EIFFAGE

Making the difference

2017 REGISTRATION DOCUMENT

Making the difference

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Contents

Profile

Building on our strong values and thanks to our 65,000 employees, our strong local roots and our expertise, we apply daring and creativity every day as we strive to make the difference.

And we made the difference again in 2017, with over 100,000 projects in France and the 50 countries in which we operate, generating €15 billion in revenue. The Group's compact structure, our teams' cohesion around a set of strong values and our employee share ownership are all significant assets for our strategy and our development.

Our wide-ranging know-how and our eight complementary business lines enable us to carry out high value-added projects.

We also make the difference through our innovation culture, combining agility and proximity for the benefit of regional and community development. Our ability to read the future, our creative approach and our commitment to society allow us to contribute to tomorrow's world today.

Exemplary attitude and responsibility are priorities in all our decisions and they make the difference every day. Our zero-risk goal in safety and prevention clearly shows how we put our employees first.

We made the difference, once again

Eiffage around the world
Pages 8-9

— In 2017, clearly focused on our customers' expectations, we completed over 100,000 projects in more than 50 countries generating €15 billion in revenue.

Interview with
Benoît de Ruffray, Eiffage
Chairman and CEO
Pages 10-11

Our compact organisation guarantees agility, responsiveness and efficiency, so we can make the difference.

Employee share
ownership
Page 17

Employee share ownership, which has helped shape a specific culture at Eiffage, is an integral part of our DNA, further strengthening the Group's coherence and our teams' cohesion. —

Highlights

January-April 2017

01

Employment

APRR ranked 4th in Capital magazine's annual list of the top 500 employers in France in 2017.

02

Urban development

Eiffage Aménagement won the concession to develop the École Centrale Paris site in Châtenay-Malabry as part of an eco-neighbourhood.

03

Ecology

Eiffage partnered the symposium on adapting infrastructures and networks to climate change, at the International Weather and Climate Forum in Paris.

04

Grand Paris

As part of a consortium, Eiffage won the contract to build a section of the Grand Paris Express southern line 15.

May-August 2017

05

Operations

The national rail safety body authorised the Bretagne-Pays de la Loire high-speed rail line to commence commercial operation.

06

Partnership

Eiffage selected Finalcad as its strategic partner to improve operational performance at its worksites.

07

Mobility

APRR launched topEurop, the European toll tag usable in France, Spain and Portugal.

08

High-speed rail line

In the UK, the consortium signed the contract for two phases of the future High Speed 2 rail line between London and Birmingham.

September-December 2017

09

Awards

Eiffage won two prizes at the 2017 Green Solutions Awards for the renovation of the LyonTech-la Doua campus and the construction of the Cestas photovoltaic power plant.

10

International

Eiffage Génie Civil won the contract to renovate Félix-Houphouët-Boigny bridge in Abidjan (Côte d'Ivoire).

11

Roads of the future

The I-Street project, led by Eiffage with Total, OliKrom and Ifsttar, won the Roads of the Future call for projects launched by the French environment and energy management agency, Ademe.

12

Innovation

For the very first time in France, a connected glove which amplifies the strength of the human hand is being tested by tradesmen on an Eiffage work site.

Key figures

A Group with solid foundations

€15bn
in revenue

€13bn
order book at December 31st 2017

€512m
net profit, Group share, excluding the impact of a €33m non-recurring adjustment to deferred tax assets

A Group in motion

65,000
employees in total

15,000
employees outside France

2,200
employees aged under 26 recruited in France

An integrated Group

4
divisions

8
business lines

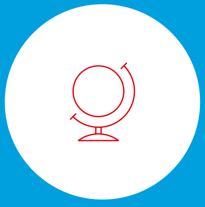
100,000
projects per year

Eiffage around the world

Rooted in Europe, active in more than 50 countries

— Eiffage's local network in France ensures close relationships with our customers, in turn securing the quality of our projects. We also have firm roots in Europe, where we are durably strengthening our positions.

We assist our customers with their projects all over the world by bringing our expertise in export markets. —



€3.2bn
in international revenue in 2017, including €0.5bn outside Europe

15,000
employees outside France (at December 31st 2017)


Sweden
Denmark
United Kingdom
Netherlands
Poland
Germany
Belgium
Luxembourg
Slovakia
France
Hungary
Romania
Switzerland
Spain
Italy
Portugal
Morocco
Algeria
Russia
South Korea
China
Hong Kong
Qatar
United Arab Emirates
Saudi Arabia
Mauritania
Mali
Cape Verde
Senegal
Burkina Faso
Guinea
Sierra Leone
Liberia
Côte d'Ivoire
Benin
Togo
Ghana
Cameroon
Djibouti
Gabon
Democratic Republic of Congo
Angola
Reunion Island
Madagascar

Interview with Benoît de Ruffray,
Eiffage Chairman and CEO

"We will continue to surprise"

Benoît de Ruffray looks back over the highlights of 2017, the importance of Eiffage's main asset, its human capital, and the Group's ability to rise to future challenges.

How do you view the good results achieved by Eiffage in 2017, in France and internationally?

Benoît de Ruffray — They reflect the performance and drive of our businesses and our increasingly solid position underpinned by growing recognition of our know-how. All our divisions met their business targets in 2017. We achieved growth, in both volume and activity, in concessions and works, and in France and abroad. We can be proud of our results, our achievements and our order book, which has also expanded.

Internationally, we have consolidated our permanent locations in Europe. In civil engineering, we acquired Brochier in Germany as well as EDS in Spain and the Kropman group in the Netherlands in the energy sector. The Group's growth outside France has been driven by the Energy Systems and Infrastructures divisions in Latin America and by our historical markets in Africa, where we are highly active in development. We currently have 15 projects on the continent, in a variety of areas including energy production, power grids, port facilities, and urban and road transport systems.

Like our subsidiary in Senegal, the Group's future will depend on its ability to attract more and more African talent.

How does a group like Eiffage help meet the main challenges of our times, such as the digital and energy transitions?

B. de R. — The digital and energy transitions are changing the game. And they are opportunities for a group like Eiffage. In our support businesses, we need to rethink our processes and adopt a continuous improvement approach so that everyone contributes to the change. For our activities, digital technology brings profound changes to the building process, from design through to our tradesmen's work on site, which will be made easier. Digital technology also helps us better address the expectations of end customers. Eiffage strives to integrate this permeability increasingly early in projects, during the design phase, and in our concession operations. Our motorway concessions teams offer their customers a growing number of increasingly innovative services, like the service area of the future, the Pop & Vroom mobile car-pooling app, and the emergency phone application, SOS Autoroute.

Eiffage employees are your "primary concern". What does that mean in practical terms?

B. de R. — It means preventing risks. Ensuring the safety of our employees is an absolute priority. Our Eiffage 2020 strategic plan sets the ambitious but achievable goal of reducing our overall work accident frequency rate to six. And to do so, each entity has adopted policies tailored to their activities. In practice, manager involvement on sites is the best way to make progress, because leading by example is the most noble act of management in risk prevention. And it is also one of our values. As the Group grows, we must be capable of developing while preserving our greatest asset: our human capital and our family spirit. Today, this reasoned growth is a key strength specific to Eiffage. It is a vital condition to truly make the difference and continue to surprise our customers and other stakeholders. In fact, there is no better proof of our employees' support for our corporate project and our values than employee share ownership, which again saw a higher subscription rate this year.

How do you view 2018?

B. de R. — We are confident and determined, and sure of our capabilities. We have a solid order book and we are active in dynamic markets, both in and outside Europe. We are keen to pursue our development both in concessions and contracting, while maintaining our Group's vital balance. As always, we can draw on our past success to look forward, give Eiffage the means to achieve our goals and each employee the means to develop. The Eiffage 2020 strategic plan is a pivotal instrument, unpinning our ability to improve our performances and keep control over our future. It is vital for a responsible and daring group and a born entrepreneur like Eiffage. —

"As our Eiffage 2020 strategic plan asserts, our balance is based on our combined strengths as a construction contractor and concession operator and our ability to be both a local and a global player."

Benoît de Ruffray
Chairman and CEO, Eiffage

Governance

Imagining the future


1 —


2 —


3 —


5 —


6 —

Executive Committee
The Executive Committee defines and implements the Group's overall strategy. The committee meets twice monthly to monitor the performance and results of the various divisions, oversee strategic projects, set consolidated targets, determine priorities and ensure that the Group operates smoothly.

1 — Benoît de Ruffray
Chairman and Chief Executive Officer of Eiffage and Chairman of the Energy Systems division

2 — Christian Cassayre
Chief Financial Officer, Eiffage

3 — Olivier Genis
Chairman of the Construction division

4 — Marc Legrand
Chairman of Concessions

5 — Philippe Nourry
Chairman of Motorway Concessions in France

6 — Max Roche
Deputy Chief Executive Officer, Eiffage

7 — Jean-Louis Servranckx
Chairman of the Infrastructures division

4 —

7 —

Board of Directors
The Board of Directors defines and oversees implementation of the Group's corporate strategy. It has ten members, appointed for a four-year term, with membership renewed on a rolling basis. The Board meets at least five times a year.

Benoît de Ruffray
Chairman and Chief Executive Officer of Eiffage

Jean-François Roverato
Vice-Chairman and Senior Director, Eiffage

Thérèse Cornil
Independent director

Laurent Dupont
Director representing employee shareholders

Bruno Flichy
Non-independent director

Jean Guénard
Independent director

Marie Lemarié
Independent director

Dominique Marcel
Independent director

Isabelle Salaün
Independent director

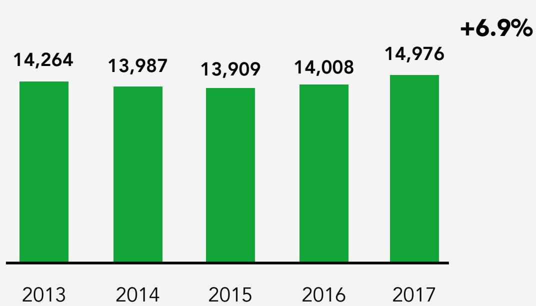
Carol Xueref
Independent director

2017 Key figures

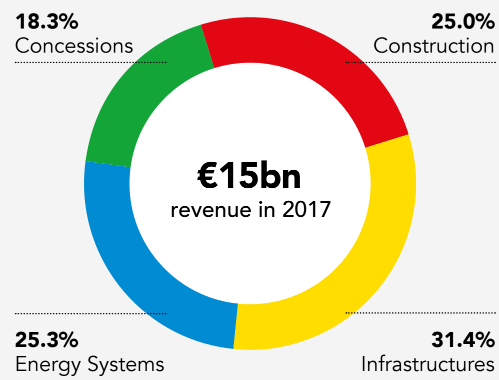
REVENUE
(in millions of euros)

	2016	2017	Actual	LFL*
Construction	3,666	3,750	+2.3%	+1.6%
Of which Property	768	845	–	–
Infrastructures	4,325	4,704	+8.8%	+8.2%
Energy Systems	3,461	3,783	+9.3%	+8.0%
Total contracting	**11,452**	**12,237**	**+6.9%**	**+6.0%**
Concessions *(excl. IFRIC 12)*	2,556	2,739	+7.2%	+7.5%
Total Group *(excl. IFRIC 12)*	**14,008**	**14,976**	**+6.9%**	**+6.3%**
Of which:				
France	11,246	11,806	+5.0%	+4.7%
International	2,762	3,170	+14.8%	+12.7%
Europe (excluding France)	2,384	2,700	+13.3%	+10.9%
Outside Europe	378	470	+24.3%	+24.3%
"Construction" revenues of concessions *(IFRIC 12)*	272	313	N.S.	N.S.

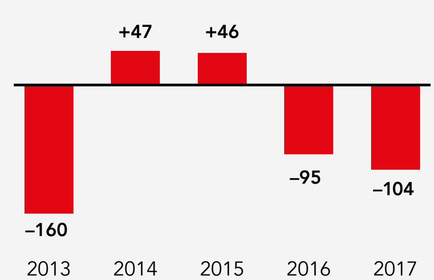
* At constant scope and exchange rate.



REVENUE BY BUSINESS LINES
(in %)

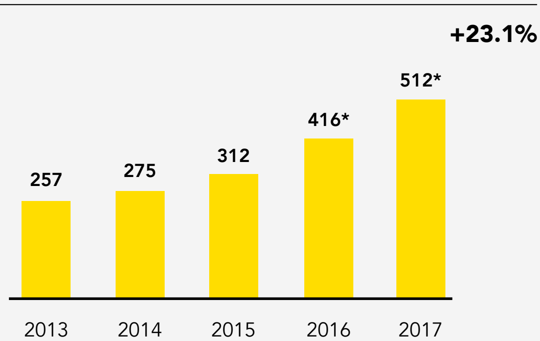


CHANGE IN WORKING CAPITAL REQUIREMENTS (in millions of euros)



+: cash generated
–: cash consumed

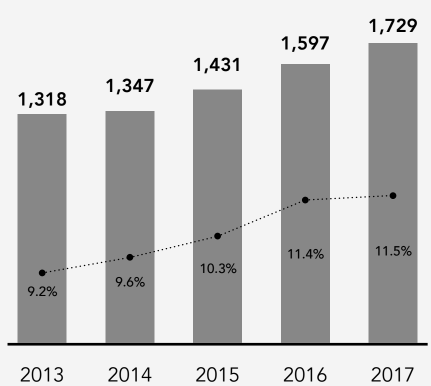
NET PROFIT GROUP SHARE
(in millions of euros)



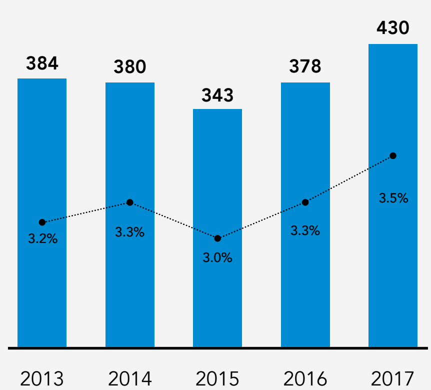
* Excluding adjustments for non-recurrent deferred taxation of +€59 million in 2016 and +€33 million in 2017.

