determined, taking an economic view as well as assessing the lease's legal characteristics. The leases concerned are mainly real-estate leases.
The IFRC IC also confirmed that the amortisation period for non-removable lease improvements must not exceed the lease term.
The Group has applied this interpretation with retroactive effect from 1 January 2019, the date on which IFRS 16 "Leases" was adopted for the first time. The impact of that application is limited and caused the Group to recognise an additional €57 million of right-of-use assets, with a balancing addition to lease liabilities.

Standards and interpretations adopted by the IASB but not yet applicable at 30 June 2020

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at 1 January 2020:

- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of liabilities as current or non-current;
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – Onerous contracts – Cost of fulfilling a contract;
- Amendments to IAS 16 "Property, Plant and Equipment" – Proceeds before intended use;
- Amendments to IFRS 16 "Leases" – Covid-19-related rent concessions;
- Amendments to IFRS 3 "Business Combinations" – Reference to the Conceptual Framework;
- Annual improvements to IFRSs – 2018-2020 cycle.

A study of the impacts and practical consequences of applying these amendments is under way. However, they do not contain any provisions that are contrary to the Group's current accounting practices.

(*) Available at: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm

2. Consolidation methods

In accordance with IFRS 10, companies in which the Group holds, whether directly or indirectly, the majority of voting rights in shareholders' general meetings, in the Boards of Directors or in the equivalent management bodies, giving it the power to direct their operational and financial policies, are generally deemed to be controlled and are fully consolidated. To determine control, VINCI carries out an in-depth analysis of the established governance arrangements and of the rights held by other shareholders. Where necessary, an analysis is performed in relation to instruments held by the Group or by third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) that, if exercised, could alter the type of influence exerted by each party.
For some infrastructure project companies operating under concessions or public-private partnership contracts and in which VINCI is not the only capital investor, in addition to the analysis of the governance arrangements with each partner, the Group may look at the characteristics of subcontracting contracts to check that they do not confer additional powers that could lead to a situation of de facto control. This most often concerns construction contracts and contracts to operate/maintain concession assets.
An analysis is performed if a specific event takes place that may affect the level of control exerted by the Group, such as a change in an entity's ownership structure or governance, or the exercise of a dilutive financial instrument.

In accordance with IFRS 11, the Group's joint arrangements fall into two categories (joint operations and joint ventures) depending on the nature of the rights and obligations held by each party. Classification is generally determined by the legal form of the project vehicle. The Group has joint control over all of these joint arrangements.
Joint operations: most joint arrangements in the Contracting business are joint operations because of the legal form of the vehicles used. In France, for example, parties generally use *sociétés en participation* (SEPs) to contractualise their joint works activities.
In some situations, where the facts and circumstances show that a company's activities amount to providing production to the parties, it is regarded as a joint operation even where the vehicle's legal form does not establish transparency between the joint operators' assets and those of the joint arrangement. In that situation, the parties have the rights to substantially all of the economic benefits associated with the company's assets and will settle its liabilities. Within the VINCI Group, this situation concerns certain coating plants held and used by Eurovia in its road infrastructure construction and renovation activities.
Joint ventures: French property development joint arrangements contractualised in the form of *sociétés civiles de construction-vente* (SCCVs) are joint ventures under IFRS 11 and accounted for under the equity method. The same is true of the Group's other joint arrangements taking place through an entity with legal personality and where the partners do not take all of the joint venture's production.
Associates are entities over which the Group exerts significant influence. They are accounted for under the equity method in accordance with IAS 28. Significant influence is presumed where the Group's stake is more than or equal to 20%. However, it may arise where the ownership interest is lower, particularly where the Group is represented on the Board of Directors or any equivalent governance body, and therefore takes part in determining the entity's operational and financial policies and strategy. This applies to the Group's stakes in Aéroports de Paris (ADP) and CFE.

The Group takes the view that only the holding company that owns London Gatwick Airport's operations has material non-controlling interests (49.99%). The governance arrangements of that company are described in the 2019 universal registration document in Note B.1.1 "Acquisition of a 50.01% stake in London Gatwick Airport". The Group's consolidation scope does not include any other individually material joint venture or associate. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flow. VINCI does not own any interest in structured entities as defined by IFRS 12.

VINCI's consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and of companies whose revenue is below this figure but whose impact on certain of the Group's balance sheet and income statement indicators is material.

3. Measurement rules and methods

3.1 Use of estimates

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements.

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

The consolidated half-year financial statements have been prepared with reference to the immediate environment, including as regards the estimates presented below:

- measurement of revenue from construction and service contracts using the progress towards completion method;
- values used in impairment tests on goodwill, other intangible assets and property, plant and equipment;
- measurement of share-based payment expense under IFRS 2;
- measurement of retirement benefit obligations;
- measurement of provisions;
- determination of the discount rates to be used when performing impairment tests (IAS 36) and when calculating the present value of provisions (IAS 37) and employee benefit obligations (IAS 19);
- determination of discount rates and lease terms to be used to determine the value of rights of use and related liabilities in relation to leases (IFRS 16);
- measurement of certain financial instruments at fair value;
- measurement of the fair value of identifiable assets and liabilities acquired in business combinations.

Given the current public health crisis, the Group has carried out an in-depth examination of these assumptions and estimates and has adopted specific arrangements presented in detail in Note 4 "Specific arrangements made in the context of the Covid-19 public health crisis".

3.2 Measurement of fair value

The Group mainly uses fair value in measuring, on a consistent basis, the derivative instruments, cash and cash equivalents, shares in unconsolidated subsidiaries and affiliates, cash management financial assets and identifiable assets and liabilities acquired in business combinations on its balance sheet. The fair value of other financial instruments (particularly debt instruments and assets measured at amortised cost as defined by IFRS 9 "Financial instruments") is stated in Note I.25 "Book and fair value of financial instruments by accounting category" below.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in a normal transaction. It is recognised on the basis of the asset or liability's main market (or the most advantageous market if there is no main market), i.e. the one that offers the highest volume and activity levels. The fair value of derivative financial instruments includes a "counterparty risk" component for derivatives carried as assets and an "own credit risk" component for derivatives carried as liabilities.

To determine these fair values, the Group uses the following measurement methods:

- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert future cash flow into a single present value;
- cost-based approaches, which take into account the asset's physical, technological and economic obsolescence.

The following three-level hierarchy of fair values is used:

- Level 1 – price quoted on an active market. Marketable securities, some shares in unconsolidated subsidiaries and affiliates and listed bond issues are measured in this way;
- level 2 – internal model using internal measurement techniques with observable factors: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments (swaps, caps, floors, etc.) traded over the counter is made on the basis of models commonly used by market participants to price such financial instruments.

Every quarter, the internally calculated values of derivative instruments are checked for consistency with those sent to VINCI by the counterparties.

- Level 3 – internal model using non-observable factors: this model applies to customer relationships and contracts acquired through business combinations, as well as to holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

3.3 Specific measurement rules and methods applied by the Group in preparing the interim financial statements

3.3.1 Seasonal nature of the business

Although the Group's business is fundamentally seasonal, the assessment of its seasonal nature may be seriously affected by the Covid-19 crisis. In general, first-half performance is characterised by the seasonal nature of the business in most of the Group's activities, particularly:

- roadworks, where business volumes are traditionally lower than in the second half of the year, due to weather conditions;
- motorway concession companies, where traffic volumes are generally lower in the first half than the second because of high proportion of light-vehicle traffic in the summer period.

In the last few years, first-half revenue has accounted for 45-46% of the full-year total.
As a result first-half revenue and earnings cannot be extrapolated over the full year.

The seasonality of the Group's business is usually reflected in the net use of cash in the first half, which is attributable to the lower level of receipts during this period and the pattern of operating cash flows, the majority of which is generated in the second half of the year.

The impact of seasonal factors has not resulted in any adjustment to the Group's half-year consolidated financial statements.

Group income and expenses in respect of ordinary activities that are of a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. They are neither brought forward nor deferred at the half-year accounts closing date.

Income and expenses invoiced on an annual basis (e.g. patent and licence fees) are accounted for on a pro rata basis using an estimate for the full year.

Risks arising in the first half are provisioned in the financial statements for the period. As regards loss-making contracts in particular, losses on completion known during the first half are provisioned in full.

3.3.2 Estimation of the tax expense

The tax expense for the first half year is determined by applying the estimated average tax rate for the whole of 2020 (including deferred tax) to pre-tax income. This rate may be adjusted for the tax effects of unusual items recognised in the period.

3.3.3 Retirement benefit obligations

No new comprehensive actuarial assessment is carried out for the half-year consolidated financial statements. The expense for the half year in respect of retirement benefit obligations is half the expense calculated for 2020 on the basis of actuarial assumptions at 31 December 2019. Impacts arising from changes in assumptions relating to post-employment benefits in the first half of 2020 (discount rate and long-term inflation rate) are recognised under "Other comprehensive income".

4. Specific arrangements made in the context of the Covid-19 public health crisis

Against the background of the current public health crisis and to ensure that the correct accounting treatment is applied to the consequences of the Covid-19 pandemic on the Group's first-half performance indicators and financial position at 30 June 2020, specific instructions were sent to all Group subsidiaries.

4.1 Contract-related expenses and obligations

Revenue relating to construction and service contracts is recognised in accordance with IFRS 15. Progress with construction and service contracts is measured using either the physical progress towards completion method or the cost-to-cost method.

Incurred costs that do not contribute to an entity's progress in satisfying the performance obligation (costs of significant inefficiencies such as the unexpected costs of losses of materials, labour hours expended or other resources consumed) are not included in measuring progress towards completion and do not therefore generate revenue. In the context of the public health crisis in the first half of 2020, this mainly concerned worksite demobilisation, shutdown and remobilisation costs.

The Group has also reviewed its long-term contract completion forecasts, with the yet-to-come portion now including Covid-19-related additional costs and future disruption costs. Where those additional costs resulted in an onerous contract, a provision for the loss on completion was set aside at 30 June 2020 to cover future losses. VINCI has also worked hard to comply with its contractual obligations. At 30 June 2020, it did not identify any material events such as contract terminations, late performance penalties or disputes with clients or suppliers capable of materially affecting the first-half financial statements.

4.2 Goodwill and intangible assets

In accordance with IAS 36 "Impairment of assets", an entity must assess on each reporting date whether there is any indication that an asset may be impaired. The material decrease in revenue in the Concessions and Contracting businesses in the first half of 2020 constitutes an indication that assets may be impaired. Impairment tests were carried out at 30 June 2020 for:

- recently acquired material assets;
- entities that at 31 December 2019 had the least room for manoeuvre (i.e. the smallest difference between their recoverable amounts and net carrying amounts);
- entities whose recoverable amount, based on analysis carried out by the Group, could potentially fall below their carrying amount as a result of the crisis.

The recoverable amounts are based on a value in use calculation. Methodologies applied by the Group are described in the 2019 universal registration document Note E.9.2 Goodwill impairment tests.

In the Concessions business, the Group carried out impairment tests at VINCI Airports and VINCI Highways. Business plans were updated by the VINCI Airports and VINCI Highways management teams based on a scenario in which the recovery from the crisis takes place gradually, in line with the market assumptions adopted by industry associations such as IATA. Those plans involve a degree of uncertainty in relation to the current situation. After these tests, the recoverable amounts of the VINCI Airports and VINCI Highways CGUs remain higher than their carrying amounts, and they have not resulted in any impairment of property, plant and equipment or intangible assets.

In the Contracting business, only CGUs whose recoverable amounts were close to their net carrying amounts at 31 December 2019 and/or whose recoverable amounts, based on analysis carried out by the Group, could potentially fall below their carrying amounts as a result of the crisis, were tested. Business plans were updated by the management teams of the business lines concerned. The tests resulted in the recognition of €68 million of impairment, of which €50 million related to the VINCI Energies North America CGU, presented under non-recurring operating items in line with Group rules.

Additional information is provided in Note E.9 "Goodwill and goodwill impairment tests".

4.3 Trade receivables and deferred tax assets

Financial difficulties related to the public health crisis are creating an increased risk of bankruptcy for certain clients and/or partners. The Group's exposure to credit risk was the subject of specific analysis and an in-depth review of trade receivables, which led to €80 million of additional impairment being recognised in the first half of 2020, mainly in relation to airlines.
The recovery of deferred tax assets was also specifically assessed at 30 June 2020.

4.4 Hedge accounting and covenants

The Group has not reviewed its hedging strategies and has maintained its hedge accounting policies as described in the financial statements for the year ended 31 December 2019.
The main exposures hedged concern interest rate risk and asset-related exchange rate risk. At 30 June 2020, the Covid-19 crisis had had little effect on the highly probable nature of the hedged cash flows. Construction and debt drawdown schedules had not been materially affected.
As regards currency translation risk, the net positions of hedged subsidiaries were closely monitored. The change consisted of the partial derecognition of hedges relating to London Gatwick Airport, in an amount of £100 million to take account of the reduction in its equity in the same amount.
The principles used to measure financial instruments take into account changes in counterparty credit risk, along with the Group's own credit risk. VINCI's risk management policy already included setting strict limits on the basis of counterparties' ratings, and so the impact of the crisis has been limited.
The Group also paid particular attention to finance agreements that could give rise to risks of it failing to comply with financial ratios in the short and medium term. At 30 June 2020, the Group complied with the financial ratios in question.

C. Financial indicators by business line and geographical area

1. Information by operating segment

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

The Group consists of two core businesses (Concessions and Contracting) and a business line that reports directly to the holding company, namely VINCI Immobilier. Each business in turn consists of business lines.

Concessions

- VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour and Arcos).
- VINCI Airports: operation of airports in France and abroad, both owned and operated under concession or management contracts.
- Other concessions VINCI Highways (motorway and road infrastructure, mainly outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (stadium management).