OPERATING PROFIT ON ORDINARY ACTIVITIES (in millions of euros) AND OPERATING MARGIN (in %)

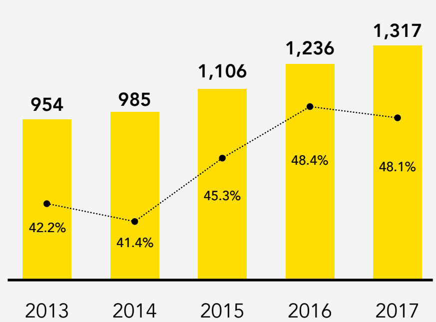
Group **+8.3%**



Contracting **+13.8%**



Concessions **+6.6%**



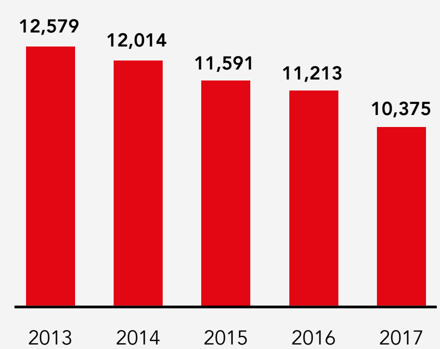
CASH FLOW (in millions of euros)

	2016	2017
Operating cash flow	1,167	1,334
CAPEX flow	(750)	(599)
Free cash flow	417	735
Acquisitions and disposals	(108)	(84)
Dividends	(145)	(265)
Capital increase	56	146
Change without flows of funds	158	306
Change in net financial borrowings*	378	838

* Excluding fair value of CNA debt and swaps.

NET DEBT* (at December 31st, in millions of euros)

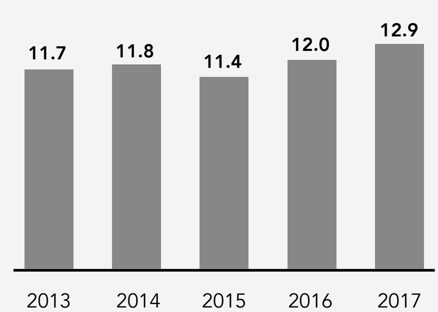
–€838m



* Excluding fair value of CNA debt and swaps.

CONTRACTING ORDER BOOK* (at December 31st, in billions of euros)

+7%



* Unaudited figures.

Market information and shareholder structure

LISTING
Euronext Paris
Compartiment A

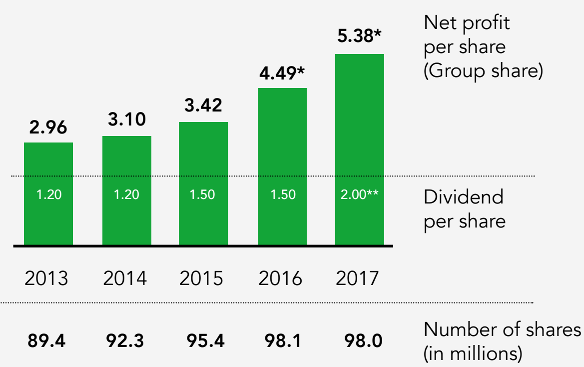
ISIN CODE
FR 0000 130452

ELIGIBLE FOR PEA AND SRD

INDICES
SBF 120®
CAC Next 20®
CAC Next 60®
Euronext FAS IAS
MSCI Europe

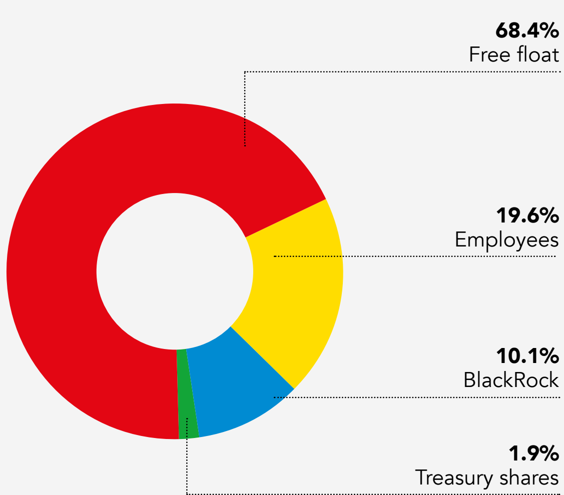
CODES
Bloomberg: FGR PF
Reuters: FOUG. PA

NET PROFIT AND DIVIDEND PER SHARE (in %)

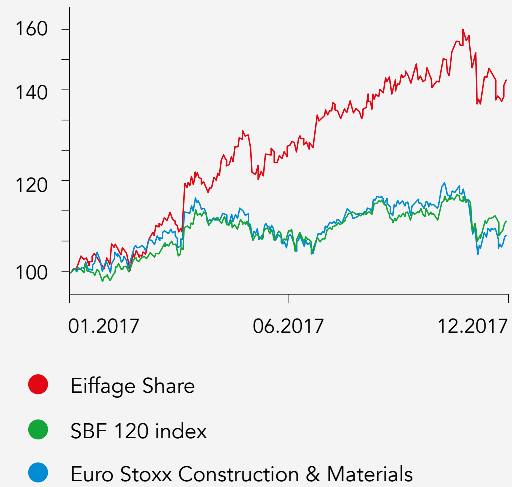


* Excluding non-recurring adjustments to deferred tax assets due to the decrease in the corporate income tax rate, resulting in additional profit of €59 million in 2016 and €33 million in 2017.
** Proposed to the general meeting.

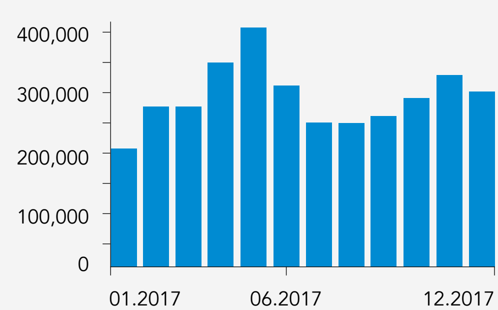
SHAREHOLDER STRUCTURE (at December 31st 2017)



EIFFAGE SHARE PRICE PERFORMANCE SINCE JANUARY 2017 (rebased to SBF 120 and Euro Stoxx Construction & Materials)



EIFFAGE SHARE MONTHLY AVERAGE DAILY TRADING VOLUME SINCE JANUARY 2017 (on Euronext Paris)



Employee share ownership

Our employees' commitment is our Group's strength

EMPLOYEE SHARE OWNERSHIP IN 2017

Number of subscribers*	**40,688**
Proportion of subscribers** (in % of eligible employees)	65.2%
Amount subscribed* (in millions of euros)	160
Proportion of capital held by employees	19.6%

* Solely for the FCPE fund.
** France and international.

Over 70%

of Eiffage employees are shareholders.

Among Eiffage employees, owning group shares is a real culture and has been a natural choice for twenty-eight years. Tradesmen, employees, supervisory staff and managers once again demonstrated their attachment to the Group and its values. In 2017, 40,688 employees subscribed to the capital increase, representing 65.2% of eligible employees, for a total amount of €160 million. With an increase of 7.9% in the number of subscribers and 22.6% in amount compared to 2016, these figures reflect our employees' unfailing commitment to our collective success. At December 31st 2017, more than 70% of Eiffage employees were shareholders, representing 19.6% of the capital. Employee share ownership is in our blood; it guarantees our independence and is a powerful indicator of our employees' trust. It also demonstrates their commitment to the success of our projects for our customers and partners.

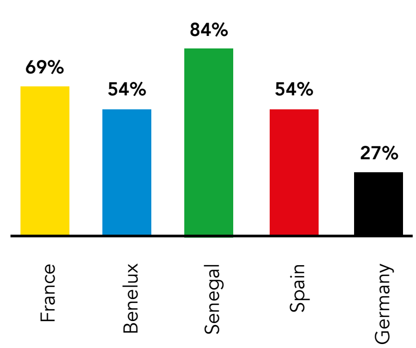
In 2017, subscription opened in Germany, and the first year of participation was very promising.

Preserving our culture, in which our employees form the Group's core shareholder, plays a key role in cohesion and performance.

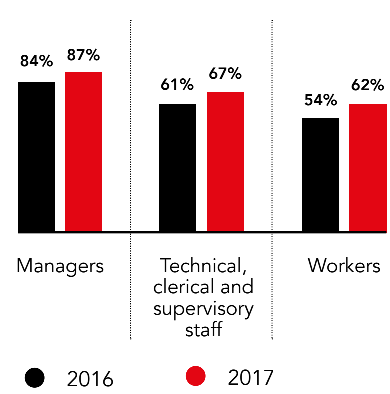
INVESTMENT (by source of funds and by year)*

	2016	2017
Employee contribution	17.1	23.3
Eiffage advance	6.3	7.2
Incentive schemes	18.2	19.4
Profit-sharing schemes	20.2	22.1
Reinvestment	68.7	88
Total	**130.5**	**160**

FRENCH AND INTERNATIONAL SUBSCRIPTION RATES IN 2017 (as a % of active employees)



SUBSCRIPTION RATES BY SOCIO-ECONOMIC CATEGORY IN FRANCE (as a % of total subscribers)

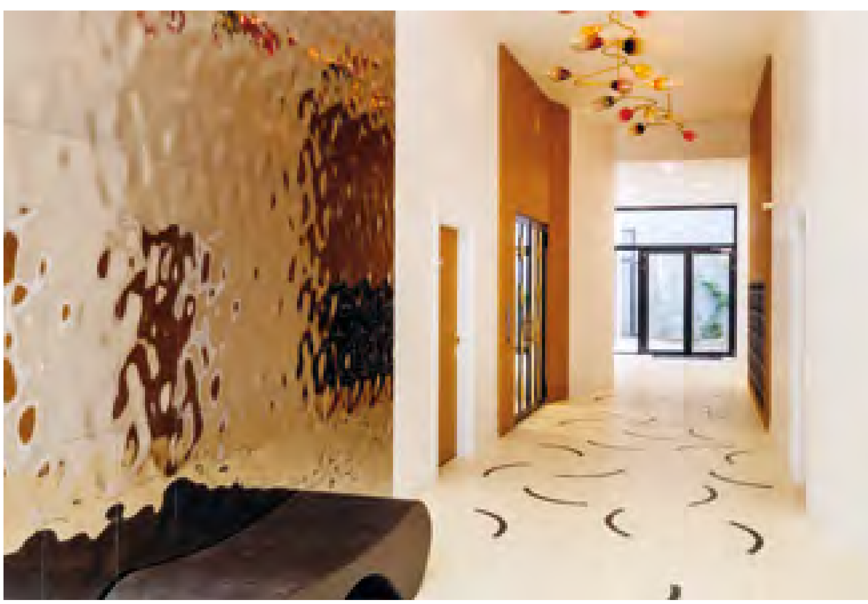



25
20
15
10

Portfolio

2017, Eiffage in images

FRANCE
— Grande Arche at La Défense, near Paris
In partnership with the Valode & Pistre architects firm, Eiffage financed, designed and renovated the south wall and roof of the Grande Arche. The Group will be responsible for maintenance until March 31st 2036. —



FRANCE

— Ateliers Jourdan-Corentin-Issoire, Paris

After thirty-four months of work, Eiffage Construction and Eiffage Immobilier inaugurated this 102,000 m^2 industrial and property complex, an innovative, mixed urban development project led by the RATP and built on a bus depot. —

FRANCE

— Tunnel du Chat, Savoie

After creating the safety gallery of the Tunnel du Chat in 2015, teams from Eiffage Génie Civil and Eiffage Route completed the conformity work on the tunnel from April to November 2017. —

SENEGAL

— Sainte-Épiphanie Church, Nianing

Teams from Eiffage Sénégal spent three years building the church, an extraordinary shell-shaped construction representing a real technical and artistic feat. —

PORTFOLIO

FRANCE
— Extension of line 14 as part of the Grand Paris Express project
The Eiffage Génie Civil teams who, as part of a consortium, are building the first section of the extension of line 14 on the Paris Metro, have excavated the Porte-de-Clichy station. —

PORTFOLIO

FRANCE
— L'Herminier secondary school, La Seyne-sur-Mer
We restructured this 800-pupil secondary school and are now responsible for maintenance. —

FRANCE

— A89-A6 link

On behalf of APRR, Eiffage Génie Civil teams completed work on this 5.5 km section which now allows the Trans-European motorway to connect Bordeaux to Geneva in under seven hours. —

CHILE

— Photovoltaic power plant, Quilapilún

Eiffage Énergie Systèmes, through its Spanish subsidiary Eiffage Energía, is building the installations of this 98 MW photovoltaic power plant. —

PORTFOLIO

FRANCE

— Grand Hôtel-Dieu, Lyon

With 40,000 m^2 of renovated space, 11,500 m^2 of new-build space and 8,000 m^2 of courtyards and gardens, Eiffage has written a new page in the history of this former hospital complex, which dates back to the 12th century. —

PORTFOLIO

FRANCE

— The Hoxton, Paris

After three years of extensive renovation works in this former 18th-century mansion, our subsidiary Pradeau Morin handed over the keys to the 172 rooms of this new four-star hotel filled with English charm. —

INTERNATIONAL

— Maritime works

Eiffage acquired the maritime works entity of the Saipem group, which has operations in Kuwait (photo), Panama, Congo and Monaco, and created Eiffage Génie Civil Marine. —

FRANCE

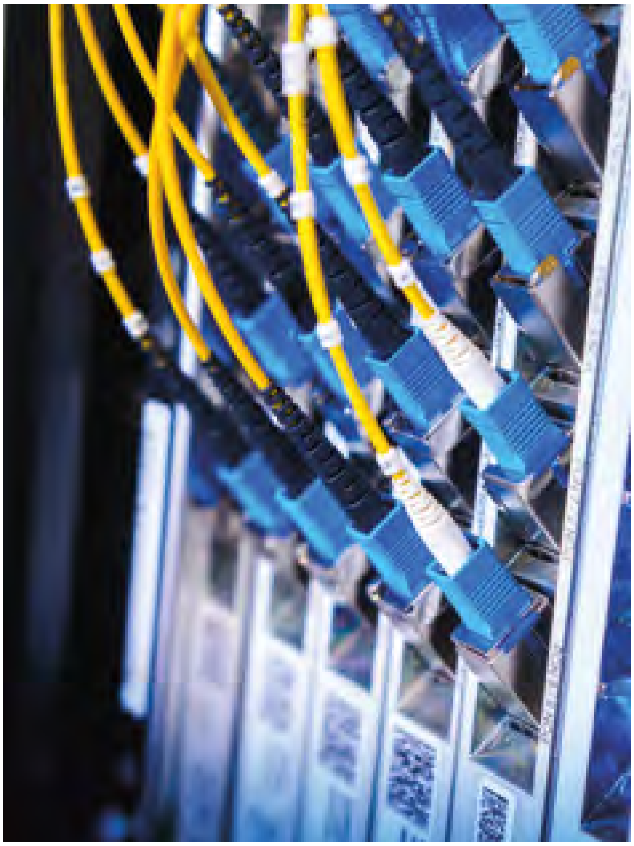
— Winter road clearance

APRR and AREA's 700 snow ploughs and salt spreaders are equipped with GPS devices to better manage snow clearance and salting frequencies. —

FRANCE
— Urbalad RDI Campus, Ladoux

For Michelin, Eiffage Construction, Eiffage Énergie Systèmes, Eiffage Métal and Goyer handed over the second phase of this campus dedicated to the tyre specialist's global research and development. —

PORTFOLIO



FRANCE

— Telecommunications

Eiffage Énergie Systèmes saw strong growth in the telecommunications and fibre optics activity in 2017, primarily linked to the French government's plan to roll out superfast broadband. —

FRANCE

— Seine-Aval wastewater treatment plan

The new biological filtration and membrane treatment lines were commissioned this year as part of a modernisation project worth more than €400 million carried out by Eiffage Génie Civil teams as part of a consortium. —

FRANCE

— Eiffage Foundation

With support from the Eiffage Foundation and the non-profit organisation Article 1, fifty Eiffage employees volunteered to contribute to the academic and professional success of secondary school pupils and students. —

UNITED KINGDOM
— Smulders, Newcastle upon Tyne
The Newcastle upon Tyne site of our subsidiary Smulders has a high production capacity for offshore wind farm foundations and substations. —

Kourou (French Guiana) — Eiffage is building the Ariane 6 launch complex, via an integrated offering

Activities – Providing state-of-the-art expertise for customers' projects

Eiffage – Construction contractor and concession operator
Pages 42-43

At Eiffage, we handle projects of every size and degree of complexity. We design, build, renovate, operate and maintain buildings, industrial facilities and infrastructures, acting through our eight business lines: Construction, Property, Urban Development, Roads, Civil Engineering, Metallic Construction, Energy Systems and Concessions. Our Group's strength lies in our ability to marshal an extraordinary range of businesses and technical expertise for the 100,000 projects around the world that we handle each year. —

Eiffage – "Haute couture" projects around the world
Page 18

Construction contractor and concession operator

A global turnkey offering and a sustainable business model

Bringing highly complex projects to life
Page 44

Business is growing, in France and internationally
Page 52

Construction

Our Construction division coordinates a range of complementary businesses: urban development, property development, construction, maintenance and works & services. Working for public and private sector clients across all market segments, our teams bring even the most complex projects to life.