Contracting

- VINCI Energies: services to the manufacturing sector, infrastructure, facilities management, and information and communication technology.
- Eurovia: building and maintenance of roads, motorways and railways, urban infrastructure, production of materials (asphalt mixes), quarries, and services.
- VINCI Construction: design and construction of buildings (residential and commercial property) and civil engineering infrastructure, specialised civil engineering, water and pipeline infrastructure, major projects and works for the oil and gas sector.

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

1.1 Information by business

The data below is for the businesses and business lines concerned and is stated before elimination, at their own level, of transactions with the rest of the Group.
Comments regarding the impact of the Covid-19 crisis on the Group's main operational indicators are contained in the management report.

First half 2020

		Contracting						
(in € millions)	**Concessions**	**VINCI Energies**	**Eurovia**	**VINCI Construction**	**Total**	**VINCI Immobilier and holding companies**	**Eliminations**	**Total**
Income statement								
Revenue (*)	**2,592**	**6,133**	**3,824**	**5,799**	**15,756**	**436**	**(292)**	**18,493**
Concession subsidiaries' works revenue	400	-	-	-	-	-	(69) (**)	331
Total revenue	2,992	6,133	3,824	5,799	15,756	436	(361)	18,824
Operating income from ordinary activities	**545**	**186**	**(120)**	**(321)**	**(255)**	**(24)**	**-**	**267**
% of revenue (*)	*21.0%*	*3.0%*	*-3.1%*	*-5.5%*	*-1.6%*	*-*	*-*	*1.4%*
Recurring operating income	**474**	**154**	**(138)**	**(343)**	**(327)**	**(29)**	**-**	**118**
Operating income	**449**	**106**	**(138)**	**(391)**	**(423)**	**(27)**	**-**	**-**
								-
Cash flow statement								
Cash flows from operations before tax and financing costs	**1,502**	**361**	**56**	**(114)**	**304**	**(3)**	**-**	**1,803**
% of revenue (*)	*57.9%*	*5.9%*	*1.5%*	*-2.0%*	*1.9%*	*-*	*-*	*9.7%*
Depreciation and amortisation	938	201	193	245	639	20	-	1,598
Operating investments (net of disposals)	(115)	(64)	(116)	(138)	(319)	(62)	-	(497)
Repayment of lease liabilities (***)	(18)	(138)	(44)	(79)	(261)	(17)	-	(296)
Operating cash flow	**515**	**152**	**(79)**	**(315)**	**(242)**	**115**	**-**	**388**
Growth investments in concessions and PPPs	(561)	1	-	(9)	(8)	-	-	(569)
Free cash flow	**(47)**	**153**	**(79)**	**(324)**	**(250)**	**115**	**-**	**(182)**
Balance sheet								
Capital employed at 30/06/2020	**40,080**	**4,808**	**1,772**	**771**	**7,351**	**1,493**	**-**	**48,925**
of which investments in companies accounted for under the equity method	*1,208*	*12*	*116*	*272*	*399*	*179*	*-*	*1,786*
Net financial surplus (debt)	**(33,777)**	**(1,178)**	**(64)**	**536**	**(706)**	**12,340**	**-**	**(22,142)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession-operating companies.
(***) Including associated financial expense.
NB: Public-Private Partnership (PPP).

First half 2019

(in € millions)	Concessions	Contracting				VINCI Immobilier and holding companies	Eliminations	Total
		VINCI Energies	Eurovia	VINCI Construction	Total			
Income statement								
Revenue [1]	**3,836**	**6,370**	**4,353**	**7,013**	**17,737**	**470**	**(313)**	**21,729**
Concession subsidiaries' works revenue	447	-	-	-	-	-	(124) [2]	323
Total revenue	4,282	6,370	4,353	7,013	17,737	470	(437)	22,052
Operating income from ordinary activities	**1,844**	**378**	**(10)**	**64**	**432**	**13**	**-**	**2,289**
% of revenue [1]	*48.1%*	*5.9%*	*-0.2%*	*0.9%*	*2.4%*	-	-	*10.5%*
Recurring operating income	**1,954**	**348**	**(25)**	**50**	**373**	**14**	**-**	**2,341**
Operating income	**1,965**	**348**	**(30)**	**50**	**369**	**14**	**-**	**2,348**
Cash flow statement								
Cash flows from operations before tax and financing costs	**2,692**	**508**	**130**	**238**	**877**	**57**	**-**	**3,625**
% of revenue [1]	*70.2%*	*8.0%*	*3.0%*	*3.4%*	*4.9%*	-	-	*16.7%*
Depreciation and amortisation	835	183	177	219	579	17	-	1,431
Operating investments (net of disposals)	(79)	(69)	(130)	(189)	(388)	(59)	-	(525)
Repayment of lease liabilities [3]	(9)	(119)	(36)	(74)	(230)	(15)	-	(254)
Operating cash flow	**1,686**	**(156)**	**(306)**	**(513)**	**(976)**	**112**	**-**	**823**
Growth investments in concessions and PPPs	(496)	1	-	(12)	(11)	-	-	(507)
Free cash flow	**1,191**	**(155)**	**(306)**	**(525)**	**(987)**	**112**	**-**	**316**
Balance sheet								
Capital employed at 30/06/2019 [4]	**40,676**	**5,085**	**2,193**	**1,527**	**8,804**	**1,124**	**-**	**50,604**
of which investments in companies accounted for under the equity method	*1,168*	*9*	*113*	*278*	*400*	*194*	-	*1,761*
Net financial surplus (debt)	**(34,131)**	**(1,577)**	**(656)**	**189**	**(2,044)**	**11,935**	**-**	**(24,241)**

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(2) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession-operating companies.
(3) Including associated financial expense.
(4) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.
NB: Public-Private Partnership (PPP).

2019

(in € millions)	Concessions	Contracting: VINCI Energies	Contracting: Eurovia	Contracting: VINCI Construction	Contracting: Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue [1]	**8,544**	**13,749**	**10,209**	**14,926**	**38,884**	**1,320**	**(695)**	**48,053**
Concession subsidiaries' works revenue	1,038	-	-	-	-	-	(338) [2]	699
Total revenue	9,581	13,749	10,209	14,926	38,884	1,320	(1,033)	48,753
Operating income from ordinary activities	**3,989**	**827**	**430**	**396**	**1,654**	**92**	**-**	**5,734**
% of revenue [1]	*46.7%*	*6.0%*	*4.2%*	*2.7%*	*4.3%*	-	-	*11.9%*
Recurring operating income	**4,146**	**729**	**394**	**337**	**1,461**	**97**	**-**	**5,704**
Operating income	**4,167**	**723**	**363**	**314**	**1,400**	**97**	**-**	**5,664**
Cash flow statement								
Cash flows from operations before tax and financing costs	**5,796**	**1,065**	**694**	**688**	**2,446**	**254**	**-**	**8,497**
% of revenue [1]	*67.8%*	*7.7%*	*6.8%*	*4.6%*	*6.3%*	-	-	*17.7%*
Depreciation and amortisation	1,762	387	382	472	1,241	37	-	3,040
Operating investments (net of disposals)	(241)	(144)	(298)	(411)	(853)	(154)	-	(1,249)
Repayment of lease liabilities [3]	(26)	(259)	(101)	(157)	(516)	(32)	-	(575)
Operating cash flow	**3,800**	**781**	**466**	**234**	**1,482**	**(16)**	**-**	**5,266**
Growth investments in concessions and PPPs	(1,026)	2	-	(42)	(39)	-	-	(1,065)
Free cash flow	**2,774**	**784**	**466**	**193**	**1,443**	**(16)**	**-**	**4,201**
Balance sheet								
Capital employed at 31/12/2019 [4]	**41,030**	**4,805**	**1,761**	**912**	**7,478**	**1,550**	**-**	**50,058**
of which investments in companies accounted for under the equity method	*1,273*	*11*	*113*	*280*	*404*	*193*	-	*1,870*
Net financial surplus (debt)	**(33,952)**	**(1,186)**	**100**	**918**	**(168)**	**12,466**	**-**	**(21,654)**

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(2) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession-operating companies.
(3) Including associated financial expense.
(4) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.
NB: Public-Private Partnership (PPP).

1.2 Information relating to the Concessions business

First half 2020

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

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Including associated financial expense.
NB: Public-Private Partnership (PPP).

First half 2019

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**2,608**	**1,070**	**158**	**3,836**
Concession subsidiaries' works revenue	358	86	2	447
Total revenue	2,966	1,156	161	4,282
Operating income from ordinary activities	**1,407**	**432**	**5**	**1,844**
% of revenue (*)	*53.9%*	*40.4%*	*3.2%*	*48.1%*
Recurring operating income	**1,402**	**518**	**34**	**1,954**
Operating income	**1,402**	**518**	**45**	**1,965**
				-
Cash flow statement				
Cash flows from operations before tax and financing costs	**2,004**	**608**	**80**	**2,692**
% of revenue (*)	*76.8%*	*56.8%*	*50.8%*	*70.2%*
Depreciation and amortisation	616	171	48	835
Operating investments (net of disposals)	(9)	(64)	(6)	(79)
Repayment of lease liabilities (**)	(2)	(3)	(4)	(9)
Operating cash flow	**1,210**	**457**	**19**	**1,686**
Growth investments in concessions and PPPs	(375)	(119)	(2)	(496)
Free cash flow	**835**	**338**	**17**	**1,191**
Balance sheet				
Capital employed at 30/06/2019 (***)	**21,103**	**16,428**	**3,145**	**40,676**
of which investments in companies accounted for under the equity method	*14*	*994*	*159*	*1,168*
Net financial surplus (debt)	**(19,500)**	**(12,049)**	**(2,582)**	**(34,131)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Including associated financial expense.
(***) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.
NB: Public-Private Partnership (PPP).

2019

(in € millions)	Concessions			
	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Income statement				
Revenue (*)	**5,593**	**2,631**	**319**	**8,544**
Concession subsidiaries' works revenue	834	198	6	1,038
Total revenue	6,427	2,829	325	9,581
Operating income from ordinary activities	**2,967**	**1,016**	**6**	**3,989**
% of revenue (*)	*53.0%*	*38.6%*	*2.0%*	*46.7%*
Recurring operating income	**2,948**	**1,187**	**11**	**4,146**
Operating income	**2,948**	**1,179**	**41**	**4,167**
Cash flow statement				
Cash flows from operations before tax and financing costs	**4,178**	**1,466**	**152**	**5,796**
% of revenue (*)	*74.7%*	*55.7%*	*47.8%*	*67.8%*
Depreciation and amortisation	1,238	427	97	1,762
Operating investments (net of disposals)	(24)	(205)	(12)	(241)
Repayment of lease liabilities (**)	(5)	(11)	(10)	(26)
Operating cash flow	**2,822**	**899**	**78**	**3,800**
Growth investments in concessions and PPPs	(775)	(248)	(3)	(1,026)
Free cash flow	**2,048**	**651**	**75**	**2,774**
Balance sheet				
Capital employed at 31/12/2019 (***)	**20,774**	**17,153**	**3,104**	**41,030**
of which investments in companies accounted for under the equity method	*14*	*1,082*	*176*	*1,273*
Net financial surplus (debt)	**(19,964)**	**(10,530)**	**(3,458)**	**(33,952)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Including associated financial expense.
(***) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.
NB: Public-Private Partnership (PPP).

2. Breakdown of revenue by geographical area

(in € millions)	First half 2020	%	First half 2019	%	2019	%
Revenue						
France	9,484	51.3%	12,262	56.4%	26,307	54.7%
Germany	1,436	7.8%	1,371	6.3%	3,140	6.5%
United Kingdom	1,234	6.7%	1,301	6.0%	3,002	6.2%
Central and Eastern Europe (*)	851	4.6%	884	4.1%	2,219	4.6%
Portugal	234	1.3%	468	2.2%	1,011	2.1%
Other European countries	1,746	9.4%	1,748	8.0%	3,734	7.8%
Europe excluding France	5,501	29.7%	5,771	26.6%	13,106	27.3%
Europe (**)	**14,985**	**81.0%**	**18,034**	**83.0%**	**39,413**	**82.0%**
of which European Union	*14,524*	*78.5%*	*17,522*	*80.6%*	*38,292*	*79.7%*
North America	**1,439**	**7.8%**	**1,204**	**5.5%**	**3,166**	**6.6%**
of which United States of America	*1,060*	*5.7%*	*892*	*4.1%*	*2,197*	*4.6%*
Central and South America	404	2.2%	596	2.7%	1,264	2.6%
Africa	627	3.4%	687	3.2%	1,603	3.3%
Russia, Asia Pacific and Middle East	1,037	5.6%	1,209	5.6%	2,607	5.4%
International excluding Europe	**3,508**	**19.0%**	**3,696**	**17.0%**	**8,640**	**18.0%**
International excluding France	**9,009**	**48.7%**	**9,467**	**43.6%**	**21,746**	**45.3%**
Total (***)	**18,493**	**100.0%**	**21,729**	**100.0%**	**48,053**	**100.0%**

(*) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.
(**) Of which eurozone: €12,183 million in the first half of 2020 (65.9% of total revenue), €15,119 million in the first half of 2019 (69.6% of total revenue) and €32,727 million for 2019 (68.1% of total revenue).
(***) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

The Covid-19 crisis resulted in a sharp decrease in revenue in the first half of 2020 compared with the first half of 2019.
Revenue generated in France amounted to €9,484 million in the first half of 2020, down almost 23% from the first half of 2019 because of the near-total shutdown in business activity during the lockdown period.

Revenue generated outside France amounted to €9,009 million in the first half of 2020, down 4.8% from the first half of 2019. It accounted for 48.7% of the total (43.6% in the first half of 2019 and 45.3% in full-year 2019).