Infrastructures

Our roads, civil engineering and metallic construction businesses are grouped together in the Infrastructures division. Eiffage Route's teams help improve road and motorway networks. Eiffage Génie Civil works on many structures, including large viaducts and sophisticated tunnels. Eiffage Métal has established a reputation as the leader in turnkey metallic construction solutions.

— The balance between our contracting and concessions businesses provides a strong financial fit between short-cycle and long-cycle businesses, ensuring an enviable level of stability. —

Local roots and high added-value specialities
Page 60

Energy Systems

Our Energy Systems division designs, builds, operates and maintains socially and environmentally responsible electrical, industrial, HVAC and energy equipment and systems. Eiffage Énergie Systèmes has developed custom offerings for a range of markets: industry; networks and infrastructures; cities and public authorities; and the commercial sector.

A productive investment and partnership policy
Page 68

Concessions

Eiffage Concessions specialises in concession-based motorway operation and management of large infrastructure projects, public facilities, buildings and urban developments. The division finances, designs, builds, maintains and services such structures. APRR and AREA operate motorways and toll structures under government-awarded concessions.

Nice —
Our Construction division won the call for projects relating to the construction, on a co-development basis, of thenew 73,500 m² Joia Méridia neighbourhood.

Construction

Bringing highly complex projects to life

More than 80
locations in France.

Our Construction division integrates a range of complementary business lines: construction, property development, urban development, maintenance and works & services. Through this comprehensive offering, backed by a dense network of local offices, we support our customers in France and across Europe at every stage of their projects, from land searches to asset maintenance. Working for public and private sector clients across all market segments, our teams bring even the most complex new-build and renovation projects to life.

All business lines contributing to growth

Eiffage Construction enjoyed another year of growth in 2017, reporting revenue of €3.8 billion, up 2.3% year on year. A number of major contracts were won, contributing to the Group's bright outlook. At December 31st 2017, the Construction division's order book represented 16 months of activity. Property development and urban development also continued to grow. In a strong property market, particularly in the housing sector, our revenue increased by 10%, and reservations

ALL BUSINESS LINES REPORTED GROWTH IN 2017

€3.8bn
Revenue
(+2.3%)

€4.9bn
Order book
at December 31st 2017
(+4.2%)

11,100
employees

LOCATIONS IN FRANCE

The Occitanie regional department was created to strengthen the division's roots in southern France.

8
establishments in the Occitanie region

HIGHLIGHTS

The Group created Eiffage Construction Bois, an entity tasked with developing the dry-process construction business.

A new contract to restructure the Îlot Gaîté Scène Montparnasse development in Paris for a value of more than €100 million.

Reservations for new homes set a new record in 2017, at 4,530 units, up 10% on the 2016 figure.

Building information modelling (BIM) refers to intelligent 3D simulations of buildings. These models faithfully represent all the physical and functional characteristics of complex projects.

for new homes reached an all-time high. These good results provide strong development foundations and a bright long-term outlook.

Innovation – The cornerstone of our development

Our ongoing investment in research and development sustains a constant drive for innovation. Our business lines are going digital, enhancing our productivity; this is exemplified in our increasingly widespread use of building information modelling (BIM) solutions. We are also continuing to roll out the Finalcad project management software application. Furthermore, Group employees are active participants in a number of collaborative initiatives set up by Eiffage, including Start-Lab focus groups, formed to explore innovative themes, and the Start.box online suggestion box initiative.

Lastly, our Immo-Inno challenge, launched in late 2017, received more than 150 submissions describing ideas relating to homes of the future. Together, these initiatives make innovation a growth driver that benefits our customers. —

Personalised support

Teams from Eiffage Construction work for public and private sector clients across all activity sectors. As a major player in the French and European construction markets, we marshal our resources to provide our customers with personalised solutions, whether for large, complex constructions projects or occasional works and services.

Brussels (Belgium) — The new 100,000 m² BNP Paribas Fortis headquarters, offering accommodation for 4,500 workstations, will comply with the latest environmental and energy performance criteria.

The head office of Sceneo, in Bezons, is the first office building in mainland Europe to be certified under the Well Building Standard, which focuses on health and wellbeing concepts.

An integrated global offering

We take an all-round approach to our projects, covering everything from design to operation and maintenance. Our teams pursue a sustainable, quality-oriented approach focused on cost control, schedule compliance and environmental protection in order to provide made-to-measure and lasting solutions for our customers, whatever their industry sector.

Housing – Eiffage Construction's core business

Housing, whether for new-build or renovation projects, has long been a major component of Eiffage Construction's business, accounting for nearly 40% of the division's revenue. In 2017, 15,500 units were ordered, of which almost 7,000 for renovation projects. We are currently applying our expertise in restoration work at occupied sites for one of the largest such projects in France, concerning the renovation of 950 homes in Ostwald. This design-build-operate-maintain (DBOM) contract includes an energy performance commitment.

Showcasing our commercial property know-how

Eiffage Construction's technical expertise is in constant demand from private entities in the service sector. Our teams handle a wide variety of projects, including new head offices such as the Sceneo development in Bezons as well as office renovations, as at the 23,800 sq. m Vivacity building in Paris. We are also asked to build strategic facilities for major blue-chip organisations. In Clermont-Ferrand, we handed over phase 2 (97,000 m²) of the Michelin research, development and industrialisation (RDI) campus in 2017.

From strength to strength in major projects

Public-private partnerships overseen by Eiffage Concessions have brought Eiffage Construction major projects such as the contract to build an aquacentre in Amiens won in 2017, the renovation of the Grande Arche in La Défense near Paris, or the construction of two buildings for the University of Lorraine in Metz, which were completed over the course of the year.

Sizeable contracts awarded in 2017 in both the public and private sectors provide a bright outlook for our activities. Examples include a €200 million project to build the new headquarters for BNP Paribas Fortis in Brussels; the extension to the Paris-Orly airport terminals for the ADP group; a contract to renovate the Pascal towers in La Défense, near Paris; and a nearly €100 million programme to regenerate the Gaîté-Montparnasse neighbourhood in Paris. —

Eiffage Immobilier

A multi-product approach

Ranking among the top ten French property developers, Eiffage Immobilier is developing a multi-product offering covering the residential and commercial sectors, commercial planning and hotel accommodation. Our hybrid business model – combining construction contractor and developer – enables us to design and build large, complex developments.

Cocoon'Ages is a housing solution that combines social and generational diversity, featuring appropriate architecture and a range of services and activities for residents.

Eiffage Immobilier sold 4,500 homes in 2017. In line with our strategic ambitions, bookings increased by 10% year on year. This strong performance is attributable in part to public policies that supported demand from individual buy-to-let investors and first-time buyers. Block sales to institutional investors and social housing organisations represented more than 50% of sales in 2017, confirming a stable trend.

Expertise in structural urban projects

Mixed-use developments in urban environments remain a major source of business for Eiffage Immobilier. This is perfectly illustrated by the Smartseille eco-neighbourhood in Marseille, which saw some of its 58,000 m² of facilities completed in 2017. Furthermore, Eiffage Immobilier's design processes and offering include measures to nurture a sense of community. The Cocoon'Ages intergenerational housing concept, created in partnership with Récipro-Cité, confirmed its appeal, with around 30 projects at the financing or development stage in 2017.

Strong presence in all markets

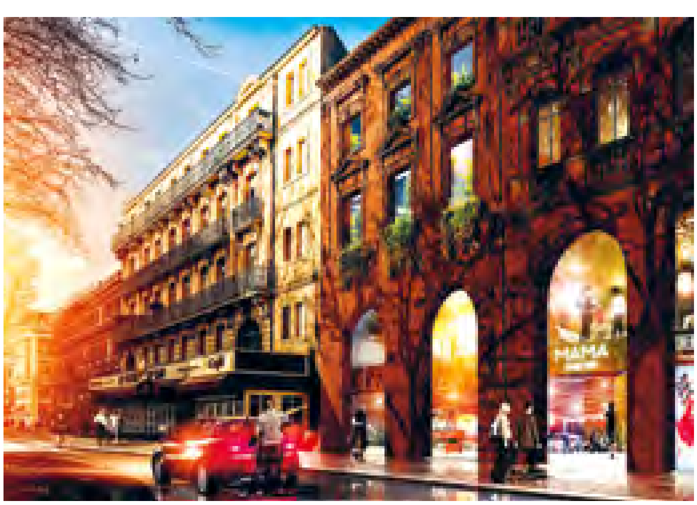
In the service sector, Eiffage Immobilier had development potential representing 200,000 m² of floor space at the close of 2017. The architectural quality of our projects is a differentiating factor. Illustrating this in 2017, ground was broken on the CityLife office building in Nanterre, designed by the architect Jean-Paul Viguier. In Nantes, work was completed at the Shell city block, designed by Rudy Ricciotti.

Eiffage Immobilier also serves the hotel industry, with 76,000 m² currently under development, representing nearly 2,000 rooms. The Mama Shelter in Toulouse and the Intercontinental hotel in the Grand Hôtel-Dieu converted hospital in Lyon are among the larger projects. —

3,445

units were handed over by Eiffage Immobilier in 2017.

Toulouse — Eiffage Immobilier is converting the disused Les Nouveautés cinema into a Mama Shelter hotel and entertainment venue.



CONSTRUCTION DIVISION

Eiffage Aménagement

A leading private-sector urban development stakeholder

With a 35-year track record serving municipal authorities, Eiffage Aménagement is now recognised as one of the leading private-sector urban development stakeholders. Our teams specialise in urban regeneration and creating new neighbourhoods in a comprehensive approach that addresses economic, civic, social and environmental issues.

Châtenay-Malabry — France's first SEMOP development vehicle.

HQE Aménagement certification acknowledges efforts by urban development players to weave sustainable development into their projects (addressing issues such as neighbourhood integration and coherence, preserving natural resources and local social life).

1,000,000 m² under development and 750,000 m² under construction.

Eiffage Aménagement aims to roll out its expertise across the whole of France by 2020, and is steadily building a decentralised network coordinated by our regional departments. Our employees specialising in urban development – including members of the RNA developers network, which works to strengthen partnerships between public and private sector stakeholders – have been instrumental in positioning Eiffage Aménagement as an expert serving local authorities.

New projects under the Grand Paris strategic development programme

In 2017, public-private joint development efforts gathered pace, generating additional activity for the Group. At the beginning of the year, following a call for projects, we were selected to build the Parc-Centrale eco-neighbourhood in Châtenay-Malabry. This project, which is within the scope of the Grand Paris strategic development programme, aims to invent a new sustainable city model that addresses issues relating to urban farming and the circular economy. Our teams also took part in other ambitious projects for the Grand Paris programme in 2017. For example, we are providing client support services to the Citallios public development corporation for the Quartier de Seine Ouest project in Asnières-sur-Seine. The new development area will ultimately be served by the Grand Paris Express rapid transit system. This 137,000 m² eco-neighbourhood located on the banks of the river Seine will breathe new life into a 16 ha brownfield industrial site.

Ground broken on several projects

In 2017, we also began work at the Cour des Marchandises in Pontoise. HQE Aménagement environmental certification will be sought for this 20,000 m² station conversion project. The work currently in progress is being carried out in liaison with a supervisory architect appointed by Bâtiments de France, due to the site's location in the heritage conservation area in the historical town centre. Another project initiated in 2017 concerns work to improve the approach to the town of Clamart, centred on the creation of the Grand Canal neighbourhood. As in Pontoise, we have grand ambitions for this project, which has been awarded HQE Aménagement environmental certification. —

Lyon —
Eiffage Immobilier handed over the first phase of the Grand Hôtel-Dieu project in late 2017.

A new neighbourhood in Clamart for the Grand Paris programme

In Clamart, Eiffage Aménagement is building the 90,000 m² Grand Canal neighbourhood, which involves converting a disused commercial site. This large residential area, designed to encourage social and intergenerational diversity, will feature 1,150 homes, as well as a hotel, shops and public facilities. The development will qualify for HQE Aménagement environmental certification. The whole neighbourhood will be supplied with energy from a biomass-fuelled boiler plant, and a system of channels will be created to recover storm water. —

Grand Hôtel-Dieu in Lyon – An exceptional project

In late 2017, Eiffage Immobilier handed over the first phase of the Grand Hôtel-Dieu development in Lyon. Taking care to preserve the property's architectural features, craftsmen from Eiffage Construction have spent nearly three years working on the largest listed building conversion project ever undertaken by the private sector in France. At its busiest, up to 1,000 skilled workers were present at the site, restoring it to its former glory. The converted hospice features 11,500 m² of renovated wooden floors, 15,000 m² of replaced roofs, a new, 1,100 m² glass canopy roof, 40,000 m² of restored façades and 1,400 new windows. —

The One, in Brussels – A technically complex project

Our subsidiary Eiffage Benelux, via its Valens business unit, continued work building of a more than 100 m tall, 25-storey tower building in Brussels for Atenor. This ambitious project, known as The One, features 56,000 m² of floor space and is unusual in combining residential and commercial functions in the same property. —

Specialities

A blend of historical know-how and state-of-the-art technical expertise

Eiffage Construction has specialist skills in a variety of fields, be it harnessing our stonework know-how to renovate period buildings in the purest tradition, or applying cutting-edge wood-based construction techniques.

Lyon —
The Grand Hôtel-Dieu, a 40,000 m² historic building dating back to in the 12th century, has now been fully restored. Photo: The Dôme des Quatre Rangs.

56 m
is the height of the Hypérion project, France's tallest wood-framed apartment tower, located in Bordeaux.

Pradeau Morin – A tradition of excellence

Eiffage Construction has made heritage renovation projects a speciality. We preserve and enhance French listed buildings and structures, harnessing skills honed for more than a century by our subsidiary Pradeau Morin. In 2017, Pradeau Morin finished work at a store on the prestigious Place Vendôme for an iconic name in luxury goods. The company also completed the project to renovate the 40,000 sq. m of façades at the converted Grand Hôtel-Dieu hospital in Lyon, as well as restructuring an 18th-century building in the Sentier area of Paris, which now accommodates the Hoxton hotel. Pradeau Morin also won the contract to restore stonework at Paris-Austerlitz station.

Strong growth in dry construction processes

Eiffage Construction invests in innovation to improve the division's construction processes, and in particular to support the growing popularity of dry-process construction in mid- and high-rise buildings. Numerous wood-framed projects are already under construction, in cities such as Strasbourg, Saint-Ouen, Paris and Bordeaux, where the Hypérion apartment tower is being built. To develop our offering in the market for four- to eighteen-storey buildings, we set up a dedicated unit in 2017: Eiffage Construction Bois, based in the Paris region. —

International

Growth in Europe

Based primarily in Europe, Eiffage Construction has in recent years been expanding its business activities in Belgium, Luxembourg, Great Britain and Poland. Following on from the 2016 acquisition of the Flemish construction contractor and property developer Vuylsteke, Eiffage Construction is examining new acquisition opportunities, in line with the objectives set out in the Eiffage 2020 strategic plan.

103 m
is the height of the The One tower in Brussels, Belgium.

In Belgium, Eiffage Development handed over the first phase of the Greenwood housing development in Brussels in 2017.

Benelux – A business unit with multiple activities

Eiffage Benelux is more than the sum of its parts. We have leveraged the strong fit between our constituent businesses to become one of Belgium's leading construction and special works contractors. As a result of this status, Eiffage Benelux is invited to bid for major public and private sector projects. The 104,000 m² Chirec hospital in Auderghem, which was handed over in 2017, features no fewer than 545 patient beds. Entirely focused on the patient, the hospital was designed with modular spaces that can be adapted to suit requirements. The various hospital departments are interconnected, reducing internal patient transfer times. In Brussels, our teams continued work on The One, a 103 m tall tower featuring a mix of offices, housing and retail stores. Eiffage Benelux is also building a property development business, coordinated by its Eiffage Development subsidiary in Belgium, and in Luxembourg by Perrard Development, which completed the Galileo residence hall at the University of Luxembourg in 2017.

Auderghem (Belgium) — Patient reception has been improved by creating modular spaces at Chirec hospital which opened in 2017.

Poland – Business diversification gathers pace

Already active in the commercial and housing segments of the construction market in the principal Polish cities, Eiffage Polska Budownictwo is further expanding its business by creating a property development subsidiary. Work on its first housing developments has now begun in Warsaw and Krakow. On the construction side, after delivering Posnania, one of Europe's largest shopping centres, in 2016, we broke ground on 287 homes for Echo Investment in 2017, in the Krochmalna neighbourhood of Warsaw's historic city centre. —

CONSTRUCTION DIVISION

Rail — In 2017, our Infrastructures division completed the track work for the Bretagne-Pays de la Loire high-speed rail line.

Infrastructures

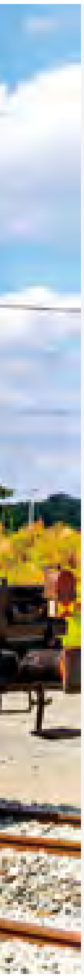
Higher activity levels in France and internationally

Transport infrastructure projects are major strategic priorities.

Our roads, civil engineering and metallic construction business lines are grouped together in the Infrastructures division. The division, which is active worldwide, reported robust revenue growth in 2017, and now generates more than 35% of business outside France. The roads business was boosted by an upturn in government orders. Civil engineering saw a significant increase in the number of underground works projects, particularly in relation to the Grand Paris development programme in the Paris region, as well as in international markets, driven by our ambitious expansion policy initiated in 2012. Metallic construction benefited from more favourable market conditions in 2017, especially in Europe, where numerous contracts relating to offshore wind power projects were implemented.

€5 billion order book

With an enviable €5 billion order book, our Infrastructures division can face the future with confidence. Whether for public transport lines (such as tramway, metro and high-speed rail lines) or road, motorway or port projects, transport infra-



ROBUST INCREASE IN ACTIVITY IN 2017, DRIVEN BY TRANSPORT INFRASTRUCTURES

€4.7bn
Revenue
(+8.8%)

€5bn
Order book
at December 31st 2017
(+12.8%)

23,400
employees

INTERNATIONAL

35%
of revenue generated outside France

HIGHLIGHTS

The offshore works division of the Italian group Saipem was acquired in 2017, strengthening the division's speciality engineering capabilities in international markets (including Kuwait, Panama, Congo, Monaco, etc.).

Eiffage won two work packages for the High Speed 2 rail line between London and Birmingham in the UK.

Roads, civil engineering and metallic construction: the business lines coordinated by the Infrastructures division contribute to regional development.

214 km
of high-speed rail line built between Le Mans and Rennes.

structure projects are major strategic priorities. The energy, water & drainage and industry activity sectors are also dynamic, generating business from both public and private sector clients. The Infrastructures division is focused as never before on achieving growth by bidding for large, complex projects. This was reflected in the 2017 handover of the works for the Bretagne–Pays de la Loire high-speed rail line, concluding the largest project in the Eiffage Group's history. In another highlight, work for the future Ariane 6 launch pad in French Guiana continued in 2017. We also won contracts for a work package for Line 15 South of the Grand Paris Express underground rail network and for two work packages relating to the High Speed 2 rail project that will link the UK cities of London and Birmingham.

Innovation as a growth driver

In terms of innovation, our Infrastructures division enjoyed several notable successes in 2017. For example, the I-Street project for systemic innovation in support of ecological and energy transitions in road transport infrastructures – led by Eiffage in an exclusive partnership with Total, OliKrom and the Ifsttar road transport institute – was announced as the winner of the "Roads of the future" call for projects issued by the French environment and energy management agency (Ademe) as part of the "Investments for the Future Programme". Also in 2017, our division, which considers risk prevention to be a high priority, entered into an agreement with a Swedish startup named Bioservo Technologies to begin trials of a bionic glove. The new glove is designed to enhance workers' strength and endurance, facilitating routine tasks. —

Eiffage Route

Improving the French road network

Construction and maintenance teams from Eiffage Route are helping to improve all parts of the French road network, from country lanes to motorway corridors. We are experts in urban development and also help to build port, airport, industrial and retail projects.

Le Freney-d'Oisans — The Chambon tunnel, which had been closed since 2015 due to a landslide, reopened to traffic in December 2017.

Eiffage Route is developing new concepts to make roads safer and more sustainable, connected and multi-functional.

10
public transport projects were managed simultaneously by Eiffage Route in 2017.

Eiffage Route's operations in France are coordinated by seven regional departments that manage a dense network of around a hundred local offices. In 2017, we won several significant contracts for segregated-lane public transport, bus rapid transit and tramway projects. We also handed over a number of major projects for private sector clients, such as the McArthurGlen Provence designer outlet in Miramas, the Villages Nature tourist project in Seine-et-Marne, built for Euro Disney SCA and Pierre & Vacances-Center Parcs.

Digital transformation at every stage of our value chain

Our teams have also continued to develop our businesses in the quarrying and industrial sector. Multiple initiatives relating to the digital transformation are also being rolled out across our entire value chain. Other projects, such as the modernisation of the Grands Caous quarry in the Estérel mountains, are enhancing Eiffage Route's technical, economic and environmental performance.

Safer, sustainable, connected roads

Eiffage Route – a key partner in the I-Street project for systemic innovation in support of ecological and energy transitions in road transport infrastructures, and the winner of the "Roads of the Future" call for projects organised by the French environment and energy management agency (Ademe) – is already providing optimised asset management services based on software that facilitates diagnostic surveys, inventories and administrative management of infrastructures.

Lastly, Eiffage Routereceived awards from CIRR, the French roads and streets innovation committee, for two of our processes in 2017. The first of these, Recytal-ARM® – a low-temperature, non-bituminous process for in situ road surface reprocessing – is based on a biosourced, plant-based binder emulsion. The second, Luciole®, enables cost-effective urban street lighting by embedding intelligent lighting appliances in a road surfacing material with optimised photometric properties. —

Eiffage Génie Civil

Major projects

Eiffage Génie Civil is working on a large number of projects, at every stage from design to construction. Engineering structures, civil engineering for facilities, underground works, offshore and river projects, earthworks, demolition and decontamination, foundations, structural repairs and rail projects are routine fare for our teams. These teams have their own design and research resources, supported by partnerships with third parties such as educational institutions, engineering consultants and institutional organisations.

40 km
is the total length of tunnels that Eiffage Génie Civil is to excavate for the Grand Paris development programme.

The strategic shift upmarket to complex projects is illustrated by the Grand Paris programme and projects in French Guiana.

In 2017, Eiffage Génie Civil focused on the Paris region, through works for the Grand Paris strategic development programme. These major projects related to the extension of line 14 of the Paris Metro and Eole (line E of the RER regional rail network), as well as handling a work package for the southern end of line 15. In French Guiana, Eiffage Génie Civil continued work on another major project, namely the future Ariane 6 launch pad in Kourou, which is being built for the National Centre for Space Studies (CNES).

Paris — Eiffage Génie Civil is carrying out work to restructure the Quai d'Ivry interchange on the city's inner ring road, located within the Paris Rive Gauche development zone.

Multiple motorway projects

In provincial France, 2017 highlights include work carried out for motorway concession operators, including rerouting the A9 motorway in Montpellier, widening the same motorway near Le Boulou and building a link road between the A89 and A6 motorways in the Rhône department. Our teams also continued construction work for the high-speed rail line between Lyon and Turin. They also excavated the Janots tunnel in Marseille, extended platforms on line A of the Toulouse Metro and developed a green corridor along the banks of the river Maine in Angers.

Orthodalle wins an award from the CIRR

In terms of innovation, the CIRR gave its seal of approval to the Orthodalle process, which uses a thin layer of ultra high-performance fibre-reinforced concrete (UHPFRC) to strengthen and repair metal bridge decks.

Lastly, in late 2017, Eiffage Génie Civil acquired the demolition specialist Perez & Morelli and the speciality works contractors ETIC and TSV, rounding out our offering and enabling us to offer customers the integrated solutions that they seek. —

Eiffage Métal

Bringing complex structures to life

Drawing on recognised expertise in turnkey metallic construction, Eiffage Métal designs and constructs building shells and façades as well as engineering structures. Our teams also deploy multi-technical solutions across all sectors of industry, especially energy, harnessing their considerable experience in offshore wind farm construction.

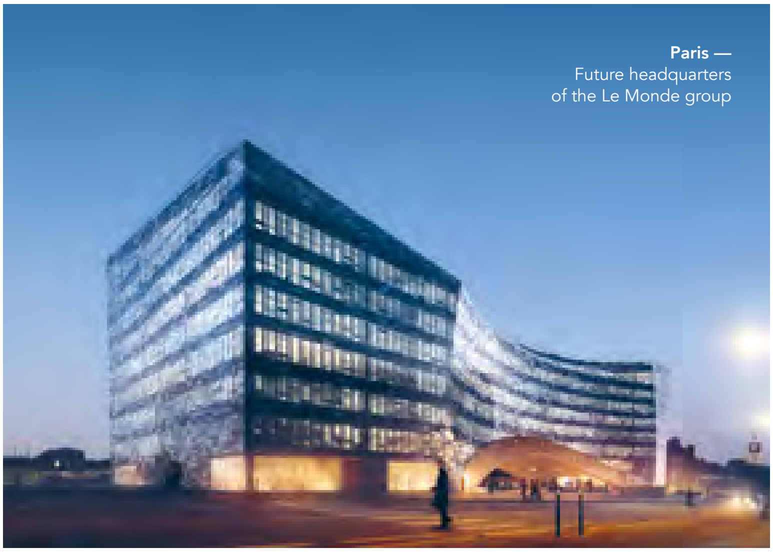
Eiffage Métal is reaping the benefits of its export development strategy and its focus on complex projects.

Eiffage Métal enjoyed favourable economic conditions in 2017, and is reaping the benefits of its export development strategy and its focus on high added-value projects. Our quest for industrial excellence has prompted the creation of an Industry department tasked with coordinating the French plants in Fos-sur-Mer and Lauterbourg. This new department also oversees cooperation between the various European production facilities.

Commercial successes throughout France

A string of commercial success stories were achieved in France. For example, following an initial contract obtained in 2016 concerning weatherproofing works for the future exhibition centre being built for Toulouse Métropole in Aussonne, our Shells & Façades division won the contract for the equivalent work at the neighbouring conference centre. The di-

Arles — The construction site for the Luma Foundation, designed by the architect Frank Gehry, showcases the outstanding expertise of our teams.



Paris —
Future headquarters
of the Le Monde group

Eiffage Métal, Goyer and Eiffage Génie Civil are working together to build the Le Monde group's new head office.

vision, in a consortium alongside Eiffage Génie Civil and Goyer, was also chosen to erect the steel roof frame and façade for the new head office of Le Monde, near the Gare d'Austerlitz station in Paris. In Arles, work continued at the site of the Luma Foundation tower, designed by the architect Frank Gehry, confirming our teams' outstanding expertise in the area of highly complex structures.

Industry – From rockets to nuclear power stations

Our Industry division stepped up its contribution to the project to build the Ariane 6 launch pad in French Guiana, alongside the other teams from the Infrastructures division and, in particular, German teams from Eiffage Métal. It also worked on the same project in metropolitan France, building new workshops for ArianeGroup (formerly Airbus Safran Launchers) in Les Mureaux, where the rocket engines will be assembled. The division also won contracts for or handed over several other projects for EDF, STMicroelectronics and Airbus. Lastly, Eiffage Métal introduced the Factory Training initiative to nurture dialogue between its design offices and production facilities. This novel programme for employees in the Engineering and Process Planning division focuses on immersion at one of our seven manufacturing plants. —

More than 100,000

uniquely shaped components were required for the construction of the shell of the Luma Foundation in Arles.