3. Reconciliation between capital employed and the financial statements

(in € millions)	Note	30/06/2020	30/06/2019	31/12/2019
Capital employed – Assets		**75,796**	**76,299**	**78,445**
Concession intangible assets	12	26,389	26,957	26,869
- Deferred tax on business combination fair value adjustments		(2,656)	(2,684)	(2,708)
Goodwill, gross	9	11,920	11,437	11,873
Other intangible assets	15.1	6,739	7,045	7,410
Property, plant and equipment (*)	15.2	9,750	9,604	10,189
Investments in companies accounted for under the equity method	10	1,786	1,761	1,870
Other non-current financial assets	11-13	1,405	1,492	1,525
- Collateralised loans and receivables (at more than one year)		(4)	-	(4)
Inventories and work in progress	16	1,524	1,367	1,434
Trade and other receivables	16	12,902	13,852	14,523
Other current operating assets	16	5,376	5,258	5,252
Other current non-operating assets		29	45	48
Current tax assets		637	165	166
Capital employed – Liabilities		**(26,871)**	**(25,695)**	**(28,387)**
Current provisions	16	(4,654)	(4,358)	(4,741)
Trade payables	16	(8,152)	(7,885)	(8,514)
Other current operating liabilities	16	(13,489)	(12,660)	(14,177)
Other current non-operating liabilities		(420) (**)	(489)	(662)
Current tax liabilities		(157)	(303)	(292)
Total capital employed		**48,925**	**50,604**	**50,058**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

(**) After deducting dividends to be paid in shares (see Note H.21 "Dividends").

D. Main income statement items

4. Operating income

(in € millions)	First half 2020	First half 2019	2019
Revenue (*)	**18,493**	**21,729**	**48,053**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	331	323	699
Total revenue	18,824	22,052	48,753
Revenue from ancillary activities (**)	70	108	198
Purchases consumed	(4,233)	(4,647)	(10,382)
External services	(2,207)	(2,567)	(5,384)
Temporary staff	(465)	(622)	(1,412)
Subcontracting (including concession operating companies' construction costs)	(3,937)	(4,412)	(9,776)
Taxes and levies	(457)	(513)	(1,192)
Employment costs	(5,645)	(5,816)	(11,836)
Other operating income and expense	(2)	28	84
Depreciation and amortisation	(1,598)	(1,431)	(3,040)
Net provision expense	(84)	108	(279)
Operating expenses	**(18,628)**	**(19,871)**	**(43,216)**
Operating income from ordinary activities	**267**	**2,289**	**5,734**
% of revenue (*)	*1.4%*	*10.5%*	*11.9%*
Share-based payments (IFRS 2)	(90)	(100)	(291)
Profit/(loss) of companies accounted for under the equity method	(88)	121	212
Other recurring operating items	29	32	48
Recurring operating income	**118**	**2,341**	**5,704**
Goodwill impairment losses	(68)	-	(21)
Impact from changes in scope and gain/(loss) on disposals of shares	4	7	(18)
Other non-recurring operating items	(54)	-	-
Total non-recurring operating items	*(119)*	*7*	*(40)*
Operating income	**-**	**2,348**	**5,664**

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

Operating income from ordinary activities measures the operational performance of fully consolidated Group subsidiaries before taking into account share-based payment expense (IFRS 2). It also excludes the share of the income or loss of companies accounted for under the equity method, and other recurring operating items and non-recurring items.

Recurring operating income is obtained by taking operating income from ordinary activities and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the Group's share of the income or losses of subsidiaries accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.). Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events during the period.

Operating income is calculated by taking recurring operating income and adding non-recurring income and expense, which mainly includes goodwill impairment losses, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

The decrease in operating income from ordinary activities in the first half of 2020 was mainly caused by the direct consequences of the Covid-19 pandemic. The decrease reflects fixed running costs, additional costs arising from the crisis, operational cost-cutting plans introduced by the Group and furlough payments recognised as a reduction in personnel expense.
At 30 June 2020, net additions to provisions include €80 million of impairment on trade receivables, relating in particular to airlines.

Non-recurring operating items in the first half of 2020 amounted to €119 million included €68 million of goodwill impairment charges (of which €50 million related to the VINCI Energies North America CGU), impairments of assets in Chile and restructuring costs.

In 2019, non-recurring operating items produced a net expense of €40 million which included:

- a negative scope effect of €18 million, due to net gains/losses from the sale of the Concession business's stakes in TJH (the concession-holder of a motorway in Jamaica) and Toll Collect, Eurovia's disposal of its business in Romania and Entrepose's withdrawal from drilling activities; along with earn-out payments and acquisition costs at VINCI Energies, Eurovia and VINCI Airports;
- goodwill impairment losses of €21 million, mainly relating to Eurovia's rail construction business.

5. Cost of net financial debt

The cost of net financial debt amounted to €303 million in the first half of 2020, up €32 million compared with the first half of 2019 (€270 million). The increase in the cost of net financial debt stemmed mainly from the impact of the London Gatwick Airport acquisition over the full first-half period. The increase was partly offset by a lower average interest rate on long-term debt after refinancing took place in 2019 and 2020 at interest rates lower than those of the debt being repaid.

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

(in € millions)	First half 2020	First half 2019	2019
Financial liabilities at amortised cost	(384)	(351)	(754)
Financial assets and liabilities at fair value through profit and loss	17	20	41
Derivatives designated as hedges: assets and liabilities	85	97	151
Derivatives at fair value through profit and loss: assets and liabilities	(21)	(36)	11
Total cost of net financial debt	**(303)**	**(270)**	**(551)**

6. Other financial income and expense

Other financial income and expense break down as follows:

(in € millions)	First half 2020	First half 2019	2019
Effect of discounting to present value	(3)	(39)	(80)
Borrowing costs capitalised	19	18	41
Financial expenses on lease liabilities	(21)	(15)	(40)
Foreign exchange gains and losses	(4)	5	8
Total other financial income and expense	**(9)**	**(31)**	**(71)**

The decrease in discounting costs arose mainly from the evolution of the interest rates curve applied to obligations to maintain the condition of concession assets, which resulted in a gain of €11 million in the first half of 2020 as opposed to an expense of €11 million in the first half of 2019. Discounting costs also relate to provisions for retirement benefit obligations in an amount of €7 million (€13 million in the first half of 2019) and fixed fees at more than one year in relation to Salvador de Bahia airport in Brazil and Belgrade airport in Serbia (€7 million as opposed to €8 million in the first half of 2019).

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

7. Income tax expense

Tax totalled €107 million, as opposed to €635 million in the first half of 2019. The net tax expense included tax income resulting from the positive conclusion of a previous dispute, as well as a deferred tax expense of €101 million following the decision on 1 April 2020 to cancel the cut in the corporate income tax rate in the United Kingdom, which means that the rate will remain at 19% as opposed to the previously decided reduction to 17%.

Excluding non-recurring items:

- in France, based on positive net income generated mainly by VINCI Autoroutes, the effective tax rate was 40%;
- outside France, based on a net loss, the effective tax rate was 19%.

8. Earnings per share

Basic earnings per share is the net income for the period after non-controlling interests, divided by the weighted average number of shares outstanding during the period less the weighted average number of treasury shares.

In calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the potentially dilutive effect of equity instruments issued by the company, mainly share subscription options and performance shares. The dilution resulting from the exercise of share subscription options and from performance shares is determined using the method defined in IAS 33.

In calculating basic and diluted earnings per share, earnings are also adjusted for the impact, taken directly to equity, of converting potentially dilutive instruments into shares. That impact was zero in the first half of 2020 and full-year 2019.

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

First half 2020	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**606,094,854**		
Treasury shares	(52,130,050)		
Basic earnings per share	**553,964,804**	**(294)**	**(0.53)**
Subscription options	-		
Group savings plan	-		
Performance shares	-		
Diluted earnings per share	**553,964,804**	**(294)**	**(0.53)**

First half 2019	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**598,829,560**		
Treasury shares	(44,575,158)		
Basic earnings per share	**554,254,402**	**1,359**	**2.45**
Subscription options	81,155		
Group savings plan	304,214		
Performance shares	4,182,209		
Diluted earnings per share	**558,821,980**	**1,359**	**2.43**

2019	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**601,090,748**		
Treasury shares	(46,548,305)		
Basic earnings per share	**554,542,443**	**3,260**	**5.88**
Subscription options	42,222		
Group savings plan	328,423		
Performance shares	5,494,713		
Diluted earnings per share	**560,407,801**	**3,260**	**5.82**

E. Investments in other companies

9. Goodwill and goodwill impairment tests

Changes in the period were as follows:

(in € millions)	30/06/2020	31/12/2019
Net at beginning of period	**11,647**	**9,792**
Goodwill recognised during the period	155	1,737
Impairment losses	(68)	(21)
Companies leaving the consolidation scope	-	-
Currency translation differences	(174)	90
Other movements	108	50
Net at end of period	**11,667**	**11,647**

Goodwill recognised during the period mainly concerned acquisitions made by VINCI Energies in Germany, Portugal and Denmark.
At 30 June 2020, the final amount of goodwill recognised in relation to London Gatwick Airport, allocated to the VINCI Airports CGU, was €1,422 million.
The impairment losses recognised in the first half are described in Note 9.2 "Goodwill impairment tests".

9.1 Main goodwill items

The main goodwill items at 30 June 2020 were as follows:

	30/06/2020			31/12/2019
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
VINCI Airports	2,522	-	2,522	2,525
VINCI Energies France	2,447	-	2,447	2,442
ASF group	1,935	-	1,935	1,935
VINCI Energies Germany	792	-	792	707
VINCI Energies North America	647	(50)	597	639
VINCI Energies Benelux	432	-	432	431
VINCI Energies Scandinavia	334	-	334	330
VINCI Highways	240	-	240	256
VINCI Energies Switzerland	223	-	223	205
Eurovia USA	216	-	216	215
Entrepose	201	-	201	201
Soletanche Bachy	171	-	171	171
VINCI Energies Spain	157	-	157	158
Other	1,605	(203)	1,401	1,432
Total	**11,920**	**(253)**	**11,667**	**11,647**

9.2 Goodwill impairment tests

Given the public health crisis, impairment tests factoring were carried out in the first half of 2020 in relation to VINCI Airports and cash-generating units (CGUs) that had the least room for manoeuvre at 31 December 2019. Those tests were based on discount rates (WACC) adopted at 31 December 2019 and presented in Note E.9.2 "Goodwill impairment tests" in the 2019 universal registration document.

- VINCI Airports CGU: based on management assumptions of a gradual recovery from the crisis over three or four years and a return to the projected pre-crisis passenger levels by 2030, the recoverable amount of the VINCI Airports CGU remained higher than its net carrying amount at 30 June 2020. A 100-basis point increase in the WACC or a 5% reduction in operating cash flow would reduce value in use by €3.7 billion and €1.4 billion respectively. However, the value in use would remain higher than the CGU's net carrying amount;
- VINCI Highways CGU: based on an assumption of a return to the pre-crisis traffic levels in 2025, the recoverable amount of the VINCI Highways CGU remained higher than its net carrying amount at 30 June 2020. A 50-basis point increase in the WACC or a 5% reduction in operating cash flow would reduce value in use by around €130 million. The value in use would remain higher than the CGU's net carrying amount;
- VINCI Energies North America CGU: the management of this business line has adjusted its cash flow assumptions as a result of the Covid-19 crisis, which particularly affected its business in the first half of 2020. Consequently, the Group recognised €50 million of impairment at 30 June 2020. A 50-basis-point increase in the WACC or a 5% reduction in operating cash flow would result in a value in use lower than the net carrying amount at 30 June 2020 by €55 million and €36 million respectively.

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

10.1 Movements during the period

	30/06/2020			31/12/2019		
(in € millions)	**Associates**	**Joint ventures**	**Total**	**Associates**	**Joint ventures**	**Total**
Value of shares at beginning of period	**1,199**	**671**	**1,870**	**1,154**	**520**	**1,674**
of which Concessions	*782*	*491*	*1,273*	*745*	*398*	*1,143*
of which Contracting	*415*	*82*	*497*	*408*	*90*	*497*
of which VINCI Immobilier	*2*	*98*	*100*	*2*	*32*	*34*
Increase in share capital of companies accounted for under the equity method	-	10	11	-	33	33
Group share of profit or loss for the period	(42)	(46)	(88)	30	182	212
Group share of other comprehensive income for the period	(6)	(52)	(58)	(15)	(71)	(86)
Dividends paid	(2)	(28)	(31)	(46)	(124)	(170)
Changes in consolidation scope and other	(1)	(1)	(2)	22	41	63
Reclassifications (*)	1	83	84	53	91	144
Value of shares at end of period	**1,149**	**637**	**1,786**	**1,199**	**671**	**1,870**
of which Concessions	*748*	*460*	*1,208*	*782*	*491*	*1,273*
of which Contracting	*399*	*83*	*482*	*415*	*82*	*497*
of which VINCI Immobilier	*1*	*94*	*95*	*2*	*98*	*100*

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

At 30 June 2020, the Group's interests in companies accounted for under the equity method included, for the Concessions business, the stakes in the Aéroports de Paris group (€713 million) and Kansai Airports (€282 million) and, for the Contracting business, the stake in the CFE group (€234 million).

The amounts recorded under "Group share of other comprehensive income for the period" relate mainly to the impact of interest rate hedging transactions on concession and public-private partnership projects.