Goyer – The leader in aluminium and glazed façades

Goyer possesses unmatched expertise in the design and use of aluminium and glass façades for office buildings. In 2017, we took part in the work to renovate the Pascal towers, now renamed Landscape, located in La Défense, near Paris. Designed by the architect Dominique Perrault, this renovation project will unite the two buildings. Our teams will completely remove the existing façades and rework them in the spirit of the original design of these towers built in the early 1980s. A pane of glass will be mounted in front of each of the 2,500 windows, at a distance of 20 cm, enhancing the level of thermal comfort for building users, while updating the overall aesthetic appearance. In 2017, Goyer's activity was also driven by new-build projects. We were selected by the developer Altarea-Cogedim to install the façade for Bridge, an office and retail development that will also accommodate the headquarters of Orange. Bridge is located near the Pont d'Issy entrance to Paris. The asymmetric shape and transparent appearance of the new building's façade will interact with natural light to create an opening onto the city. Like an open drawer, an overhanging section will provide dominant views of the Seine from a height of 28 m above the river. Handover is scheduled for 2020. —

International

A development strategy bearing fruit

Determined and prudent, the international development strategy of our Infrastructures division paid off in 2017, in terms of organic growth and acquisitions alike. We now have a presence on every continent.

Rhineland-Palatinate (Germany) — The Hochmosel bridge over the river Moselle will be one of the largest steel viaducts ever built in Germany (measuring 1,700 m in length and standing 150 m tall).

49%
is the unprecedented revenue growth reported by Smulders in 2017.

In Europe, our Infrastructures division has subsidiaries in Germany, Belgium, Spain, Poland, Portugal and, since 2016, the United Kingdom. All enjoyed an increase in business in 2017. For example, in Germany, the ongoing works on the A94 motorway in Bavaria and the rail infrastructures market will rank among the highlights for the Roads and Civil Engineering businesses in 2017. Our German subsidiary Eiffage Infra-Bau also rounded out its offering with the acquisition of Brochier, a company specialising in micro-tunnels. Showcasing our expertise in metallic construction, we performed the ninth deck launching operation for the Hochmosel bridge over the river Moselle in Rhineland-Palatinate province, which will be completed in 2018. This operation consists in gradually pushing the bridge deck out over the supporting piers. Also in 2017, two rail structures were handed over in Hamburg. A third structure, built to carry trams, cyclists and pedestrians in central Ulm was also finalised in 2017.

Record growth in Belgium

In Belgium, Smulders, an Eiffage Métal subsidiary, is enjoying a tailwind. Specialising in metal structures for offshore wind turbines (foundations, transition pieces and substations), the company won many new orders for North Sea wind farms, resulting in a 49% jump in revenue. Smulders also opened a yard in Newcastle, in the north-east of England, where it will produce large jacket foundations. The company also won an initial turnkey order for an offshore sub-station for the German Deutsche Bucht wind farm.

In Spain, where business grew by 20%, Eiffage Infraestructuras remains one of the country's leading producers of aggregate, concrete and coated aggregate. Since the expansion of our Eiffage Métal España facility in Albacete, completed in 2016, our local teams are able to more effectively support the development of our metallic construction activities throughout Europe.

In the rail industry, our experience garnered on the Perpignan-to-Figueras and Bretagne-Pays de la Loire high-speed rail lines was probably a major factor in the decision to award our consortium two work packages for the planned High Speed 2 rail line between London and Birmingham in England.

Americas – Engineering structures in Canada and Colombia

On the American continent, repairing engineering structures is the core business of our subsidiary ICCI, acquired in 2014. After completing the project to rehabilitate a bridge over the river Clairvaux in the Jasper national park in Alberta, our teams began renovation works (including paving, electrical systems, etc.) along a 7 km section of motorway and the Burlington Bay Skyway & Highway bridge in Ontario.

Kamoro (Madagascar) — Projects to build a new dual two-lane suspension bridge and renovate the ageing Eiffel bridge in Kamoro were completed in 2017.

In Djibouti, we broke ground on a new seawater desalination plant.

In South America, Puentes y Torones – a Colombian construction contractor specialising in engineering structures, acquired by Eiffage in 2015 – took part in several major engineering structure projects, including the Honda and Gualanday viaducts.

In Asia, Eiffage Rail Deutschland continued the design phase for the second section of the planned Shatin-Central Link underground railway line in Hong Kong.

African operations conducted in project mode

In Africa, our subsidiaries Eiffage Sénégal and Eiffage Génie Civil are working side by side on Dakar's regional express train and on the Keur Momar Sarr 3 tap water treatment and distribution project, also in Dakar. In 2017, Eiffage Sénégal also finished laying a new underwater electrical cable between Dakar and Goree island, completed construction of a paediatric cardiology centre in the capital, and built a church to a remarkable architectural design in Nianing.

Numerous operations are being conducted in project mode on the African continent. Our teams are currently working on civil engineering, metallic construction and environmental projects in Madagascar, Congo, Togo, Ghana, Angola, Côte d'Ivoire and Sierra Leone, in particular for recurrent customers such as Bolloré Transport & Logistics, for which an initial port development project in Lomé (Togo) has now been handed over, with work continuing on another, in Freetown (Sierra Leone). A third such project, in Tema (Ghana), is getting underway. In Djibouti, working in a consortium with the Spanish company Tedagua, we have broken ground on a project to build a seawater desalination plant. This is a first for Eiffage.

On the Arabian peninsula, Eiffage Métal – operating in a consortium with a local contractor, Zamil – has begun a project to fabricate and install a roof canopy for the underground rail system in Ryad (Saudi Arabia).

Eiffage Route set up shop in Perth, Australia, for the purpose of transferring skills with Asphaltech, a company specialising in repairing thin coatings. This technical cooperation is set to continue in coming years.

Lastly, the acquisition in late 2017 of Saipem's offshore works unit, which is building docks in Kuwait, Panama, Congo and Monaco, represents another milestone in our international redeployment focused on speciality businesses. This acquisition will also generate synergies relating to the management of large, complex projects. —

Energy and climate engineering — Clévia is the new Energy Systems division brand for energy and climate engineering activities.

Energy Systems

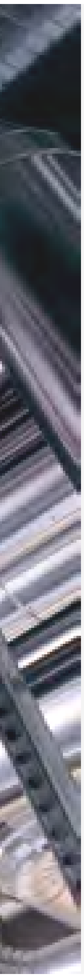
Local roots and high added-value specialities

Eiffage Énergie Systèmes is henceforth the new umbrella brand for the Group's energy businesses. This division designs, builds, operates and maintains systems and facilities with proper consideration for people and the environment. Our strength lies in our local roots and high added-value specialities. Eiffage Énergie Systèmes is a major driving force for our Group.

Eiffage Énergie Systèmes has a flat organisation for maximum customer focus. All of the division's offerings have been identified and mapped. They are now organised in three fields of expertise: electrical engineering, industrial engineering, and energy and climate engineering. Eiffage Énergie Systèmes deploys these businesses across four markets: municipalities and local authorities, industry, infrastructures & networks and the commercial sector.

Structure of our offering and synergies between businesses

Our offerings in each market are separated vertically. Coordinated by cross-disciplinary in-house experts, these



2017 RESULTS REFLECTING MARKET OPPORTUNITIES

€3.8bn
Revenue
(+9.3%)

€2.9bn
Order book
at December 31st 2017
(+1%)

25,700
employees

OPERATING PROFIT ON ORDINARY ACTIVITIES

4.2%
Operating profit on ordinary activities in 2017 as a percentage of revenue

HIGHLIGHTS

Eiffage Energy Systems, a new name for a unified division.

Marketing: a new range of offerings and a revamped brand policy.

verticals are key growth catalysts for our division. Not only do they strengthen the synergies between our local businesses and our specialities, they also enrich our offerings by generating additional added value. Through this approach, we consolidate our positioning as experts in systems and facilities, and encourage innovation that benefits our customers. Customers appreciate the more legible offering and dedicated operational organisation.

Significant growth potential

The challenges of sustainable development in the 21st century, the energy transition and digital transformations (big data, the Internet of Things, predictive maintenance, etc.) all offer opportunities to support our customers as they adopt higher-performance, innovative systems and facilities. We address these challenges at every stage of our projects, striving to design long-lasting, future-proof solutions. Furthermore, the diversity of our businesses and the limited degree of consolidation within our sector offer significant prospects for both organic growth and acquisitions. In view of these growth opportunities, the Group has great ambitions for Eiffage Énergie Systèmes. —

Continuous improvement and operational performance

Eiffage Énergie Systèmes inherited numerous entities serving local employment basins, speciality applications and high value-added technological niches. Over the past three years, we have improved profitability across all these entities. Our more competitive areas have steadily grown, and conversely, sources of losses have been stemmed. Our continuous improvement strategy has also enhanced our overall performance, resulting in an operating profit margin of 4.2% in 2017. This performance indicator improved for the fifth year in succession. The recovery first observed in the early months of 2017 across all markets in which the division operates was confirmed. These more dynamic market conditions fed through into an increase of more than 4% in the order book, as well as strong activity in France and elsewhere, resulting in revenue growth of more than 9%. —

Municipalities and local authorities

Expercité – See further, think the future

Expercité is the Eiffage Énergie Systèmes brand and offering aimed at municipalities and local authorities. Comprehensive and future-proof, Expercité covers the full spectrum of emerging urban challenges. The offering is backed by a dense local network, which deploys hypervision solutions that enable comprehensive management of urban energy systems.

66%
of the global population will be living in urban areas by 2050, according to the United Nations.

Lyon — Eiffage Énergie Systèmes and Ville de Lyon have renewed (for a four-year period) the street lighting maintenance and extension contracts covering five districts of Lyon and 28 municipalities in the area around the regional capital.

In Lyon, Expercité conducted a six-month trial with a temporary bus corridor. Result: an 8% decrease in traffic congestion for buses.

€2m
is the annual saving achieved by the City of Paris as a result of renovating 400 of its boiler rooms.

Smart cities are now a reality: connected and intelligent, they provide community-scale solutions that address contemporary expectations in terms of comfort, mobility and security. It is our firm belief, however, that cities must be more than just intelligent. Rather, they must become intuitive, able to directly and immediately share information with an ever-growing number of users: whereas 54% of the global population lived in urban areas in 2014, this proportion is set to reach 66% by 2050, according to the United Nations. We developed the Expercité offering to help municipalities and local authorities rise to this challenge.

Personalised, future-proof solutions

Expercité has designed six modules that respectively focus on the urban environment, mobility, safety and security, networks and assets, hypervision, and new services. Each community chooses whether to opt for a comprehensive solution addressing all of its needs, or for a specific solution in a particular module. For example, the urban environment module includes services relating to street lighting, architectural illumination, public address systems and variable-message information signs. This “à la carte” approach is giving us a bright development outlook. All in all, our Expercité offering is comprehensive, customisable and future-proof. It covers the full spectrum of energy challenges faced by towns and cities, from design to maintenance. Starting from the existing foundation, it builds each solution brick by brick, adapting it to suit the size of the host community, be it a small town or a major city.

A temporary bus corridor in Lyon

One of our first achievements was the successful trial of a dynamic bus corridor in central Lyon. The aim was to relieve traffic congestion. Specifically, Eiffage Énergie Systèmes designed, supplied and installed the dynamic traffic management system. —

Industry

Clemessy – Optimising processes to enhance performance

Eiffage Énergie Systèmes' industrial services – provided via the Clemessy brand – include management of complex and multi-technical projects. The aim is to modernise and develop industrial facilities. From design to maintenance, our teams tackle varied challenges in extremely demanding sectors such as the space, nuclear and petrochemicals industries, both in France and elsewhere.

Operating in an unincorporated joint venture with Efinor, Clemessy won the contract to design and build the two control rooms and the control simulator for the Hinkley Point C EPR reactor in England.

For the Ariane 6 programme and the planned ELA 4 launch pad at the space centre in Kourou, French Guiana, Clemessy was chosen by the French National Centre for Space Studies (CNES), Airbus Group and the European Space Agency (ESA) to supply and install the electrical, lightning protection, security and safety protection systems, as well as the utility instrumentation and control systems. At our production facilities in Europe and at the operational site in French Guiana, our personnel are also developing the instrumentation and control systems for the various stages of the rocket.

In December 2017, four new satellites were put into orbit as part of the European navigation system, Galileo, raising the number of operational satellites to 18, out of a planned total of 24. Working alongside our partners, our teams supplied the systems used to test and validate the satellites' electrical systems on the ground.

Galileo — Design and production of electrical testing equipment for the European satellite navigation system, Galileo.

Nuclear power – First contract in the United Kingdom

Nuclear power is another spearhead business in the industrial market. In 2017, Clemessy won an initial contract from EDF Energy – Nuclear New Build (NNB) relating to the design and construction of the two control rooms and the control simulator for the Hinkley Point C European Pressurized Reactor (EPR) in the United Kingdom. This contract is a significant first step as we develop our nuclear business in England.

Maintenance success stories

Our specialists maintain an extensive portfolio of industrial facilities, enhancing reliability and optimising their performance. Petrochemicals accounts for a large share of this maintenance business. The synergies generated by Eiffage Énergie Systèmes entities were a decisive factor in the decision to award us the contract for multi-technical maintenance services at the Total refinery in Donges in 2017. Our teams are also involved in the ambitious project to convert the Total plant in Mède near Châteauneuf-les-Martigues to a biorefinery. We also export our expertise to Africa, as illustrated by the mechanical maintenance contract awarded by Société Ivoirienne de Raffinage in Côte d'Ivoire. —

Infrastructures and networks

Connecting communities

Eiffage Énergie Systèmes provides innovative solutions in the transport infrastructure, energy and telecommunications fields. All stages of the project life cycle are covered, from design through to operation and maintenance of completed facilities. We strive to improve access to communities and to help make the "global village" a reality.

Connecting an optical fibre.

640 m

is the length of the Porte de Hal tunnel in Brussels (Belgium), renovated by Eiffage Énergie Systèmes in 2017.

The road and rail infrastructure market was particularly busy for Eiffage in 2017. In the rail sector, the Bretagne-Pays de la Loire high-speed rail line was commissioned on July 2nd 2017. This iconic project showcased a wide array of Eiffage Énergie Systèmes businesses, including radio and telecommunications systems, high- and low-voltage electrical engineering, lighting solutions, automatic control and monitoring systems, track signalling and catenary systems. It also confirmed our teams' ability to manage large, complex projects. In road transportation, two sectors were particularly dynamic: tunnel renovation, generating appreciable synergies between our motorway, electrical engineering and energy and climate engineering businesses, henceforth managed via the Clévia brand. In these two sectors, our teams export their expertise. A good example is the project to renovate the 640 m long Porte de Hal tunnel located under the inner ring road in Brussels (Belgium).

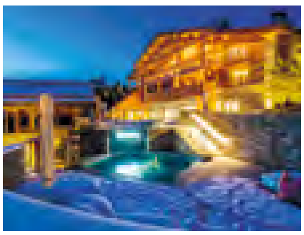
Innovation is central to our businesses

The power transmission and distribution business also reported growth in 2017. In France, the national grid operator RTE awarded us the largest turnkey overhead power line contract ever issued in France. The contract concerns the construction of a 400 kV power line between Avelin and Gravelle in northern France. Eiffage Énergie Systèmes is to design, develop, manufacture and erect a new overhead power line concept; this project illustrates the effectiveness of our strategy focused on high value-added niches. Internationally, Eiffage Energía, our company specialising in electrical infrastructures, installation, maintenance, renewable energy, civil engineering and construction work, became the Spanish energy operator Iberdrola's lead partner, maintaining its medium- and low-voltage electricity network. In Africa, we have also begun operating in the high-voltage electricity industry in Ghana and Burkina Faso. —

Service sector

More intelligent buildings benefit occupants

Eiffage Énergie Systèmes provides high-quality multi-technical solutions to service sector clients and building users. Eiffage Énergie Systèmes enhances comfort and safety while also reducing the ecological footprint of government and office buildings, and educational, cultural and healthcare facilities.



Megève — Eiffage Énergie Systèmes carried out the electrical engineering work for the La Cry hotel, which features 55 bedrooms and suites as well as a fine dining restaurant.

Healthcare, which ranks among the most demanding service sector markets, is a strategic growth area for Eiffage Énergie Systèmes. Our teams are handling a growing number of healthcare-related projects in a variety of locations, including Roubaix, Marseille, Angers and Grenoble. Healthcare institutions must be built and operated to demanding standards, similar to those for industrial facilities. The best approach is that of an all-rounder, backed by state-of-the-art solutions that meet the exacting requirements of the healthcare professions. Our teams are well-equipped for this two-pronged approach. They have developed a large design department and a range of high value-added expertise, particularly in areas such as fire protection and clean rooms (including operating theatres, laboratories and other sterile areas). We even offer turnkey clean room solutions backed by comprehensive performance commitments covering factors such as availability, response times and quality.

Upmarket projects – Interweaving innovation and tradition

Upmarket commercial developments are another area offering significant growth potential; examples include the Elixir luxury chalet in the Courchevel 1850 ski resort, and the Grand Hôtel-Dieu in Lyon. In this area too, Eiffage Énergie Systèmes has a comprehensive multi-technical offering. In order to make the difference in this highly competitive market, our teams deploy multimedia solutions and use premium audiovisual and communication systems to create a unique customer experience, exemplified at the K2 Palace in Courchevel and the Koh-I Nor in Val Thorens. The acquisition of Avenirelec in 2016 and Wetec in 2017 underscores our determination to strengthen our position in this market segment. —

Marseille — Smartseille was born out of Eiffage's desire to anticipate future trends and position its R&D efforts as part of an all-round sustainable urban development approach.

ENERGY SYSTEMS DIVISION

International

Eiffage Énergie Systèmes – International growth gathers pace

2017 was a very dynamic year for Eiffage Énergie Systèmes on the international stage. Taking advantage of a favourable economic climate, the European subsidiaries reported an increase in business of more than 24%. In Africa and South America, we are working hard on two large projects for the renewable energy sector.

24%
growth in Eiffage Énergie Systèmes revenue in Europe in 2017.

€153m
in revenue generated in 2017 by Kropman, a major player in the Dutch energy industry, acquired in 2018 by Eiffage Énergie Systèmes.

Société nationale d'électricité du Burkina Faso (SONABEL) and Ghana Grid Company (GRIDCo) awarded Eiffage Énergie Systèmes the contract for a 225 kV interconnection between Bolgatanga (Ghana) and Ouagadougou (Burkina Faso) in 2017.

Europe – Increased activity levels and a denser location network

Already a major industrial player in Europe, we are continuing to roll out our development strategy, supporting our businesses in countries where we already operate and making acquisitions in other countries.

Our European activities flourished in 2017, aided by strong growth in the Eurozone. In Germany, our subsidiary NAT, which specialises in automatic control in the automotive industry, took full advantage of the upturn in its sector. In Spain, Eiffage Energía became the energy operator Iberdrola's lead partner, maintaining its medium- and low-voltage electricity network. In Belgium, teams from VSE and Yvan Paque renewed their maintenance agreements covering road tunnels street lighting in Brussels. In Italy, Galli is establishing an enviable reputation in large commercial projects, handling the electrical engineering work package for the Allianz tower in Milan.

Furthermore, in terms of external growth, we negotiated two significant deals in 2017 that led to two significant acquisitions in 2018, consolidating our European roots. In Spain, our subsidiary Eiffage Energía enhanced its local network by purchasing EDS Ingeniería y Montajes, a company based in the Spanish Basque Country, specialising in electrical installation and maintenance works. In the Netherlands, our acquisition of Kropman, a leading player in the energy sector, has given as a beachhead in this promising market.

Energy transition – Exporting our expertise

Outside Europe, Eiffage Énergie Systèmes' growth is being driven by our two principal specialities: firstly, electric power transmission and distribution, and secondly, renewable energy (wind and photovoltaic power). This specific technical know-how has put us in a strong position to become the preferred partner for major national and transnational strategic projects in Africa and Latin America.

In West Africa, our teams are taking part in OMVG, a large transnational project to densify the electrical network along the river Gambia. Operating in a consortium with the Spanish company Elecnor, Eiffage Énergie Systèmes is helping to build this huge structure under the terms of an €82 million contract. As part of this programme, we built the 225 kV electrical interconnection between Burkina Faso and Ghana in 2017.

Ten Merina (Senegal) —
Photovoltaic power plant.

€25m
in revenue generated in 2016 by EDS Ingeniería y Montajes, acquired by Eiffage Energía in 2018. This company, based in the Spanish Basque Country, specialises in electrical installation and maintenance works.

In South America, our subsidiary Eiffage Energía marshals our expertise in the area of renewable energy, particularly photovoltaic energy; we operate as an all-round service provider, covering the design, sizing, startup and maintenance of such infrastructures. In 2017, Eiffage Energía completed work on the Quilapilún photovoltaic power plant in Chile. Another power plant is currently under construction in Huatacondo, in northern Chile, with handover scheduled for 2018. These two plants each have an installed capacity of 100 MW. Our teams are also carrying out other assignments, in Mexico and Jamaica, where ground was broken at our first power plant in 2017. Strengthening our positions in South America is one of our key objectives for the coming years.

Our expertise in renewable energy is also being exported to Africa. In 2017, we handed over two photovoltaic farms located in Mauritania and Senegal. More than ever, Eiffage Énergie Systèmes is acknowledged as a key international player in regional development initiatives relating to energy transition policies. —

A480 motorway — More than 20 years after it was initially proposed, the project to upgrade the A480 urban motorway (which passes through Grenoble) to dual triple-carriageway status, is finally set to be implemented. An investment in the public interest.

Concessions

A productive investment and partnership policy

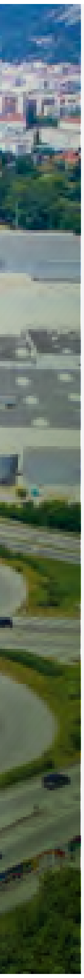
€192m

is the total cost of the work at the Grande Arche in La Défense, which took 27 months to complete.

Teams of financing and project engineering experts from our Concessions division coordinate public-private partnership (PPP) and delegated public service projects relating to the construction and/or operation and maintenance of buildings and public facilities such as prisons, hospitals, secondary schools, sports stadiums, photovoltaic power plants, motorways and high-speed rail lines, both in France and internationally.

Major PPP projects in several outstanding locations

In 2017, our Concessions division achieved a number of fine PPP successes. After being closed for eight years and undergoing two-and-a-half years of renovation works, the roof terrace atop the Grande Arche in La Défense, near Paris, reopened to visitors on June 1st 2017. The south wall and roof of the Grande Arche have been fully renovated under the terms of this 20-year PPP, for which Eiffage Concessions acted as the contracting authority.



INCREASED TRAFFIC DRIVES 2017 REVENUE AND PROFITS

€2.7bn
Revenue
(+ 7.2%)

€1.3bn
Operating profit on ordinary activities
(+ 6.6%)

4,200
employees

HIGHLIGHTS

Eiffage Concessions handed over two buildings (LEM3 and UFR MIM) at the University of Lorraine in Metz, in May 2017.

APPR began work in Montmarault (A71 motorway) and Mâcon (A6 motorway) to connect these towns to the Central Europe Atlantic Road (RCEA).

€220m
in additional funding is to be committed by APRR in the context of the new joint investment plan by the French government and motorway operators, subject to approval by France's Council of State.

The planned aquacentre in Amiens was another highlight. In March 2017, the city council entered into a delegated public service agreement with the Cap Samaro consortium led by Eiffage. The aim is to finance, design and build the new aquacentre by May 2019, and operate it thereafter.

For its part, the Pierre Mauroy stadium was very busy in 2017, hosting a string of prestigious concerts by artistes such as Céline Dion, Depeche Mode and Bruno Mars, as well as international sporting events including the handball world championship and the final stages of the Davis Cup, from which France emerged victorious.

Maintenance contracts in France and abroad

The handover of the Bretagne-Pays de la Loire high-speed rail line was another memorable event in 2017. Our personnel will now maintain the line until 2036. Internationally, we enjoyed a particularly good year in Senegal, winning contracts to service and maintain the "Autoroute de l'Avenir" motorway in Dakar and the Ten Merina solar power plant.

Busy motorways

Eiffage operates 2,571 km of motorways (of which 2,465 km in France) via the APRR and AREA, A'liénor (A65) and Adélac (A41) networks, the Millau viaduct and the Prado-Carénage and Prado Sud tunnels (in which the Group has a minority interest). The past year saw some major investments, in order to be able to conduct large infrastructure projects and to improve quality of service and the appeal of the motorway. —

Eiffage Concessions

Bretagne–Pays de la Loire high-speed rail line — Teams from our subsidiary Opere are to maintain the infrastructure until 2036.

214
kilometres of line were built for the Bretagne–Pays de la Loire high-speed rail line.

2
million kilometres were travelled by 17,000 trains on the Bretagne–Pays de la Loire high-speed rail line between July 2nd and December 31st 2017.

Nearly 300 structures were built to help animals safely cross the route of the railway, reinstating the "ecological corridors" through which the line passes.

Bretagne–Pays de la Loire high-speed rail line – A huge maintenance agreement

The handover of the Bretagne–Pays de la Loire high-speed rail line, on May 15th 2017, was among the highlights of 2017. Our teams will be maintaining the 214 km line until 2036.

The Bretagne–Pays de la Loire rail line has propelled Eiffage into a new league. Following on from the 44 km long Perpignan-to-Figueras rail line, which was the first high-speed line through the Pyrenees, handed over in February 2009, and then the 150 km A65 Pau–Langon motorway that opened in December 2010, this extraordinary rail project confirms our ability to conduct very large turnkey projects.

For the first time on a large infrastructure project, the environmental offset works were completed even before the line entered service, underscoring our proposal's status as the most environmentally friendly, as noted by SNCF Réseau when awarding the contract to Eiffage. We created 974 hectares of environmental offset for this project.

Debt refinancing – A first

In December 2017, Eiffage Concessions signed the first refinancing agreement relating to a rail project in France. The agreement concerns an amount of €222 million, corresponding to the bank loans relating to the Bretagne-Pays de la Loire high-speed rail line. —

Biodiversity goal

Eiffage established an unprecedented standard of environmental requirements for this project. We attempted to minimise the line's direct impacts on landscapes, communities, rivers and biodiversity. No fewer than 1.2 million trees were planted, equivalent to six trees for every metre of high-speed line. We also set up a special carbon arbitrage fund to eliminate greenhouse gas emissions equivalent to the construction of two kilometres of line.

17,000 trains in 2017

Since the line was handed over on May 15th 2017, teams from our subsidiary Opere have been maintaining the infrastructure to ensure that it meets the required performance and availability standards. By December 31st 2017, 17,000 trains had already travelled along the line, covering more than two million kilometres with excellent punctuality. As a result of the considerable effort invested by our teams in terms of organisation, training and documentation, we are the first private company officially qualified to manage rail infrastructure on the French national network.

Connecting communities, facilitating mobility and supporting economic development are a fundamental part of Eiffage's mission. Through the construction and maintenance of this high-speed rail line, we are making a decisive contribution to the effort to improve access to communities. —

Active management for our PPP portfolio

€240m
from disposals in 2017.

€1.5bn
in total generated by disposals since 2011.

Since 2011, we have rolled out an active management strategy for our PPP portfolio, resulting in disposals totalling almost €1.5 billion. These sums have been used to reduce the Group's debt. We maintained this public-private partnership rotation policy in 2017. In November, we agreed a deal with the investment fund Demeter Partners covering the sale of equity in three companies that respectively hold two PPP contracts in Seine-Saint-Denis (relating to a total of 8 secondary schools), the PPP for the secondary school in Jarny and the PPP for the GreEn-ER energy and water management academy in Grenoble. This 22,000 m² property, built by Eiffage Construction and Eiffage Énergie Systèmes under the aegis of Eiffage Concessions, was handed over in June 2015. This transaction is worth a total of €240 million. We will continue to manage and maintain these projects until the end of their respective contracts, underscoring our commitment to our role as a long-term industrial partner for our public sector customers. —

Our PPP portfolio active management strategy has resulted in disposals totalling almost €1.5 billion since 2011.

25-year concession for our solar power plant in Senegal

€43m
budget.

33,300
tonnes of carbon dioxide emissions saved each year.

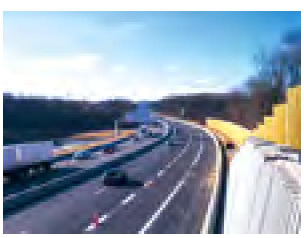
In January 2017, after 10 months of works, Eiffage officially opened the new Cheikh Anta Diop solar power plant in Ten Merina, 120 km northeast of the Senegalese capital, Dakar. We developed this project for a photovoltaic power plant with a total capacity of 30 MWp for Senelec, Senegal's national electricity company. Almost 92,000 PV modules have been installed across an approximately 50 ha site. This plant will generate enough electricity to cover the needs of more than 200,000 people, while also avoiding 33,300 tonnes of carbon dioxide emissions each year by directly replacing output from existing oil-fired base-load power plants. The inauguration of the new plant reflects Senegal's energy policy, which aims to procure 20% of the country's electricity from solar power. We teamed up with the infrastructure fund Meridiam for this project, which cost a total of €43 million. It was funded by equity contributed by Eiffage and Meridiam, and by €34.5 million in bank loans from Proparco (a French Development Agency affiliate) and BIO (a Belgian development finance institution). The newly commissioned power plant will be serviced and maintained over the next 25 years by Eiffage Opération Services, RMT (an Eiffage Énergie Systèmes subsidiary) and Solairedirect (a subsidiary of Engie). —

Motorway concessions in France

Renewed investment in motorway networks

APRR has embarked on a transformation, featuring major infrastructure projects and initiatives to improve quality of service and enhance the appeal of the motorways. An additional €220 million is to be injected under the terms of a new capital investment plan negotiated by the French government and motorway operators.