10.2 Aggregated financial information

The contribution of equity-accounted companies to the Group's consolidated comprehensive income during the period is as follows:

	First half 2020			First half 2019			2019		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Net income	**(42)**	**(46)**	**(88)**	**32**	**89**	**121**	**30**	**182**	**212**
of which Concessions	*(43)*	*(51)*	*(93)*	*21*	*67*	*88*	*7*	*115*	*121*
of which Contracting	*1*	*5*	*6*	*11*	*14*	*25*	*24*	*42*	*66*
of which VINCI Immobilier	*-*	*-*	*(1)*	*-*	*8*	*8*	*-*	*25*	*25*
Other comprehensive income	(6)	(52)	(58)	(7)	(77)	(85)	(15)	(71)	(86)
of which Concessions	*8*	*(55)*	*(48)*	*(8)*	*(74)*	*(82)*	*(10)*	*(67)*	*(77)*
of which Contracting	*(13)*	*3*	*(10)*	*-*	*(4)*	*(3)*	*(5)*	*(5)*	*(9)*
Comprehensive income	**(48)**	**(98)**	**(146)**	**25**	**12**	**36**	**15**	**110**	**126**
of which Concessions	*(35)*	*(106)*	*(141)*	*13*	*(7)*	*6*	*(4)*	*48*	*44*
of which Contracting	*(12)*	*8*	*(4)*	*12*	*10*	*22*	*19*	*37*	*57*
of which VINCI Immobilier	*-*	*-*	*(1)*	*-*	*8*	*8*	*-*	*25*	*25*

11. Other non-current financial assets

(in € millions)	30/06/2020	31/12/2019
Financial assets measured at amortised cost	1,085	1,160
PPP financial receivables (*)	210	207
Equity instruments	109	158
Other non-current financial assets	**1,405**	**1,525**

(*) Information relating to "PPP financial receivables" is provided in Note F.13.

Non-current financial assets measured at amortised cost

Financial assets measured at amortised cost mainly comprise receivables relating to shareholdings, such as shareholders' advances to Concessions business or PPP project companies for €841 million (€842 million at 31 December 2019).

During the period, the change broke down as follows:

(in € millions)	First half 2020	Full year 2019
Beginning of period	**1,160**	**1,059**
Acquisitions during period	39	146
Acquisitions as part of business combinations	1	21
Impairment losses	(1)	(4)
Disposals during period	(23)	(59)
Other movements and currency translation differences	(90)	(3)
End of period	**1,085**	**1,160**

Equity instruments

Equity instruments mainly include shareholdings in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

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

12. Concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Gross				
01/01/2019	**32,927**	**5,251**	**2,365**	**40,542**
Acquisitions during period (*)	859	208	5	1,072
Disposals during period	(1)	(6)	-	(6)
Currency translation differences	-	14	70	83
Changes in scope and other	11	(29)	1	(17)
	33,797	**5,437**	**2,440**	**41,674**
Grants received	(7)	-	-	(7)
31/12/2019	**33,789**	**5,437**	**2,440**	**41,667**
Acquisitions during period (*)	215	163	1	378
Disposals during period	(2)	-	-	(2)
Currency translation differences	-	(100)	(122)	(222)
Changes in scope and other	10	47	1	58
	34,012	**5,547**	**2,320**	**41,879**
Grants received	(2)	-	(2)	(4)
30/06/2020	**34,010**	**5,547**	**2,318**	**41,875**
Amortisation and impairment losses				
01/01/2019	**(12,548)**	**(612)**	**(264)**	**(13,424)**
Amortisation during period	(1,087)	(170)	(71)	(1,329)
Impairment losses	-	(14)	-	(14)
Disposals during period	-	1	-	1
Currency translation differences	-	(5)	(3)	(8)
Other movements	(14)	(4)	(7)	(24)
31/12/2019	**(13,649)**	**(804)**	**(345)**	**(14,798)**
Amortisation during period	(559)	(88)	(39)	(687)
Impairment losses	-	(7)	-	(7)
Disposals during period	-	-	-	-
Currency translation differences	-	5	10	15
Other movements	(7)	(2)	(1)	(9)
30/06/2020	**(14,215)**	**(897)**	**(374)**	**(15,486)**
Net				
01/01/2019	**20,379**	**4,639**	**2,101**	**27,118**
31/12/2019	**20,141**	**4,633**	**2,095**	**26,869**
30/06/2020	**19,795**	**4,650**	**1,944**	**26,389**

(*) Including capitalised borrowing costs.

Acquisitions in the period totalled €378 million, as opposed to €464 million in the first half of 2019.
They include investments by VINCI Airports for €159 million (€87 million in the first half of 2019), by the ASF group for €103 million (€178 million), by Cofiroute for €63 million (€72 million) and by Arcos for €34 million (€107 million).

Concession intangible assets include assets under construction for a gross amount of €1,529 million at 30 June 2020 (€1,517 million at 30 June 2019). These relate mainly to subsidiaries of VINCI Autoroutes (€1,179 million including €486 million for Arcos, €322 million for ASF, €258 million for Cofiroute and €113 million for Escota) and of VINCI Airports for €347 million.

At 30 June 2020, concession intangible assets related to VINCI Airports and VINCI Highways were tested for impairment. No impairment was recognised as a result.

The main features of concession and PPP contracts are set out in Note F "Concessions business: PPP contracts, concession contracts and other infrastructure" in the 2019 universal registration document.

13. PPP financial receivables (controlled companies)

PPP financial receivables related to concession and PPP contracts managed by the Group are presented on the consolidated balance sheet, for their part at more than one year, under the "Other non-current financial assets" item (see Note E.11 "Other non-current financial assets").

During the period, the change broke down as follows:

(in € millions)	First half 2020	Full year 2019
Beginning of period	**207**	**172**
Acquisitions during period	14	49
Impairment losses	-	-
Redemptions	(9)	(15)
Other movements and currency translation differences	(1)	-
End of period	**210**	**207**

The part at less than one year is included in the balance sheet under "Other current financial assets". At 30 June 2020, it amounted to €7 million (€6 million at 31 December 2019).

14. Off-balance sheet commitments in the Concessions business

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

Contractual investment and renewal obligations

(in € millions)	30/06/2020	31/12/2019
ASF group	928	1,024
Cofiroute	685	762
Belgrade airport (Serbia)	328	441
ANA group (Portugal)	184	220
Arcos	123	143
Cambodia Airports	121	132
Lamsac (Peru)	105	127
ADL - Aéroports de Lyon	37	36
Société Concessionnaire Aéroport du Grand Ouest (Scago)	35	35
London Gatwick Airport (United Kingdom)	29	96
Other	29	44
Total	**2,602**	**3,060**

Contractual investment obligations of motorway concession companies consist mainly of undertakings made under concession contracts, multi-year master contracts as part of the 2015 motorway stimulus plan and the motorway investment plan approved in 2018. Progress with works by VINCI Autoroutes companies in the first half of 2020 led to a €194 million reduction in their commitments to €1,736 million at 30 June 2020.

Progress with works in Belgrade and London Gatwick Airports lead to reduce their investment commitments by €113 million and €67 million respectively in the first half of 2020.

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

Collateral security connected with financing

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

(in € millions)	Start date	End date	Amount
London Gatwick Airport	2011	2049	2,613
Arcour	2008	2047	646
Aerodom	2017	2029	358
Lamsac	2016	2037	355
ADL - Aéroports de Lyon	2016	2032	225
Belgrade airport	2018	2035	188
Gefyra	1997	2029	177
Arcos	2018	2045	67
Caraibus	2015	2035	65
Other concession operating companies			124

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

Contractual investment obligations

At 30 June 2020, the Group's share of investment commitments given by these companies amounted to €393 million (€529 million at 31 December 2019). They relate mainly to projects involving infrastructure under construction in the Concessions business, the Via 40 Express motorway between the cities of Bogotá and Girardot in Colombia (€193 million), a section of the A7 motorway in Germany (€63 million) and Santiago airport in Chile (€42 million).

The €136 million decrease in these commitments during the period was due to progress with works carried out on these projects.

Collateral security connected with financing

Collateral security has been granted in the form of pledges of shares in companies accounted for under the equity method.
The net carrying amount of the shares pledged at 30 June 2020 was €39 million and included shares in WVB East End Partners (the company holding the concession for the Ohio River Bridges – East End Crossing project in the United States) for €20 million, SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €10 million and Synerail (GSM-Rail public-private partnership contract) for €9 million.

Funding commitments

The Group has made commitments to provide funding (capital and/or subordinated loans) to companies accounted for under the equity method. At 30 June 2020, those commitments amounted to €49 million (€85 million at 31 December 2019). They mainly concern the company holding the concession for Santiago airport in Chile for €30 million at 30 June 2020 (€39 million at 31 December 2019).

G. Other balance sheet items and business-related commitments

15. Property, plant and equipment and other intangible assets

15.1 Other intangible assets

(in € millions)	Patents and licenses	Software	Other intangible assets	Total
Gross				
31/12/2019	253	551	7,221	8,026
30/06/2020	252	569	6,559	7,380
Amortisation and impairment losses				
31/12/2019	(46)	(450)	(121)	(616)
30/06/2020	(48)	(470)	(124)	(642)
Net				
31/12/2019	**208**	**101**	**7,101**	**7,410**
30/06/2020	**205**	**99**	**6,435**	**6,739**

At 30 June 2020, other intangible assets amounted to €6,739 million (€7,410 million at 31 December 2019). The main change resulted from movements in the sterling exchange rate since 31 December 2019.
Other intangible assets include €6,070 million corresponding to the right to operate London Gatwick Airport at 30 June 2020. Since that right to operate is analogous to a perpetual licence, it is not amortised in accordance with IAS 38 "Intangible assets". Against the background of the Covid-19 crisis, an impairment test was carried out, but no impairment had to be recognised at 30 June 2020.

15.2 Property, plant and equipment

					Right-of-use assets in respect of leases			
(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Concession operating fixed assets	Property (*)	Movable	Total
Gross								
31/12/2019	4,429	1,273	3,465	9,156	16	1,281	1,376	**20,997**
30/06/2020	4,422	1,272	3,408	9,226	16	1,434	1,397	**21,175**
Depreciation and impairment losses								
31/12/2019	(3,197)	(371)	(745)	(5,702)	(5)	(324)	(466)	(10,809)
30/06/2020	(3,299)	(374)	(795)	(5,952)	(7)	(433)	(566)	(11,426)
Net								
31/12/2019	**1,232**	**903**	**2,720**	**3,455**	**11**	**958**	**911**	**10,189**
30/06/2020	**1,122**	**899**	**2,613**	**3,274**	**9**	**1,002**	**832**	**9,750**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Property, plant and equipment includes assets under construction for €998 million at 30 June 2020 (€1,023 million at 31 December 2019).
At 30 June 2020, right-of-use assets in respect of leases totalled €1,842 million, compared with €1,879 million at 31 December 2019.

16. Working capital requirement and current provisions

16.1 Change in working capital requirement

(in € millions)		30/06/2020	30/06/2019	31/12/2019	Changes 30/06/2020 vs. 31/12/2019		
					Changes in operating WCR	Changes in consolidation scope	Other changes (*)
Inventories and work in progress (net)		1,524	1,367	1,434	100	4	(15)
Trade and other receivables		12,902	13,852	14,523	(1,580)	69	(109)
Other current operating assets		5,376	5,258	5,252	79	22	23
Inventories and operating receivables	I	**19,802**	**20,477**	**21,209**	**(1,401)**	**96**	**(101)**
Trade payables		(8,152)	(7,885)	(8,514)	271	(29)	120
Other current operating liabilities		(13,489)	(12,660)	(14,177)	645	(77)	120
Trade and other operating payables	II	**(21,640)**	**(20,545)**	**(22,691)**	**916**	**(106)**	**240**
Working capital requirement (excluding current provisions)	I+II	**(1,838)**	**(68)**	**(1,482)**	**(485)**	**(11)**	**140**
Current provisions		**(4,654)**	**(4,358)**	**(4,741)**	**14**	**(25)**	**98**
of which part at less than one year of non-current provisions		*(116)*	*(198)*	*(193)*	-	-	*77*
Working capital requirement (including current provisions)		**(6,492)**	**(4,426)**	**(6,223)**	**(471)**	**(36)**	**238**

(*) Mainly currency translation differences.

In the context of the Covid-19 crisis, the Group has reviewed its principles for provisioning trade receivables. As a result, impairment on trade receivables include an amount of €80 million for the period, particularly for airlines.

16.2 Breakdown of current provisions

Changes in current provisions reported in the balance sheet for the first half of 2020 and full-year 2019 were as follows:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2019	**4,322**	**1,534**	**(1,339)**	**(196)**	**92**	**42**	**(2)**	**4,452**
Obligation to maintain the condition of concession assets	903	182	(110)	(15)	(14)	-	1	946
After-sales service	391	135	(117)	(12)	(4)	-	3	396
Losses on completion and construction project liabilities	1,346	804	(701)	(66)	37	-	8	1,428
Disputes	513	168	(120)	(32)	2	-	1	533
Restructuring costs	31	18	(14)	(6)	(2)	-	-	27
Other current liabilities	1,035	542	(321)	(56)	15	-	3	1,219
Reclassification of the part at less than one year	234	-	-	-	(24)	(17)	-	193
31/12/2019	**4,452**	**1,849**	**(1,384)**	**(186)**	**11**	**(17)**	**17**	**4,741**
Obligation to maintain the condition of concession assets	946	62	(39)	(13)	(2)	-	(2)	953
After-sales service	396	38	(28)	(1)	1	-	(6)	401
Losses on completion and construction project liabilities	1,428	475	(456)	(9)	6	-	(13)	1,431
Disputes	533	66	(45)	(19)	26	-	(3)	558
Restructuring costs	27	21	(9)	(1)	-	-	-	37
Other current liabilities	1,219	118	(119)	(67)	17	-	(10)	1,158
Reclassification of the part at less than one year	193	-	-	-	-	(76)	(1)	116
30/06/2020	**4,741**	**782**	**(697)**	**(110)**	**49**	**(76)**	**(35)**	**4,654**

Current provisions relating to the operating cycle consist mainly of provisions in respect of construction contracts and provisions for the obligation to maintain the condition of concession assets. In particular, they are intended to cover expenses to be incurred by:

- motorway concession operating companies for road repairs, bridges, tunnels and hydraulic infrastructure. In the first half of 2020, they mainly concern the ASF group for €465 million (€453 million at 31 December 2019) and Cofiroute for €276 million (€269 million at 31 December 2019);
- by airport concession companies (repairs to runways, traffic lanes and other paved surfaces) for €182 million (€194 million at 31 December 2019) including €74 million for the ANA group (€85 million at 31 December 2019).