Performance improved from 2016 across the main economic indicators.



A89-A6 link — This section of motorway, completed in early 2018, is the final link in the Trans-European motorway corridor between Bordeaux and Geneva.

25

areas along the APRR and AREA motorway networks are now equipped with fast-charging stations for electric vehicles, equivalent to one every 50 km.

Our subsidiary APRR reported satisfactory performance, with traffic up 3.2%, operating expenses under control and financial costs significantly reduced. In 2017, our motorway group stepped up its investments relating to our management contracts, but also as part of the motorway regeneration plan agreed with the French government in 2015. The completion of works on the link road between the A89 and A6 motorways north of Lyon, which opened to traffic in March 2018, was a significant milestone. This new section is the final link in the Trans-European motorway corridor between Bordeaux and Geneva in Switzerland.

The past year also saw a large number of projects to smooth the flow of traffic and enhance customer safety. Examples include work to widen sections to dual triple-carriageway on the A71 in Clermont-Ferrand, the A6 in Auxerre and the A41 North in Annecy. A number of strategic motorway nodes are in the process of being reconfigured, including the A36/N1019 interchange in Belfort, the A406/RCEA in Mâcon and the A71/RCEA in Montmarault.

Services for customers – A powerful differentiation lever

New services for customers are being introduced as part of the transformation of the APRR and AREA networks. The programme to upgrade rest areas and review the commercial outlets at service areas continued in 2017.

Our subsidiary APPR is also encouraging the boom in new forms of mobility by deploying new technologies and promoting sustainable development. For example, in 2017 we built a number of new car parks for car-poolers and launched 15 dynamic car-pooling routes in partnership with the specialist website operator, iDVROOM. Additionally, 25 motorway areas are now equipped with fast-charging stations for electric vehicles.

In July 2017, in what was a European first, we launched topEurop, a remote toll payment badge that will be interoperable in France, Spain, Portugal and Italy in 2018. We also introduced innovations to improve winter motoring, thereby enhancing customer safety: the new, extra-wide “Snow kill” snow-clearing trailer was tested and approved in late 2017. This trailer is able to clear two motorway lanes simultaneously.

Accelerating the digital transformation

Lastly, APRR pursued its digital transformation, launching three specialist applications in 2017 to simplify our core businesses (toll collection, traffic monitoring and accident management). These applications will be rolled out in 2018. The aim is to digitise 80% of processes by the end of 2019. —

Nouvelle-Aquitaine – Traffic increase on the A65 motorway

2%
increase in traffic in 2017.

€57.8m
in revenue in 2017.

In Nouvelle-Aquitaine, the A65 motorway runs from Pau to Bordeaux, via Langon. In 2017, the motorway's seventh year in operation, total traffic increased by 2%. Revenue increased by 4.3% to €57.8 million. In March 2017, the General Council of Landes issued an order prohibiting heavy goods vehicles on the RD 834 secondary road, between Mont-de-Marsan and Saugnacq-et-Muret, to eliminate the nuisance associated with their movements through certain villages. This significant decision has had a very real impact on traffic on the A65 motorway.
Lastly, the A65 motorway benefited from a sharp decrease in accidents and injuries in 2017 as a result of introducing rumble strips on all lanes, to audibly alert motorists crossing a solid white line. —

Millau viaduct – More than 5 million vehicles in 2017

14,000
visitors for the new guided tour of the "Explorers' Path".

€2m
invested in the new Millau viaduct area.

In 2017, the Millau viaduct broke the symbolic five million vehicle barrier for the first time in this exceptional structure's history. Overall traffic increased by 0.9%, but the category reporting the strongest growth was heavy goods vehicles, up 7%. For motorists' comfort and convenience, we also accelerated movements through toll barriers. In August, our drive-through lane recorded up to 766 vehicles in a single hour. Such smooth movements are greatly appreciated by Viaduc-t subscribers, who also receive a 20% discount on the Millau viaduct toll charge. Furthermore, the new Millau viaduct area officially opened in July after six months of works. More than €2 million was invested to upgrade this outstanding site and enhance customer satisfaction through simple, effective facilities, high staffing levels and innovative tourism-related services. Additionally, after three months of works, Compagnie Eiffage du Viaduc de Millau opened the new "Explorers' Path" guided tour in March, attracting more than 14,000 visitors in its first nine months. During the tour, visitors learn about every aspect of this extraordinary structure, which has become a tourist destination in its own right. Lastly, Compagnie Eiffage du Viaduc de Millau was granted triple certification: ISO 9001 "quality management", ISO 14001 "environmental management" and OHSAS 18001 "occupational health and safety management". —

Marseille —
For the Smartseille eco-neighbourhood, Eiffage rolled out innovative solutions including eco-designed and mixed-use buildings, and shared energy supplies.

New offerings, new ambitions

Creating sustainable cities that nurture a sense of community, breaking down barriers and working closely with authorities to address local needs are among the themes addressed by our teams.
We operate as an all-round contractor and integrator, promoting macro-scale sustainable development, with particular expertise in intelligent buildings, faithful restoration of our cultural heritage, renewable energy production, eco-designed buildings, new forms of mobility and services to industry. —

All-round contractor and integrator

Digital and energy transition – A wide-angle approach to inventing the future

— The digital revolution is in full swing (as evidenced by BIM, IoT, big data, predictive maintenance, etc.) and we are optimising our processes and integrating the best digital technologies to continuously improve the way we build and provide new services for our customers.
Our Group is positioned as an all-rounder able to integrate the full spectrum of information and communication systems and technologies for all operators, from connected cities to cutting-edge industries. —

Customer-facing innovation

Placing the digital transformation and ecological transition at the heart of our strategy gives us performance levers that, when combined with innovation, empower us to create high added-value solutions for our customers. In 2017, we introduced a new, cross-functional organisation to support in-house innovation and facilitate joint projects with third-party innovation partners.

Sustainable cities

All our businesses – in construction, property and urban development, roads, civil engineering, metal and energy systems – are committed to the task of designing intelligent, connected and climate-change resilient cities for the future. Our aim is to deliver high quality of use for residents, made possible by affordable, eco-friendly buildings that blend into their surroundings and are suitable for all generations.

Communities and mobility

We harness our wide-ranging expertise – in roads, motorways, tramways, metro and rail systems, docks and ship locks – to facilitate urban and intercity travel by modernising infrastructures, building missing links and creating new communication routes.

Energy transition

Our investment in research and development and our continuous innovation policy have earned the Group a reputation as an industry leader in low-carbon construction, sustainable roads and renewable energy. We tackle the challenges associated with the energy transition.

Works and services for industry

In the aerospace, nuclear power, petrochemicals, energy and automotive sectors, we work hand in hand with leading industrial firms, both in France and abroad, providing our expertise in the design, integration and maintenance of industrial systems.

Customer-facing innovation

Encouraging and supporting customer-facing innovative projects

Clamart —
Canal Avenue is a new-build development featuring 77 apartments with architectural lines inspired by the Art Déco movement.

In 2017, we introduced a new organisation to support innovation across all our divisions and business lines. To stimulate co-innovation, we have also enhanced our dialogue with stakeholders such as research and higher education institutions, key accounts, partners, suppliers and startups. This partnership approach gives leverage to our innovation capabilities.

Placing the digital transformation and ecological transition at the heart of our strategy gives us performance levers that, when combined with innovation, empower us to make the difference by creating high added-value customer-facing solutions. We have introduced a cross-functional organisation as well as new tools to motivate our employees and facilitate co-financing of the innovation process, whether in terms of anticipating new technological challenges, supporting the transformation of businesses and processes or addressing new uses by end customers in our research and development programmes. This approach provides leverage for our innovative capabilities and adds value.

Illustrating this, in 2017, we encouraged all employees to take part in the innovation process via two campaigns intended to elicit their ideas and share them across all our divisions. All employees were able to vote for ideas submitted by co-workers, discuss how to refine them and suggest their own innovations – however large or small – relating to a wide range of themes including buildings, power plants and infrastructures.

To promote innovation within the Group, Eiffage counts on crowdsourcing campaigns to motivate employees, backed by co-financing facilities available for all businesses without exception.

Employees encouraged to innovate

In any company, innovation is most beneficial when shared by all. With this in mind, we introduced regular and heavily promoted innovation crowdsourcing campaigns in 2017. All Eiffage employees are encouraged to share their bright ideas via our Start.box digital portal, thereby helping to enhance our Group's overall performance. After a period during which contributions are collected, the best innovators will be rewarded and their ideas rolled out across Eiffage. —

€4m
invested annually to support innovation via the Seed'Innov and E-Face funds.

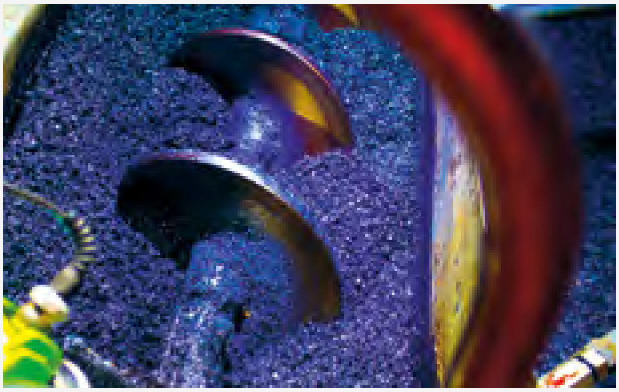
A digital revolution and economic transformations

Forward thinking and innovation are often a decisive factor in winning strategic orders. They also represent the best response to the ongoing digital revolution (big data, real-time data analysis, Internet of Things, artificial intelligence...), to climate change and to the associated economic transformations already taking place, such as the circular economy. Innovation is a whole process that begins with an idea, followed by a patent application, experimentation and approval phases, culminating in a commercial launch. Each of these steps is an integral part of the innovation process, requiring attention and assistance. —

Two investment funds to support innovation

To support innovation processes and the deployment of solutions that enhance our performance and enable us to tackle future technological challenges, we have created two internal co-financing instruments. Both are available to all business lines, without exception.The first of these funds, Seed'Innov, provides assistance from the earliest stages of R&D and proof-of-concept activities, continuing to support projects through to commercial launch. Its role is to cut the time-to-market. The second fund, E-Face, supports innovative low-carbon solutions by offering financial compensation to offset the difference in cost between a conventional carbon dioxide-emitting solution and an alternative low-carbon solution, which tends to be more costly. —

Roads of the Future — Eiffage won the "Roads of the Future" call for projects issued by the French environment and energy management agency (Ademe), with a project to trial innovative ground markings.



Creating alongside research partners and startups

20
startups interviewed for the Paris&Co and Impulse Partners incubators.

48 months
is the duration of the I-Street project led by Eiffage alongside Total, Ifsttar and the startup OliKrom.

To accelerate innovation, Eiffage is opening up to the research community and startups. Our cross-functional Sustainable Development and Innovation department works closely with incubators such as Paris&Co and Impulse Partners, which support innovative startups like Agronergy (a company that produces energy from farm waste-derived biomass) and Navya (self-driving electric shuttle vehicles). Numerous possibilities exist, in areas such as urban farming, new and renewable energy mixes, resource optimisation in maintenance businesses, real-time energy measurement and adjustment, the urban Internet of Things, or intelligent and shared parking solutions. Better still, a growing number of these solutions are interfaceable and reproducible. In another open innovation initiative, we issue and respond to requests from suppliers and customers that share our openness to co-innovation. This approach has, in particular, enabled us to select and trial new materials and processes. For example, for our I-Street pilot project focused on "systemic innovations benefiting ecological and energy transitions in road transport infrastructures", Eiffage Route and OliKrom, the Bordeaux-based smart pigments specialist, entered into a strategic partnership agreement in April 2017. This partnership will enable Eiffage Route to test innovative ground markings that are visible in all driving conditions, particularly at night and in poor weather.
This cooperation offers considerable potential for improving road safety. —

Innovating to tackle technical challenges

1,600
employees assigned to engineering roles (design, construction, process planning, systems engineering and R&D).

10,000 m²
of complex façades for the Luma Foundation in Arles, designed by the architect Frank Gehry.

Engineering capabilities, technical expertise and proposals for technical variants have always featured among the signs of Eiffage's success. We stand out for our ability to rise to new challenges, as was the case with the Millau viaduct, which holds the record for the world's tallest bridge pier (343 m). In 2017, we continued work building the Luma Foundation in Arles, which features 10,000 sq. m of complex façades. This tour de force was made possible by the use of building information modelling (BIM) software, which is able to create digital models for ambitious projects. Such capabilities are now essential in order to tackle the wide variety of challenges posed by new construction, infrastructure and energy projects.
The Group has an impressive engineering task force:
1,600 employees are assigned to design and construction studies, process planning, systems engineering, research and innovation, some based in design offices, others at production facilities and work sites, both in France and in other countries. "Our teams are highly specialised, but they also complement each other very well," notes Vianney Fullhardt, Chairman of Eiffage's Scientific Committee. "For a call for projects such as the 'Roads of the Future' initiative, we can call on industry-leading specialists in coated aggregate, alongside experts in energy production and data collection." —

Sustainable cities

Cities designed for their residents

Building a sustainable city implies ensuring that its constituent neighbourhoods are able to adapt to new lifestyles and change over time. It is also important to offer residents a high quality of life, by providing affordable, eco-friendly buildings, shared utility networks, and safe, environmentally sound communities. Building a smart city that is both welcoming and sustainable demands our full spectrum of expertise. We strive never to lose sight of our goal of making towns and cities more resilient to the consequences of climate change, more beautiful, more effectively integrated and better adapted to the needs of all generations, both now and in the future.

Completely focused on utility and designed to provide the best possible quality of life to residents and users, cities are no longer defined in terms of juxtaposed areas with distinct functions (such as housing, offices, public institutions, etc.). Smart cities are intelligent, balanced and environmentally friendly, serving individuals and the collective interest alike. Consequently, we give consideration to all smart city components in our projects: design and construction of new neighbourhoods, restoration of brownfield industrial sites, urban regeneration, town-centre revitalisation, etc.

Smart cities – sustainable, desirable cities for tomorrow's world – must adapt to the consequences of climate change and to the profound sociological shifts already underway.

Eiffage – A key partner for local authorities

Harnessing our wide-ranging expertise, we are able to effectively address every challenge facing modern cities. Our status as a land and property developer as well as a construction contractor makes us a natural lead partner for local and regional authorities considering large and/or strategic urban projects.

Eiffage Aménagement and Eiffage Immobilier harness their expertise to propose urban projects that address communities' precise requirements.