Provisions for other current liabilities are mainly consisting of individual provisions with a value of less than €2 million each. they include also provisions for worksite restoration and removal costs for €193 million (€195 million at 31 December 2019).

17. Non-current provisions

Changes in other non-current provisions (excluding employee benefits) reported in the balance sheet were as follows in the first half of 2020 and full-year 2019:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2019	**1,053**	**169**	**(155)**	**(29)**	**139**	**(42)**	**1**	**1,135**
Financial risks	826	20	(13)	-	145	-	-	978
Other liabilities	544	120	(81)	(58)	30	-	2	557
Reclassification of the part at less than one year	(234)	-	-	-	24	17	-	(193)
31/12/2019	**1,135**	**140**	**(94)**	**(59)**	**199**	**17**	**2**	**1,341**
Financial risks	978	31	(5)	-	87	-	-	1,090
Other liabilities	557	17	(13)	(1)	(262)	-	(5)	292
Reclassification of the part at less than one year	(193)	-	-	-	-	76	1	(116)
30/06/2020	**1,341**	**48**	**(18)**	**(1)**	**(175)**	**76**	**(4)**	**1,266**

Provisions for financial risks

Provisions for financial risks include the Group's share of the negative net equity of companies accounted for under the equity method. That negative net equity results from the measurement of interest rate derivative instruments (cash flow hedges) at fair value in the financial statements of the companies concerned.

Provisions for other liabilities

Provisions for other liabilities, not directly linked to the operating cycle, include provisions for disputes and arbitration, some of which are described in Note K.29 "Note on litigation".

18. Lease liabilities

At 30 June 2020, lease liabilities amounted to €1,827 million, including €1,337 million for the part at more than one year and €490 million for the part at less than one year.

The net decrease of €35 million during the period breaks down as follows:

- new lease liabilities: €260 million;
- repayments of lease liabilities: negative amount of €275 million;
- other changes: negative amount of €20 million.

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

19.1 Other contractual obligations of an operational nature

(in € millions)	30/06/2020	31/12/2019
Purchase and capital expenditure obligations (*)	593	538
Obligations related to quarrying rights	113	119

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

Purchase and capital expenditure obligations, excluding those relating to concession contracts, mainly concern VINCI Immobilier, Eurovia and VINCI Energies. VINCI Immobilier's investment commitments also include the commitment to buy the remaining shares in Urbat after it acquired a 49% stake in February 2019.
Commitments include the Group's investment obligations under public-private partnership contracts managed by the Contracting business.

Obligations related to quarry operations include quarrying rights and quarry leases, which mainly concern Eurovia.

19.2 Other commitments made and received

(in € millions)	30/06/2020	31/12/2019
Other commitments made	1,079	1,119
Other commitments received	376	361

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

The Group's off-balance sheet commitments are subject to specific reporting at each full-year and half-year closing.
They are presented according to the activity to which they relate, in the corresponding notes.

Accordingly, the commitments made and received by the Group in connection with concession contracts, construction contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:
- Note F.14 "Off-balance sheet commitments in the Concessions business";
- J.26 "Provisions for employee benefits".

Commitments made and received by the Group in connection with construction and service contracts and are detailed in Note G.16.3 of the 2019 universal registration document.

H. Equity

20. Information on equity

Capital management policy

VINCI has a share repurchase programme approved in its Shareholders' General Meeting of 17 April 2019 and a new programme approved in the Shareholders' General Meeting of 18 June 2020 for a period of 18 months, with a maximum purchase amount of €2 billion at a maximum share price of €130. In the first quarter of 2020, almost 3.5 million shares were bought at an average price of €96.09, for a total of €335 million.

Treasury shares (see Note H.20.2 "Treasury shares") are allocated to financing external growth transactions and to covering performance share plans and the employer contributions to international employee share ownership plans. They may also be cancelled.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 30 June 2020, over 55% of the Group's employees were VINCI shareholders, through unit funds invested in VINCI shares. Since those funds own 8.54% of the company's shares, the Group's current and former employees form its largest group of shareholders.

Neither the Group's consolidated equity nor the equity of parent company VINCI SA is subject to any external constraints in the form of financial covenants.

20.1 Share capital

At 30 June 2020, the parent company's share capital was represented by 606,212,714 ordinary shares of €2.5 nominal value each.

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

	30/06/2020	31/12/2019
Number of shares at beginning of period	**605,237,689**	**597,515,984**
Increases in share capital	975,025	7,721,705
Number of shares at end of period	**606,212,714**	**605,237,689**
Number of shares issued and fully paid	606,212,714	605,237,689
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	51,492,166	50,491,699
of which shares allocated to covering performance share plans and employee share ownership plans	*22,329,211*	*21,328,744*

20.2 Treasury shares

Changes in treasury shares were as follows:

	30/06/2020	31/12/2019
Number of shares at beginning of period	**50,491,699**	**42,749,600**
Purchases of shares	3,482,269	10,104,964
Allocation of 2016 performance shares to employees	778	(2,009,323)
Allocation of 2017 performance shares to employees	(2,139,259)	(900)
Allocation of 2018 performance shares to employees	(1,200)	(900)
Allocation of 2019 performance shares to employees	(1,200)	(1,050)
Employer contribution in connection with the Castor International plan	(340,921)	(350,692)
Number of shares at end of period	**51,492,166**	**50,491,699**

At 30 June 2020, the total number of treasury shares held was 51,492,166. These were recognised as a deduction from consolidated equity for €3,231 million.
A total of 22,329,211 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 29,162,955 shares are intended to be used as payment in external growth transactions or to be sold.

20.3 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

(in € millions)		30/06/2020 Attributable to owners of the parent	30/06/2020 Attributable to non-controlling interests	30/06/2020 Total	31/12/2019 Attributable to owners of the parent	31/12/2019 Attributable to non-controlling interests	31/12/2019 Total
Hedging costs							
Reserve at beginning of period		**(7)**	**-**	**(7)**	**2**	**-**	**2**
Gross reserve before tax effect at balance sheet date	**I**	**(14)**	**-**	**(14)**	**(7)**	**-**	**(7)**
Cash flow hedge and net investment hedges							
Reserve at beginning of period		**(1,002)**	**-**	**(1,002)**	**(663)**	**-**	**(664)**
Changes in fair value of companies accounted for under the equity method		(79)	-	(79)	(121)	-	(121)
Other changes in fair value in the period		2	-	2	(277)	-	(277)
Fair value items recognised in profit or loss		36	-	36	62	-	62
Changes in consolidation scope and miscellaneous		-	-	-	(3)	-	(3)
Gross reserve before tax effect at balance sheet date	**II**	**(1,043)**	**-**	**(1,043)**	**(1,002)**	**-**	**(1,002)**
of which gross reserve relating to companies accounted for under the equity method		*(751)*	-	*(751)*	*(671)*	-	*(671)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**(1,057)**	**-**	**(1,057)**	**(1,008)**	**-**	**(1,009)**
Associated tax effect		314	-	314	233	-	233
Reserve net of tax (items that may be recycled to income)	**III**	**(743)**	**-**	**(743)**	**(775)**	**-**	**(776)**
Equity instruments							
Reserve at beginning of period		**-**	**-**	**-**	**1**	**-**	**1**
Reserve net of tax at end of period	**IV**	**(1)**	**-**	**(1)**	**-**	**-**	**-**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(589)**	**(17)**	**(606)**	**(367)**	**-**	**(367)**
Actuarial gains and losses recognised in the period		(6)	(29)	(36)	(295)	(20)	(315)
Associated tax effect		(7)	6	(1)	73	4	77
Changes in consolidation scope and miscellaneous		-	-	-	-	-	(1)
Reserve net of tax at end of period	**V**	**(602)**	**(40)**	**(642)**	**(589)**	**(17)**	**(606)**
Total reserve net of tax (items that may not be recycled to income)	**IV+V**	**(603)**	**(40)**	**(643)**	**(589)**	**(17)**	**(606)**
Total amounts recognised directly in equity	**III+IV+V**	**(1,346)**	**(40)**	**(1,386)**	**(1,364)**	**(17)**	**(1,381)**

The amounts recorded directly in equity relate to cash flow hedging transactions (negative effect of €1,043 million, comprising a negative effect of €1,170 million relating to cash flow hedges and a positive effect of €127 million relating to net investment hedges) and actuarial gains and losses on retirement benefit obligations (negative effect of €602 million).

Transactions relating to the hedging of interest rate risk had a negative effect of €1,146 million, comprising:

- a negative effect of €411 million concerning fully consolidated subsidiaries, including VINCI SA (negative effect of €272 million) and VINCI Autoroutes (negative effect of €89 million);
- a negative effect of €735 million relating to companies accounted for under the equity method, mainly relating to LISEA (negative effect of €463 million) and other companies managing infrastructure projects on a PPP or concession basis.

These transactions are described in Note J.27.1.2 "Cash flow hedges" in the 2019 universal registration document.

20.4 Non-controlling interests

The only subsidiary in which non-controlling interests are material is the holding company that indirectly owns a 50.01% stake in London Gatwick Airport. At 30 June 2020, they amounted to €1,581 million (€1,960 million at 31 December 2019).

21. Dividends

In the 18 June 2020 Shareholders' General Meeting, shareholders approved a dividend payment of €2.04 per share with respect to 2019. Since an interim dividend of €0.79 was paid in November 2019, the final dividend amounts to €1.25 per share. Shareholders can elect, between 25 June and 9 July 2020, to receive the final dividend either in cash or in new VINCI shares at a price of €78.71 per share.

Of a total of 554,379,328 shares with dividend rights, shareholders elected to receive payment in new shares in respect of 336,226,351 existing shares, and in cash in respect of 218,152,977 existing shares. Of the liability representing the total dividend to be paid (€693 million), the liability relating to the dividend to be paid in cash (€273 million) was recognised under other current financial liabilities, and that relating to the dividend to be paid in shares (€420 million) under other current non-operating liabilities. These dividends are to be paid on 16 July 2020.

Dividends paid by VINCI SA to its shareholders in respect of 2019 and 2018 break down as follows:

	2019	2018
Dividend per share *(in €)*		
Interim dividend	0.79	0.75
Final dividend	1.25	1.92
Net total dividend	**2.04**	**2.67**
Amount of dividend *(in € millions)*		
Interim dividend	440	417
Final dividend	693 (*)	1,065
Net total dividend	**1,133**	**1,482**

(*) Of which €273 million to be paid in cash.

I. Financing and financial risk management

22. Net financial debt

At 30 June 2020, net financial debt, as defined by the Group, stood at €22.1 billion, up €488 million compared with 31 December 2019. It breaks down as follows:

Analysis by accounting heading	*(in € millions)*		30/06/2020 Non-current	30/06/2020 Current (*)	30/06/2020 Total	31/12/2019 Non-current	31/12/2019 Current (*)	31/12/2019 Total
Financial liabilities at amortised cost	Bonds		(23,150)	(1,402)	(24,552)	(23,300)	(1,795)	(25,094)
	Other bank loans and other financial debt		(3,267)	(883)	(4,150)	(3,075)	(630)	(3,705)
	Long-term financial debt (**)		**(26,418)**	**(2,284)**	**(28,702)**	**(26,374)**	**(2,425)**	**(28,799)**
	Commercial paper		-	(1,191)	(1,191)	-	(800)	(800)
	Other current financial liabilities		-	(324)	(324)	-	(50)	(50)
	Bank overdrafts		-	(418)	(418)	-	(911)	(911)
	Financial current accounts - liabilities		-	(43)	(43)	-	(31)	(31)
	I - Gross financial debt		**(26,418)**	**(4,260)**	**(30,678)**	**(26,374)**	**(4,217)**	**(30,591)**
	of which impact of fair value hedges		*(1,230)*	*(16)*	*(1,246)*	*(889)*	*(10)*	*(898)*
	of which effect of recognising London Gatwick's debt at fair value		*(464)*	*-*	*(464)*	*(516)*	*-*	*(516)*
Financial assets at amortised cost	Loans and collateralised financial receivables		4	-	4	4	-	4
	Financial current accounts, assets		-	74	74	-	47	47
Financial assets measured at fair value through profit or loss	Cash management financial assets		-	83	83	-	239	239
	Cash equivalents		-	1,619	1,619	-	3,083	3,083
	Cash		-	5,990	5,990	-	5,174	5,174
	II - Financial assets		**4**	**7,766**	**7,770**	**4**	**8,543**	**8,548**
Derivatives	Derivative financial instruments – liabilities		(543)	(428)	(972)	(473)	(399)	(872)
	Derivative financial instruments – assets		1,407	331	1,738	1,051	210	1,261
	III - Derivative financial instruments		**864**	**(98)**	**766**	**579**	**(189)**	**390**
	Net financial debt	**I+II+III**	**(25,550)**	**3,408**	**(22,142)**	**(25,791)**	**4,137**	**(21,654)**
	Net financial debt breaks down by business as follows:							
	Concessions		*(36,183)*	*2,406*	*(33,777)*	*(35,783)*	*1,831*	*(33,952)*
	Contracting		*(3,911)*	*3,205*	*(706)*	*(4,093)*	*3,924*	*(168)*
	Holding companies and VINCI Immobilier		*14,544*	*(2,203)*	*12,340*	*14,084*	*(1,618)*	*12,466*

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

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

Derivative financial instruments that are not designated as hedges for accounting purposes are reported as "Derivative financial instruments – current assets" or "Derivative financial instruments – current liabilities", whatever their maturity dates.

Change in net financial debt

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Changes in consolidation scope	Exchange rate effect	Changes in fair value	Other changes	Total "non-cash"	Ref.	Closing
Bonds	(23,300)	(937)	(3)	-	329	(341)	1,099	1,086	(4)	(23,150)
Other loans and borrowings	(3,075)	(313)	(3)	(5)	53	-	72	120	(4)	(3,267)
Current borrowings	(4,217)	1,313	-	(21)	31	(6)	(1,360)	(1,356)	-	(4,260)
of which the part at less than one year of long-term debts	*(2,042)*	*1,194*	*(3)*	*(1)*	*37*	*(6)*	*(1,173)*	*(1,145)*	*(4)*	*(1,993)*
of which current financial debts at inception	*(881)*	*(360)*	*(2)*	*(4)*	*(36)*	*-*	*(276)*	*(316)*	*(4)*	*(1,557)*
of which accrued interest on bank debts	*(384)*	*-*	*(4)*	*-*	*6*	*-*	*85*	*91*	*(4)*	*(293)*
of which bank overdrafts	*(911)*	*479*	*(1)*	*(15)*	*24*	*-*	*5*	*14*	*(1)*	*(418)*
Collateralised loans and receivables	4	1	(4)	-	(1)	-	-	(1)	(4)	4
Cash management financial assets	287	(125)	-	1	-	-	(5)	(4)	-	157
of which cash management financial assets (excluding accrued interest)	*286*	*(125)*	*(2)*	*1*	*-*	*-*	*(5)*	*(4)*	*(4)*	*157*
of which accrued interest on cash management assets	*-*	*-*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*-*
Cash and cash equivalents	8,257	(584)	(1)	26	(94)	-	4	(64)	(1)	7,609
Derivative financial instruments	390	48	-	-	226	135	(33)	328	-	766
of which fair value of derivatives	*265*	*48*	*(3)*	*-*	*226*	*135*	*-*	*362*	*(4)*	*675*
of which accrued interest on derivatives	*125*	*-*	*(4)*	*-*	*-*	*-*	*(33)*	*(33)*	*(4)*	*92*
Net financial debt	**(21,654)**	**(598)**	*(5)*	**2**	**544**	**(213)**	**(224)**	**110**	*(5)*	**(22,142)**

Comments regarding cash flows in the period (outflow of €598 million) can be found in the management report (see Note 4 "Cash flows" and Note 5 "Balance sheet and net financial debt"). New bond issues and drawings on credit facilities cover repayments of maturing long-term debts. Non-cash changes in net financial debt during the period (a €110 million reduction in debt) comprise the recognition of €273 million of liabilities relating to the portion of VINCI's final dividend for 2019 to be paid in cash on 16 July 2020, and exchange differences relating to long-term liabilities in foreign currencies.

The table below reconciles changes in net financial debt with the cash flow statement.

Reconciliation of net financial debt with financing flows shown in the cash flow statement

(in € millions)	Ref.	30/06/2020
Change in net cash	(1)	(156)
Change in cash management assets and other current financial debts	(2)	(485)
(Proceeds from)/repayment of loans	(3)	(9)
Other changes	(4)	161
Change in net financial debt	(5)	(488)

22.1 Detail of long-term financial debt by business

The breakdown of net long-term financial debt (including the part at less than one year) by business at 30 June 2020 was as follows:

	30/06/2020				31/12/2019			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Bonds	(18,093)	-	(6,459)	(24,552)	(18,054)	-	(7,040)	(25,094)
Other bank loans and other financial debt	(3,778)	(117)	(255)	(4,150)	(3,338)	(112)	(255)	(3,705)
Long-term financial debt	**(21,870)**	**(117)**	**(6,715)**	**(28,702)**	**(21,392)**	**(113)**	**(7,295)**	**(28,799)**

At 30 June 2020, long-term net financial debt amounted to €28.7 billion, down €0.1 billion compared with the 31 December 2019 figure of €28.8 billion. The change results from the following transactions:

- in March, VINCI SA redeemed €750 million of bonds issued in 2012 with a coupon of 3.375%;
- in April, ASF redeemed €650 million of bonds issued in 2010 with a coupon of 4.125% and, in the second quarter of 2020, European Investment Bank loans totalling €55 million;
- in May, as part of its EMTN programme, Cofiroute issued €950 million of bonds with an 11-year maturity and a 1% coupon;
- in April, London Gatwick Airport arranged a 12-month £300 million credit facility with two six-month extension options, which was 100% drawn at 30 June 2020, along with a £300 million revolving credit facility that was also fully drawn at 30 June 2020 (£85 million at 31 December 2019).

Maturity of debts

At 30 June 2020, the weighted average maturity of the Group's long-term financial debt was 8 years (8.1 years at 31 December 2019). The average maturity was 8.2 years in Concession subsidiaries, 7.5 years for holding companies and VINCI Immobilier, and 1.8 years in Contracting.

22.2 Credit ratings and financial covenants

Credit ratings

At 30 June 2020, the Group's credit ratings were as follows:

		Rating		
	Agency	**Long term**	**Outlook**	**Short term**
VINCI SA	Standard & Poor's	A-	Stable	A2
	Moody's	A3	Stable	P1
ASF	Standard & Poor's	A-	Stable	A2
	Moody's	A3	Stable	-
Cofiroute	Standard & Poor's	A-	Stable	A2
Gatwick Funding Limited (*)	Standard & Poor's	BBB	Negative	-
	Moody's	Baa1	Negative	-
	Fitch	BBB +	Negative	-

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

Changes since the 31 December 2019 are the followings:

- Downgrade of the Standard & Poor's outlook rating from Positive to Stable for VINCI SA, ASF and Cofiroute;
- Downgrade of the Standard & Poor's rating from BBB + to BBB and downgrade of the Standard & Poor's, Moody's and Fitch outlook from Stable to Negative for London Gatwick Airport.

Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios, particularly that relating to London Gatwick Airport, which refers to two ratios:

- the "Senior Interest Cover ratio", based on operating cash flow, which must be over 1.10;
- the "Senior Regulatory Asset Base ratio", based on financial debt, which must be lower than 0.85.

Some finance agreements entered into by Group entities provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger a demand for early repayment.

In the context of the Covid-19 crisis, the Group paid particular attention to finance agreements that could give rise to risks of it failing to comply with financial ratios in the short and medium term. At 30 June 2020, the Group complied with the financial ratios in question.

For some agreements, discussions were initiated with the counterparties in order to renegotiate the ratios or arrange a grace period covering the next few accounts closing dates.

23. Net cash managed and available resources

At 30 June 2020, the Group's available resources amounted to €18.3 billion including commercial paper, comprising €5.8 billion of net cash managed, €1.2 billion of commercial paper and €11.3 billion of unused confirmed bank credit facilities.

23.1 Net cash managed

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

	30/06/2020			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**220**	**103**	**1,296**	**1,619**
Marketable securities and mutual funds (UCITS)	-	1	-	1
Negotiable debt securities with an original maturity of less than 3 months (*)	220	102	1,296	1,618
Cash	**1,037**	**1,751**	**3,202**	**5,990**
Bank overdrafts	**(11)**	**(339)**	**(68)**	**(418)**
Net cash and cash equivalents	**1,245**	**1,515**	**4,430**	**7,190**
Cash management financial assets	**40**	**42**	**1**	**83**
Marketable securities and mutual funds (UCITS) (**)	-	-	-	-
Negotiable debt securities and bonds with an original maturity of less than 3 months	7	32	1	39
Negotiable debt securities and bonds with an original maturity of more than 3 months	34	10	-	44
Commercial paper issued	**-**	**-**	**(1,191)**	**(1,191)**
Other current financial liabilities	**(9)**	**(43)**	**(273)(***)**	**(324)**
Balance of cash management current accounts	**3,576**	**1,741**	**(5,286)**	**31**
Net cash managed	**4,853**	**3,255**	**(2,319)**	**5,790**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.
(***) Liability relating to the VINCI final dividend with respect to 2019, which will be paid on 16 July 2020.

	31/12/2019			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**305**	**99**	**2,680**	**3,083**
Marketable securities and mutual funds (UCITS)	-	13	983	996
Negotiable debt securities with an original maturity of less than 3 months (*)	305	86	1,696	2,087
Cash	**845**	**2,527**	**1,801**	**5,174**
Bank overdrafts	**(3)**	**(817)**	**(91)**	**(911)**
Net cash and cash equivalents	**1,146**	**1,809**	**4,390**	**7,346**
Cash management financial assets	**37**	**56**	**146**	**239**
Marketable securities and mutual funds (UCITS) (**)	-	43	145	188
Negotiable debt securities and bonds with an original maturity of less than 3 months	32	1	1	33
Negotiable debt securities and bonds with an original maturity of more than 3 months	5	12	-	17
Commercial paper issued	**-**	**-**	**(800)**	**(800)**
Other current financial liabilities	**(8)**	**(41)**	**-**	**(50)**
Balance of cash management current accounts	**2,425**	**2,156**	**(4,564)**	**16**
Net cash managed	**3,600**	**3,981**	**(829)**	**6,751**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

The investment vehicles used by the Group are money market UCITS, interest earning accounts, term deposits and negotiable debt securities (certificates of deposit generally with a maturity of less than three months). They are measured and recognised at their fair value.

At 30 June 2020, net cash managed by VINCI SA amounted to €2.0 billion, arising mainly from the cash surpluses transferred upwards from French subsidiaries through a cash pooling system. VINCI Finance International, a wholly owned subsidiary of VINCI SA that centralises the cash surpluses of foreign subsidiaries, managed cash investments of €0.9 billion at 30 June 2020.
This centralisation enables the management of financial resources to be optimised at Group level and the risks relating to the counterparties and investment vehicles used to be better managed.

Some subsidiaries' cash investments are managed in a decentralised manner while complying with the guidelines and instructions issued by VINCI, which define aspects such as the investment vehicles and the counterparties authorised. The investments amounted to €2.9 billion at 30 June 2020, including €1.3 billion for the Concessions business and €1.5 billion for the Contracting business.

23.2 Other available resources

Revolving credit facilities

VINCI has a €8 billion confirmed syndicated revolving loan facility due to expire in November 2024 after an initial extension option was exercised in November 2019. The facility includes a second one-year extension option at the lenders' discretion. In addition, in early April 2020, VINCI arranged a €2.4 billion short-term credit facility, increased by €0.9 billion in early May, due to expire in October 2020 and featuring two 3-month extension options, each at VINCI's discretion. Those facilities do not contain any default clause relating to non-compliance with financial ratios and were unused at 30 June 2020.

Commercial paper

VINCI SA has a €5 billion commercial paper programme rated A2 by Standard & Poor's and P1 by Moody's. At 30 June 2020, VINCI SA had made use of its programme in an amount of €1.2 billion.

24. Financial risk management

The Group's policies and procedures for managing financial risk are identical to those described in Note J.27 "Financial risk management" in the 2019 universal registration document. Transactions to set up or unwind hedging instruments during the first-half period did not materially alter VINCI's exposure to financial risks.
The main risks – interest rate risk, foreign exchange risk, credit and counterparty risk and equity risk – are described in paragraphs 27.1, 27.2, 27.3 and 27.4 respectively of the 2019 universal registration document.

Against the background of the Covid-19 crisis, the Group deeply analysed its hedge relationships to ensure that the hedged cash flows remained highly probable.

The main interest-rate exposures hedged by the Group concern financing arranged by VINCI SA, ASF and Cofiroute. The Group does not expect any change in the timing or amount of the hedged cash flows relating to this financing.
The other hedged exposures concern project financing; hedges of exposures that show a risk of a change in the repayment schedule have been adjusted to maintain perfect matching.

As part of its credit risk management, VINCI defines rating-based exposure limits for each counterparty, which enables it to limit its risk.

25. Book and fair value of financial instruments by accounting category

The method of measuring the fair value of financial assets and liabilities was not altered in the first half of 2020.
The following table shows the carrying amount and fair value of financial assets and liabilities in the balance sheet by accounting category as defined in IFRS 9:

30/06/2020	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	**Total net book value of the class**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Fair value of the class**
Equity instruments	-	-	100	9	-	-	109	1	-	108	109
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,295	-	1,295	-	1,295	-	1,295
I - Non-current financial assets (*)	**-**	**-**	**100**	**9**	**1,295**	**-**	**1,405**	**1**	**1,295**	**108**	**1,405**
II - Derivative financial instruments – assets	**163**	**1,585**	**-**	**-**	**-**	**-**	**1,748**	**-**	**1,748**	**-**	**1,748**
Cash management financial assets	-	-	83	-	-	-	83	-	83	-	83
Financial current accounts - assets	-	-	-	-	74	-	74	74	-	-	74
Cash equivalents	-	-	1,619	-	-	-	1,619	1	1,618 (**)	-	1,619
Cash	-	-	5,990	-	-	-	5,990	5,990	-	-	5,990
III - Current financial assets	**-**	**-**	**7,692**	**-**	**74**	**-**	**7,766**	**6,065**	**1,701**	**-**	**7,766**
Total assets	**163**	**1,585**	**7,792**	**9**	**1,370**	**-**	**10,919**	**6,066**	**4,745**	**108**	**10,919**
Bonds						(24,552)	(24,552)	(23,596)	(1,293)	-	(24,889)
Other bank loans and other financial debt						(4,150)	(4,150)	-	(4,273)	-	(4,273)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,702)**	**(28,702)**	**(23,596)**	**(5,566)**	**-**	**(29,162)**
V - Derivative financial instruments – liabilities	**(402)**	**(576)**	**-**	**-**	**-**	**-**	**(978)**	**-**	**(978)**	**-**	**(978)**
Other current financial liabilities						(1,515)	(1,515)	-	(1,515)	-	(1,515)
Financial current accounts - liabilities						(43)	(43)	(43)	-	-	(43)
Bank overdrafts						(418)	(418)	(418)	-	-	(418)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(1,976)**	**(1,976)**	**(461)**	**(1,515)**	**-**	**(1,976)**
Total liabilities	**(402)**	**(576)**	**-**	**-**	**-**	**(30,678)**	**(31,657)**	**(24,057)**	**(8,060)**	**-**	**(32,117)**
Total	**(239)**	**1,009**	**7,792**	**9**	**1,370**	**(30,678)**	**(20,738)**	**(17,991)**	**(3,315)**	**108**	**(21,198)**

(*) See Notes E.11. Other non-current financial assets and F.13. PPP financial receivables (controlled companies).
(**) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.

The table below shows the carrying amount and fair value of financial assets and liabilities as reported at 31 December 2019 by accounting category as defined by IFRS 9:

31/12/2019	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	**Total net book value of the class**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Fair value of the class**
Equity instruments	-	-	152	7	-	-	158	1	-	157	158
Financial assets at amortised cost and PPP	-	-	-	-	1,366	-	1,366	-	1,366	-	1,366
I - Non-current financial assets (*)	**-**	**-**	**152**	**7**	**1,366**	**-**	**1,525**	**1**	**1,366**	**157**	**1,525**
II - Derivative financial instruments – assets	**208**	**1,058**	**-**	**-**	**-**	**-**	**1,266**	**-**	**1,266**	**-**	**1,266**
Cash management financial assets	-	-	239	-	-	-	239	188	51	-	239
Financial current accounts - assets	-	-	-	-	47	-	47	47	-	-	47
Cash equivalents			3,083				3,083	996	2,087 (**)	-	3,083
Cash			5,174				5,174	5,174	-	-	5,174
III - Current financial assets	**-**	**-**	**8,496**	**-**	**47**	**-**	**8,543**	**6,405**	**2,138**	**-**	**8,543**
Total assets	**208**	**1,058**	**8,648**	**7**	**1,414**	**-**	**11,334**	**6,406**	**4,771**	**157**	**11,334**
Bonds	-	-	-	-	-	(25,094)	(25,094)	(25,012)	(1,407)	-	(26,419)
Other bank loans and other financial debt	-	-	-	-	-	(3,705)	(3,705)	-	(3,779)	-	(3,779)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,799)**	**(28,799)**	**(25,012)**	**(5,186)**	**-**	**(30,198)**
V - Derivative financial instruments – liabilities	**(496)**	**(380)**	**-**	**-**	**-**	**-**	**(876)**	**-**	**(876)**	**-**	**(876)**
Other current financial liabilities	-	-	-	-	-	(850)	(850)	-	(850)	-	(850)
Financial current accounts - liabilities	-	-	-	-	-	(31)	(31)	(31)	-	-	(31)
Bank overdrafts	-	-	-	-	-	(911)	(911)	(911)	-	-	(911)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(1,792)**	**(1,792)**	**(942)**	**(850)**	**-**	**(1,792)**
Total liabilities	**(496)**	**(380)**	**-**	**-**	**-**	**(30,591)**	**(31,468)**	**(25,954)**	**(6,912)**	**-**	**(32,867)**
Total	**(288)**	**678**	**8,648**	**7**	**1,414**	**(30,591)**	**(20,134)**	**(19,548)**	**(2,141)**	**157**	**(21,532)**

(*) See Notes E.11. Other non-current financial assets and F.13. PPP financial receivables (controlled companies).
(**) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.

J. Employee benefits and share-based payments

26. Provisions for employee benefits

26.1 Provisions for retirement benefit obligations

At 30 June 2020, provisions for retirement benefit obligations amounted to €1,884 million (including €1,828 million at more than one year) compared with €1,860 million at 31 December 2019 (including €1,805 million at more than one year). They comprise provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The increase in the first half of 2020 arose mainly from the fall in discount rates in the United Kingdom.
The part at less than one year of these provisions (€56 million at 30 June 2020 and €55 million at 31 December 2019) is reported under "Other current non-operating liabilities".

The expense recognised for the first half of 2020 in respect of retirement benefit obligations is half the forecast expense for 2020 determined on the basis of actuarial assumptions at 31 December 2019 and in accordance with IAS 19.
Details of benefits enjoyed by Group employees are provided in Note K.29.1 "Provisions for retirement benefit obligations" in the 2019 universal registration document.

26.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses. At 30 June 2020, these provisions amounted to €124 million (€120 million at 31 December 2019).

27. Share-based payments

The expense relating to employee benefits was €90 million for the first half of 2020 (€100 million in the first half of 2019), including €72 million in respect of performance share plans (€64 million in the first half of 2019) and €18 million in respect of employee savings plans in France and other countries (€36 million in the first half of 2019).

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

27.1 Performance shares

Information on changes in performance share plans currently in force

	30/06/2020	31/12/2019
Number of shares granted subject to performance conditions at beginning of period	**6,990,596**	**6,733,994**
Shares granted	2,365,032	2,453,497
Shares acquired by beneficiaries	(2,141,659)	(2,012,173)
Shares cancelled	(155,307)	(184,722)
Number of shares granted subject to performance conditions not vested at end of period	**7,058,662**	**6,990,596**

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

Plan	Plan granted on 17/04/2020	Plan granted on 17/04/2019	Plan granted on 17/04/2018	Plan granted on 20/04/2017
Original number of beneficiaries	3,529	3,271	2,947	2,537
Vesting date of the shares granted	09/04/2023	17/04/2022	17/04/2021	20/04/2020
Number of shares granted subject to performance conditions	**2,365,032**	**2,453,497**	**2,349,324**	**2,325,383**
Shares cancelled	-	(28,820)	(76,021)	(183,724)
Shares acquired by beneficiaries	-	(2,250)	(2,100)	(2,141,659)
Number of shares granted subject to performance conditions at end of period	**2,365,032**	**2,422,427**	**2,271,203**	**-**

On 4 February 2020, VINCI's Board of Directors decided to grant definitively 99.69% of performance shares under the 2017 plan (i.e. 2,141,659 shares) to beneficiaries meeting the criterion of continuing presence within the Group (i.e. 2,283 staff members). This ratio is the consequence the external performance criterion was not 100% fulfilled: the difference between VINCI's TSR between 2017 and 2019 and that of the CAC 40 over the same period was 9.69%, less than the 10% required for the 20% portion of performance shares to be granted in full; the internal performance criterion (covering 80% of the grant) was 100% fulfilled.

On 9 April 2020, VINCI's Board of Directors decided to set up a new performance share plan involving conditionally allotting performance shares (2,380,672 shares) to 3,562 employees. They will not be granted definitively until a three-year period has elapsed, subject to beneficiaries being employed by the Group until the end of the vesting period, and subject to the fulfilment of the following performance conditions:

- an internal economic criterion (65% weighting) consisting of the ratio at 31 December 2022 of return on capital employed (ROCE) to the average weighted average cost of capital (WACC), with each of those indicators calculated as an average over the previous three years (2020, 2021 and 2022).
This ratio must be equal to or greater than 1.1 for all performance shares granted to vest. If the ratio is between 1 and 1.1, the number of performance shares that vest will be reduced in proportion and no shares will vest if the ratio is equal to or less than 1.
- an external economic criterion (20% weighting) consisting of the difference, at 31 December 2022, between:
  - the total return on VINCI shares between 1 January 2020 and 31 December 2022;
  - the total return on the CAC 40 index between 1 January 2020 and 31 December 2022.

Total shareholder returns include dividends.
The difference must be equal to or greater than +5% for all performance shares granted to vest.
If the difference is between 0% and +5%, the number of performance shares that vest will be reduced in proportion and no shares will vest if the difference is less than 0%;
- an external environmental criterion (15% weighting) measured by the "Climate Change" rating delivered by CDP Worldwide to VINCI each year in respect of the 2020, 2021 and 2022 financial years.
This rating must be equal to or higher than B on three occasions for all performance shares granted to vest. If the rating is equal to or higher than B on one or two occasions, the number of performance shares that vest will be reduced in proportion and no shares will vest if the rating is less than B on three occasions.

Fair value of the performance share plans

The fair value of the performance shares has been calculated by an external actuary at the respective grant dates of the shares on the basis of the following characteristics and assumptions:

	2020 plan	2019 plan	2018 plan	2017 plan
Price of VINCI share on date plan was announced *(in €)*	76.50	89.68	81.23	73.99
Fair value of performance share at grant date *(in €)*	61.69	74.84	64.12	61.20
Fair value compared with share price at grant date	80.64%	83.45%	78.94%	82.71%
Original maturity (in years) – vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	-0.44%	-0.40%	-0.32%	-0.29%

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

27.2 Group savings plans

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

Group savings plans – France

In France, VINCI ordinarily issues new shares reserved for employees three times a year at a subscription price that includes a 5% discount against the average stock market price over 20 trading days before the Board of Directors meeting that set the subscription price. Subscribers also benefit from an employer contribution with an annual maximum of €3,500 per person. The benefits granted in this way to Group employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

- length of subscription period: four months;
- length of period during which funds are frozen: five years.

In the context of the Covid-19 public health crisis, the subscription period of the first four-month plan has been extended to the end of August 2020 and no new plan was proposed to employees in the first half of 2020.

Group savings plan – international

In the first half of 2020, in accordance with authorisations given to the Board of Directors by the Shareholders' General Meeting, VINCI initiated new savings plans for the employees of certain foreign subsidiaries. Known as Castor International, the plan covered 39 countries in the first half of 2020: Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Cameroon, Canada, Chile, Czech Republic, Dominican Republic, Estonia, Finland, Germany, Greece, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom and United States.

The main characteristics of these plans are as follows:

- subscription period: from 18 May to 5 June 2020 for all countries except the United Kingdom (seven successive periods between March and September 2020);
- employer contribution consisting of bonus shares, with delivery deferred for three years where possible, or with immediate delivery but a three-year vesting period;
- no lock-up period beyond the three-year vesting period for bonus shares.

Castor International plan (excluding the UK)	2020	2019	2018	2017
Subscription price *(in €)*	73.41	88.08	84.50	77.67
Closing share price on the last day of the subscription period *(in €)*	90.32	90.28	84.32	78.01
Anticipated dividend pay-out rate	2.51%	2.60%	2.34%	2.32%
Fair value of bonus shares on the last day of the subscription period *(in €)*	83.78	83.60	78.66	72.83

K. Other notes

28. Related party transactions

The Group's transactions with related parties mainly concern:

- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies over which VINCI exercises significant influence or joint ventures over which VINCI has joint control.

Transactions with related parties are undertaken at market prices.

There was no material change in the first half of 2020 in the nature of transactions conducted by the Group with its related parties from those at 31 December 2019, which were referred to in Note E.10.3 "Controlled subsidiaries' transactions with associates and joint ventures" and Note L.31 "Related-party transactions" in the 2019 universal registration document.

29. Note on litigation

The companies comprising the VINCI Group are sometimes involved in litigation arising from their activities. The related risks are assessed by VINCI and the subsidiaries involved on the basis of their knowledge of the cases, and provisions are taken in consequence as appropriate.

The main legal, administrative or arbitration proceedings that were in progress on or had ended by 30 June 2020 were as follows:

- In relation to the compensation claim commenced by SNCF in March 2011 following the decision handed down on 21 March 2006 by the Conseil de la Concurrence(*) (French competition authority), which penalised several companies for collusion in relation to civil engineering works at the Magenta and Saint Lazare Condorcet stations in Paris (EOLE project), the VINCI Group companies reached a settlement with SNCF in March 2016 for the purpose of ending SNCF's claim against them. On 8 March 2016, the Paris Administrative Court noted the reciprocal discontinuance of proceedings and waiver of rights of action between SNCF Mobilités and all VINCI Group companies involved in these proceedings and dismissed SNCF's claim in respect of the other companies concerned. After SNCF appealed against that decision, the proceedings continued between SNCF and the companies outside the VINCI group, which had nevertheless had recourse to the Group subsidiaries concerned as guarantors. In a decision on 29 December 2017, the Paris Administrative Appeal Court dismissed SNCF's claim and SNCF appealed against that decision to the Conseil d'Etat, which overturned the dismissal on 22 November 2019. In view of the current situation, the VINCI group considers that this dispute will not have a material effect on its financial situation.

- In a judgment handed down on 17 December 2013, the Paris Regional Court declared time-barred and inadmissible a claim by Région Île-de-France's for compensation for the harm it purportedly suffered because of the anti-competitive practices penalised by the Conseil de la Concurrence(*) on 9 May 2007 in relation to the programme to refurbish schools in the Paris region between 1989 and 1996. After that judgment, on 16 November 2015, the *tribunal des conflits* (jurisdiction court) declared the ordinary courts not competent to decide the dispute between the region and various construction companies. More than two years after the jurisdiction court's decision, the region made 88 applications to the Paris Administrative Court relating to 88 school refurbishment contracts, claiming €293 million of damages from 14 companies – including several Group companies – and 11 individuals. In late July 2019, the Paris Administrative Court dismissed the region's claims. The region is appealing against those decisions. The Group takes the view that these proceedings, whose origin dates back more than 20 years and which concerns a claim that was already found to be time-barred in 2013, represent a contingent liability whose impact it is unable to measure.

- In August 2019, after the State notified its intention to terminate early the concession contract relating to the Notre Dame des Landes, Nantes Atlantique and Saint Nazaire Montoir airports, Aéroports du Grand Ouest (AGO) twice sought to commence the conciliation procedure provided for in article 94 of the concession contract. The State refused to comply and, through an order dated 24 October 2019, declared that the concession contract had been terminated for public interest reasons. On 5 December 2019, to safeguard its right to compensation, AGO sent to the State an initial compensation request and, on 6 December 2019, it filed an application to the Nantes Administrative Court to challenge the termination order. In its application, AGO reiterated that it was prepared to commence, as an alternative, a mediation procedure under Article L. 213-7 of the French Administrative Justice Code, to try to reach a balanced and robust agreement that would resolve the dispute. AGO has not yet had any response from the State.

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

- The Czech Republic's roads and motorways department (RSD) has made several claims against Eurovia CS, a Eurovia subsidiary based in the Czech Republic, as well as other non-Group companies. These claims concern works carried out between 2003 and 2007 in building the D47 motorway. In late 2012, the RSD commenced arbitration and legal proceedings (i) seeking damages for what the RSD alleges was defective work affecting the roads and engineering structures that were built and (ii) the payment of 37 million Czech koruna to take account of the quantity of steel actually used in a bridge. The claim resulted in a judgment ordering Eurovia CS and Strabag to pay 7.4 million Czech koruna plus interest. Regarding the claims relating mainly to defective work, the RSD is currently claiming damages of 3.1 billion Czech koruna, of which Eurovia CS' share would be around 75%. Repairs have been carried out since 2014, costing substantially less than the amount sought by the RSD, and technical assessments are still taking place. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

- Soletanche Bachy France had submitted a request for arbitration to the International Chamber of Commerce after ACT (Aqaba Container Terminal) terminated a contract for the construction of an extension to a container terminal in the port of Aqaba in Jordan. The company was disputing the grounds for terminating the contract and was claiming $10 million in damages. ACT contended that it had valid grounds for terminating the contract and that it had incurred additional costs in completing the works and was counter-claiming $44 million in damages. The arbitration tribunal, in an award dated 30 August 2017, amended by two awards dated 28 September 2017 and 1 May 2018, dismissed the company's claim and ordered it to pay ACT $38.3 million plus $9.1 million of legal expenses. The company has commenced proceedings to oppose the execution of that decision and against the joint contractors. Given the provisions it has set aside, the Group considers, in view of the current situation, that this dispute will not have any material effect on its financial situation.

- On 10 August 2018, the Colombian competition authority sent a statement of objections to several companies including VINCI Concessions Colombia SAS, Via 40 SAS and Constructora Conconcreto SAS, and to several natural persons, relating to alleged anticompetitive practices in the competitive tender procedure held in 2015 and 2016 by Colombia's national infrastructure agency ANI with a view to awarding a concessions contract for the widening and operation of a road between the cities of Bogotá and Girardot. The concession contract was formed between the ANI and Via 40 S.A.S in October 2016. Via its VINCI Concessions Colombie SAS subsidiary, the Group acquired a 50% stake in Via 40 SAS on 19 December 2016, and it owns a 20% non-controlling stake in Constructora Conconcreto SAS. The companies involved in the procedure dispute the authority's allegations. After a report was submitted to the competition authority by the Delegatura para la Protección de la Competencia in early January 2020, the competition authority made a decision on 16 June 2020 to discontinue the matter for lack of evidence and not to apply any penalties. Both parties to the proceedings may appeal against the competition authority's decision. At 30 June 2020, the period for lodging an appeal was still underway. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

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

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

30. Post-balance sheet events

Dividend paid in shares

The Shareholders' General Meeting of 18 June 2020 approved the distribution of a dividend amounting to €2.04 per share in respect of 2019.
As an interim dividend of €0.79 was paid in November 2019, the final dividend to be paid was €1.25 per share. Shareholders were offered the option of receiving the final dividend in cash or in new shares at the price of €78.71 per share.
Of a total of 554,379,328 shares with dividend rights, shareholders elected to receive payment in new shares in respect of 336,226,351 existing shares, i.e. over 60% of the total, and in cash in respect of 218,152,977 existing shares.
A total of 5,359,708 new shares were issued, representing 0.88% of the company's capital. They were admitted to trading on Euronext Paris from 16 July 2020 and confer dividend rights from 1 January 2020.
Following this operation, the Group's consolidated equity increased by €422 million.

L. Other consolidation rules and methods

Intragroup transactions

Reciprocal operations and transactions relating to assets, liabilities, income and expenses between companies that are fully consolidated are eliminated in the consolidated financial statements.
Where a fully consolidated Group entity carries out a transaction with a joint venture or associate that is accounted for under the equity method, income and losses resulting from the transaction are only recognised in the Group's consolidated financial statements to the extent of the interest owned by third parties in the joint venture or associate.

Translation of the financial statements of foreign companies and establishments

In most cases, the functional currency of companies and establishments is their local currency.
The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under other comprehensive income. Goodwill relating to foreign entities forms part of the assets acquired and is therefore denominated in the company's functional currency and translated at the exchange rate in force at the balance sheet date.

Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date.
Assets and monetary liabilities denominated in foreign currencies are translated at the closing rate. Foreign exchange gains and losses are recognised in income.
Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency exchange rate derivatives qualifying as hedges of net investments in foreign subsidiaries are recorded under currency translation differences in equity.

Business combinations

Under IFRS 3, the cost of a business combination is the fair value, at the date of exchange, of the assets given, liabilities assumed, and/or equity instruments issued by the acquirer in exchange for control of the acquiree. Contingent price adjustments are included in the cost of the business combination and are measured at fair value at each balance sheet date. From the acquisition date, any subsequent changes to this fair value resulting from events after control was acquired are recognised in profit or loss.
Expenses that are directly attributable to the acquisition, such as professional fees for due diligence and other related fees, are expensed as they are incurred. They are presented in the "Impact of changes in scope and gain/(loss) on disposals of shares" item on the income statement.
Non-controlling interests in the acquiree, where they give their holders present ownership interests in the entity (voting rights, a share of earnings, etc.) and entitle them to a proportionate share of net assets in the event of liquidation, are measured either at their share of the acquiree's net identifiable assets, or at their fair value. This option is applied on a case-by-case basis for each acquisition.
On the date control is acquired, the cost of acquisition is allocated by recognising the identifiable assets acquired and liabilities assumed from the acquiree at their fair value at that date, except for tax assets and liabilities and employee benefits, which are measured according to their reference standard (IAS 12 and IAS 19 respectively) and asset groups classified as held for sale, which are recognised under IFRS 5 at their fair value less costs to sell. The positive difference between the cost of acquisition and the fair value of the identifiable assets and liabilities acquired constitute goodwill. Where applicable, goodwill can include a portion of the fair value of non-controlling interests if the full goodwill method has been selected. The Group has 12 months from the date of acquisition to finalise the accounting for business combinations.
In the case of a business combination achieved in stages, previously acquired shareholdings in the acquiree are measured at fair value at the date of acquisition of control. Any resulting gain or loss is recognised in profit or loss.

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

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

Put options granted to non-controlling shareholders

Put options (options to sell) granted to the non-controlling shareholders of certain Group subsidiaries are recognised under other non-current liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (non-controlling interest and equity attributable to equity holders of the parent for the surplus, if any).

Report of the Statutory Auditors on the 2020 half-year financial information

Report of the Statutory Auditors on the 2020 half-year financial information

For the period from 1 January 2020 to 30 June 2020

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code Monétaire et Financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of VINCI for the period from 1 January 2020 to 30 June 2020,
- the verification of the information presented in the half-yearly management report.

The condensed half-year consolidated financial statements were finalised under the responsibility of the Board of Directors on 30 July 2020, based on information available at that date against the background of rapid developments in the Covid-19 crisis and difficulties assessing its impact and the resulting outlook. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for accounting and financial matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-yearly management report, completed on 30 July 2020, on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly sur Seine and Paris La Défense, 30 July 2020
The Statutory Auditors

PricewaterhouseCoopers Audit

Bernard Gainier

Bertrand Baloche

Deloitte & Associés

Mansour Belhiba

Amnon Bendavid

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statement by the person responsible for the half-year financial report

Statement by the person responsible for the half-year financial report

"I certify that, to the best of my knowledge, the condensed half-year financial statements presented in the half-year financial report have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and of the Group formed by the companies included in the consolidated financial statements, and that the management report for the half-year period (featuring on pages 2 to 13) faithfully presents the important events that have occurred during the first six months of the financial year, their impact on the half-year financial statements, the main transactions between related parties and a description of the main risks and uncertainties in respect of the remaining six months of the financial year."

Xavier Huillard

Chairman and Chief Executive Officer

Glossary

Cash flows from operations before tax and financing costs (Ebitda): Ebitda corresponds to recurring operating income adjusted for additions to depreciation and amortisation, changes in non-current provisions and non-current asset impairment, gains and losses on asset disposals. It also includes restructuring charges included in non-recurring operating items.

Concession subsidiaries' revenue from works done by non-Group companies: this indicator relates to construction work done by concession companies as programme manager on behalf of concession grantors. Consideration for that work is recognised as an intangible asset or financial asset depending on the accounting model applied to the concession contract, in accordance with IFRIC 12 "Service Concession Arrangements". It excludes work done by Contracting business lines.

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

Ebitda margin, Ebit margin and recurring operating margin: ratios of Ebitda, Ebit, or recurring operating income to revenue excluding concession subsidiaries' revenue from works done by non-Group companies.

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

Like-for-like revenue growth: this indicator measures the change in revenue at constant scope and exchange rates.
Constant scope: the scope effect is neutralised as follows.
- For revenue in year N, revenue from companies that joined the Group in year N is deducted.
- For revenue in year N-1, the full-year revenue of companies that joined the Group in year N-1 is included, and revenue from companies that left the Group in years N-1 and N is excluded.

Constant exchange rates: the currency effect is neutralised by applying exchange rates in year N to foreign currency revenue in year N-1.

Net financial surplus/debt: this corresponds to the difference between financial assets and financial debt.
If the assets outweigh the liabilities, the balance represents a net financial surplus, and if the liabilities outweigh the assets, the balance represents net financial debt. Financial debt includes bonds and other borrowings and financial debt (including derivatives and other liabilities relating to hedging instruments). Financial assets include cash and cash equivalents and assets relating to derivative instruments.
Until 31 December 2018, financial debt included liabilities consisting of the present value of lease payments remaining due in respect of finance leases as defined by IAS 17 (€166 million at 31 December 2018).
On 1 January 2019, IAS 17 was replaced by IFRS 16, which specifies a single method for recognising leases. The Group now recognises a right to use under non-current assets, along with a liability corresponding to the present value of lease payments still to be made. That liability is not included in net financial surplus/debt as defined by the Group, and is presented directly on the balance sheet.

Non-recurring operating items: non-recurring income and expense mainly includes impairment losses on goodwill and other material assets, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

Operating cash flow: operating cash flow is a measurement of cash flows generated by the Group's ordinary activities.
It is made up of Ebitda, the change in operating working capital requirement and current provisions, interest paid, income taxes paid, dividends received from companies accounted for under the equity method, operating investments net of disposals and repayments of lease liabilities and the associated financial expense. Operating cash flow does not include growth investments in concessions and PPPs.

Operating income: this indicator is included in the income statement. Operating income is calculated by taking recurring operating income and adding non-recurring income and expense (see below).

Operating income from ordinary activities (Ebit): this indicator is included in the income statement.
Ebit measures the operational performance of fully consolidated Group subsidiaries. It excludes share-based payment expense (IFRS 2), other recurring operating items (including the share of the income or loss of companies accounted for under the equity method) and non-recurring operating items.

Order book
- In the Contracting business (VINCI Energies, Eurovia, VINCI Construction), the order book represents the volume of business yet to be carried out on projects where the contract is in force (in particular after service orders have been obtained or after conditions precedent have been met) and financed.
- At VINCI Immobilier, the order book corresponds to the revenue, recognised on a progress-towards-completion basis, that is yet to be generated on a given date with respect to property sales confirmed by a notarised deed or with respect to property development contracts on which the works order has been given by the project owner.

Order intake
- In the Contracting business lines (VINCI Energies, Eurovia, VINCI Construction), a new order is recorded when the contract has been not only signed but is also in force (for example, after the service order has been obtained or after conditions precedent have been met) and when the project's financing is in place. The amount recorded in order intake corresponds to the contractual revenue.

- At VINCI Immobilier, order intake corresponds to the value of properties sold off-plan or sold after completion in accordance with a notarised deed, or revenue from property development contracts where the works order has been given by the project owner.
For joint property developments:
- if VINCI Immobilier has sole control over the development company, it is fully consolidated. In that case, 100% of the contract value is included in order intake;
- if the development company is jointly controlled, it is accounted for under the equity method and its order intake is not included in the total.

Public-private partnership – concessions and partnership contracts: public-private partnerships are forms of long-term public-sector contracts through which a public authority calls upon a private-sector partner to design, build, finance, operate and maintain a facility or item of public infrastructure and/or manage a service.
In France, a distinction is drawn between concessions (for works or services) and partnership contracts.
Outside France, there are categories of public contracts – known by a variety of names – with characteristics similar to those of the French concession and partnership contracts.
In a concession, the concession-holder receives a toll (or other form of remuneration) directly from users of the infrastructure or service, on terms defined in the contract with the public-sector authority that granted the concession. The concession-holder therefore bears "traffic level risk" related to the use of the infrastructure.
In a partnership contract, the private partner is paid by the public authority, the amount being tied to performance targets, regardless of the infrastructure's level of usage. The private partner therefore bears no traffic level risk.

Recurring operating income: this indicator is included in the income statement.
Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events during the period. It is obtained by taking operating income from ordinary activities (Ebit) and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the Group's share of the income or losses of subsidiaries accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.).

VINCI Autoroutes motorway traffic: this is the number of kilometres travelled by light and heavy vehicles on the motorway network managed by VINCI Autoroutes during a given period.

VINCI Airports passenger traffic: this is the number of passengers who have travelled on commercial flights from a VINCI Airports airport during a given period.

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Photo: Yves Chanoit

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