Authorities that choose Eiffage Aménagement can be sure to receive personalised, expert support with all their projects, thanks to our ability to leverage synergies between the Group's various businesses, and to deploy the right skills and resources at the right time. This all-round management offers tangible guarantees in terms of budget and schedule compliance, while also helping to ensure that operations are managed efficiently.

Nice — We provide our expertise to local authorities as they design large-scale urban projects.

Created in 2017, Eiffage Construction Bois offers environmentally friendly, flexible and responsive turnkey solutions that supplement the conventional wood industry.

Designing neighbourhoods for today and tomorrow

Innovation is another strength. It is expressed at every stage of a project, through integrated architecture, new environmentally friendly materials and procedures, energy-efficient infrastructures, digital services integrated into structures, etc. In this area, Eiffage Aménagement is supported not only by the Group's cross-functional Sustainable Development and Innovation department, but also by a network of partners including architects, SMEs, startups, NGOs and interest groups. This is because we recognise that achieving our goal of creating neighbourhoods that foster a high quality of life requires us to assemble the finest talents.

Cocoon'Ages — This inter-generational housing concept is on display at the showroom in Aubagne.

In the north of the town, the Parc d'Affaires development zone lies very close to the Les Grésillons regional railway station, soon to become a Grand Paris Express station.

Highly innovative projects, from Smartseille to Châtenay-Malabry

The great diversity of the projects handled in 2017 illustrates Eiffage's ability to effectively and innovatively meet authorities' needs and citizens' expectations. For example, we are taking part, alongside several property developers, in a project to build an eight-hectare eco-neighbourhood in the new Parc d'Affaires development zone in Asnières.

This neighbourhood features 1,600 homes, a retirement home, 5,000 sq. m of retail premises, 25,000 sq. m of office space, schools, etc. The aim is to enhance the appeal of the business park by making it a comprehensive, innovative community and a beacon for future cities.

A community for all generations

Creating an "eco-neighbourhood for all" is also the overriding goal of the Smartseille project in Marseille, for which the first work packages have now been handed over. The sense of community is one of the leitmotifs of the new Cocoon'Ages concept, which was implemented for the first time in a number of projects in 2017. Cocoon'Ages residences are designed to accommodate seniors, but also professionals and families. Work at the sites of the first six developments has begun in Aubagne, Guyancourt, Marseille, Clermont-Ferrand, Mandelieu and Ivry- sur-Seine.

Approximately another thirty similar projects are at the development stage.

In Châtenay-Malabry, at the former site of the École Centrale Paris engineering school, Eiffage Aménagement is inventing a new 20-hectare neighbourhood with a focus on high quality of life. In Clamart, ground was recently broken on the Grand Canal neighbourhood. This edge-of-town development extending over a 5.3 hectare site features 1,150 homes, a residence for students and seniors, a hotel, public services and 5,000 sq. m of retail premises. There will be a biomass-fuelled boiler room serving the whole neighbourhood, as well as storm water collection systems.

Operating nationwide, and promoting innovative solutions that enhance well-being, we strive to be the "go-to" partner for next-generation neighbourhoods. We maintain a constant focus on quality – in terms of urban design and architecture but also public spaces – while aiming to set the gold standard in the area of environmental performance. —

We strive to be the "go-to" partner for next-generation neighbourhoods. We maintain a constant focus on quality – in terms of urban design and architecture but also public spaces.

An urban park neighbourhood in Châtenay-Malabry

20
hectares to be developed as housing, offices, planted areas and public facilities (secondary school, childcare centre, etc.).

2,000
homes.

Selected following a developer consultation exercise conducted in February 2017 by the municipal council of Châtenay-Malabry, Eiffage Aménagement is to design and build an urban park neighbourhood on the historic site of École Centrale Paris, a prestigious institution that has been training elite engineers since the 19th century. This eco-neighbourhood (with a floor area of 213,000 sq. m) will consist of offices, homes, retail premises and public facilities, directly linked to the existing town and seamlessly integrated into the Grand Paris programme via the planned T10 tramway line. The neighbourhood is being developed to provide the town with an appropriate balance of public, private and natural spaces, harmoniously integrated into the existing environment. To achieve this, the project makes bold use of innovations, promoting the circular economy, designing a low-carbon neighbourhood (with shared parking, a self-driving shuttle service, wooden structures, etc.), introducing urban farming and adapting to new uses (connected offices, digital services, etc.). This development, scheduled for completion in 2024, is being conducted via France's first Semop development vehicle. This public-private joint development model adds value and facilitates effective coordination between stakeholders. —

The smart city harnesses the Internet of Things

2,000
Parisian public facilities benefit from improved energy performance.

10,000
autonomous sensors already installed for energy data collection in Paris.

By enabling vast quantities of data to be collected easily in real time, the Internet of Things is a promising technology for monitoring and controlling all types of devices and systems. Leveraging our considerable expertise, Eiffage Énergie Systèmes has been working since 2016 on a major project for the City of Paris, modernising 2,000 boiler plants in public facilities, in order to improve their energy performance. The aim is to help Paris to achieve its goal of a 25% reduction in energy consumption by 2020. Our assignment consists in renovating, regulating and connecting these 2,000 heating plants, installing a network of connected probes, sensors and meters, and implementing a monitoring system to improve the energy performance of the host buildings. Eiffage Énergie Systèmes also collects, processes and analyses data, producing actionable reports. This information can be used to optimise consumption and manage energy more efficiently. This four-year project was initiated in 2016. —

Communities and mobility

Inventing new forms of mobility

As an infrastructure builder and manager, we are one of the key stakeholders in land development efforts in France and around the world. Drawing on our wide-ranging expertise in roads and motorways, tramways, metro and railway lines, docks and ship locks, we facilitate urban and intercity travel, modernising infrastructures, building missing links and creating new transport corridors. Working alongside public authorities and other mobility stakeholders, we are reinventing means of transport and fostering innovative travel practices to serve users more effectively.

4,500
employees worked on-site for the Bretagne-Pays de la Loire high-speed rail line.

Rennes Metro —
By September 2017, more than half of the viaduct deck sections had already been built, representing a total length exceeding 1,200 m.

This unique blend of expertise now places Eiffage among the leading French and European contractors for complex projects.

Construction work for the Bretagne-Pays de la Loire high-speed rail line was completed during the first half of 2017.
We will now maintain the line until 2036.

The viaduct for the Rennes Metro is being built using a launching beam that enables two span sections to be suspended simultaneously.
This technique is a world first.

A major highlight of 2017 was the entry into service of the Bretagne-Pays de la Loire high-speed rail line, featuring more than 200 km of new line between Le Mans and Rennes. At its peak, this exceptional project had up to 4,500 people working on-site, and the result confirms our know-how in managing large projects. This know-how is a blend of technical expertise and competency in terms of project organisation, consultations, training, integration and consideration for local requirements. This unique skill set now places Eiffage among the leading French and European contractors for complex projects. In the United Kingdom, for example, in July 2017 we were awarded two work packages for phase 1 of the HS2 high-speed rail line between London and Birmingham. Work is scheduled to continue until 2022.

Supporting urban public transportation

We partner with public authorities to jointly design local development projects that address emerging urban and suburban travel needs. As part of the programme to extend line B of the tramway in Angers, Eiffage Métal and Eiffage Génie Civil are working together to build a 720-tonne, 136 m long bridge that will be supported by two underwater piers. To enhance the structure's aesthetic appeal, Eiffage Énergie Systèmes is to install an LED-based architectural lighting system.

The municipalities of Lyon, Bordeaux and Avignon have chosen Eiffage Route to build infrastructures for their respective tramway systems. In Toulouse, in July 2017, Eiffage Route broke ground on a site development work package for Linéo 3, a new 13 km long bus route serving the west side of this regional capital. In Pas-de-Calais, between the towns of Béthune, Bruay- Houdain and Avion, we are taking part in a project to create a bus rapid transit system with dedicated facilities. Parts of the 15 km route will run along existing roads, with separate bus lanes, and other sections will be new. In Rennes, work at the site of the metro viaduct reached a significant milestone in mid-February 2018, with the installation of the final deck sections. The structure will be complete this summer. Lastly, in the Paris region, as part of the Grand Paris Express urban

The iDVROOM service was rolled out to several motorway routes in 2017, including Lyon–Grenoble, Chambéry–Grenoble, Valence–Grenoble and Chambéry–Lyon.

Our I-Street project is one of four selected by Ademe, the French environment and energy management agency, following its "Roads of the Future" call for projects intended to reduce the environmental impact of road infrastructures.

A6 motorway — The APRR Group continued to invest in improvements to customer facilities.

transit project, we won three major contracts in 2017 and 2018, together worth more than €2 billion. These contracts respectively concern work package T2B for line 15 South (between Bry-Villiers-Champigny and Créteil l'Échat), work package 1 for line 16 (between Saint-Ouen and Aulnay-sous-Bois) and work package GC03 for line 14 South (between Rungis and Chevilly-Larue).

Supporting innovative mobility solutions and networks

The digital revolution is affecting transport infrastructure and mobility alike: on the one hand, self-driving vehicles are now a reality, and on the other, citizens expect ever more services to facilitate travel and preserve the environment. Attentive to these changes and aspirations, we are innovating to invent the mobility solutions of tomorrow.

Our I-Street project for systemic innovation in support of ecological and energy transitions in road transport infrastructures, which is backed by the whole Group, reflects our rational approach to innovation. We have committed more than €15 million over four years to this project, which is expected to deliver significant advances in several areas: a greener road industry; intelligent roads; prefabricated, movable roads; and innovative, safer road markings.

Furthermore, the French government and APRR and AREA have agreed a €220 million motorway investment plan, which has been submitted to the French Council of State for approval. The plan covers around 15 projects, including work to create motorway access ramps, install wildlife protection systems and create dedicated car-pooling car parks. In another measure to encourage car-pooling, APRR and AREA renewed their partnership with iDVROOM in 2017, following an encouraging initial six-month trial.

Lastly, our Seed'Innov cross-functional approved joint funding for two innovations sponsored by Eiffage Construction and Eiffage Énergie Systèmes. The first of these consists in introducing a self-driving shuttle service in a development zone, in order to trial a dynamic traffic light system and intelligent traffic lane systems. The necessary charging stations and electrical networks will also be installed and maintained. The second initiative concerns an urban hitch-hiking project based at the LyonTech-la Doua campus. These innovations supported by our Group aim to streamline travel and reduce the carbon footprint.

Encouraging international exchanges

In 2017, Eiffage won several large orders relating to ports in West Africa. For example, Eiffage Génie Civil and RMT, a subsidiary of Eiffage Énergie Systèmes, are providing Bolloré with their expertise in construction and electrical equipment for a dock extension in the port of Freetown (Sierra Leone). In Ghana, Eiffage won a contract worth more than €100 million, concerning the development of a nearly 100-hectare port platform in Tema. Following on from the port of Lomé (Togo), which our teams completed in 2016, these major construction projects will give West Africa two additional gateways for international trade. —

High Speed 2 - A high-speed rail line between London and Birmingham

80 km
of track in the Midlands, north-west of London.

86
engineering structures under construction.

On July 17th 2017, Eiffage Génie Civil was officially awarded two civil engineering work packages for phase 1 of the planned High Speed 2 (HS2) high-speed rail line that will link London and Birmingham by 2026. The HS2 contract is being handled via an integrated 50/50 joint venture with the British contractor Kier. These two work packages comprise earthworks, engineering structures and work to restore communications along a section extending from the north portal of the Chiltern tunnels to the south portal of the Long Itchington Wood Green tunnel.
These packages are situated midway along the route of the planned high-speed line, in the rural part of the Midlands.
In all, the works will entail moving 23 million cubic metres of excavated material, building 14 viaducts, 86 engineering structures and more than 5 km of cut-and-cover tunnels. The design phase for these projects began in 2016, and work is scheduled for completion by 2022.
This British contract not only validates our expertise in high-speed rail lines (following on from the July 2017 opening of the Bretagne-Pays de la Loire high-speed line), but also positions us as a major European player in the market for large, complex infrastructure projects. —

Grand Paris Express on track

2,700
workers deployed at peak times for the contracts won in 2017 and 2018.

Over €2bn
in contracts won by Eiffage in 2017 and 2018 for the Grand Paris Express project.

Eiffage entered into three major contracts for the Grand Paris Express public transport system project in 2017 and 2018.
→ **Line 15 South:** Leading a consortium, we were awarded package T2B for line 15 South in the Val-de-Marne department. This €795 million order (of which €435 million for Eiffage) covers the excavation of a twin-track tunnel measuring more than 7 km in length and 8.70 m in internal diameter, the construction of seven auxiliary structures between stations and an auxiliary structure enabling interconnection (at a later date) with line 15 East, and the construction of three stations. Ground was broken on the five-year works programme in April 2017.
→ **Line 16:** We were appointed to lead the consortium entrusted with work package 1 for line 16, the Grand Paris Express project's biggest package. The work includes excavating more than 19 km of tunnel, building 18 auxiliary structures, laying track, installing catenaries and linear facilities, as well as creating five stations in the Seine-Saint-Denis department, including the Grand Paris Express project's largest station, Saint-Denis Pleyel, which is expected to handle 250,000 passengers daily. This €1.84 billion contract (of which €1.71 for Eiffage) will be performed over a six-year period.
→ **Line 14 South:** Operating in a consortium, we were awarded a work package for line 14 South in the Val-de-Marne department. This €365 million contract covers the construction of a 4 km long tunnel as well as civil engineering work for three stations.
The work is to be carried out over a period of 54 months. —

Energy transition

Committed to the energy and environmental transition

As a result of our collaborative innovation policy and sustained investment in research and development, we are now a major player in low-carbon construction, sustainable roads and renewable energy, enabling us to tackle the major environmental challenges of the 21st century.

Environment —
At a time when the European Union is considering raising the share of renewable energy in its energy mix to 20%, we are setting the pace in this area, in France and other countries.

Eiffage Construction – Innovating to reduce our carbon footprint

"Building and operating differently" is one of Eiffage Construction's leitmotivs. In particular, we have earned a reputation for our ability to develop low-carbon methods, and are developing our own alternative solutions by introducing dry-process construction, a concept covering all building techniques that do not require the use of water, unlike concrete and cement-based techniques. We have already completed a number of major reference projects, such as the solid wood housing development built in Ris-Orangis. To roll out this offering, a pilot entity, Eiffage Construction Bois, was set up in the Paris region in 2017. Meanwhile, Eiffage Construction is making increasing use of low-carbon concrete (including for the project to renovate the Gaîté Scène Montparnasse city block in Paris), and is conducting research in the area of demolition concrete recycling. Eiffage Construction also receives insights from the Group's new Purchasing and Innovation Committee, tasked with encouraging buyers to continuously favour innovative and environmentally sounder products.

In late 2017, we presented the Luciole® process, in which a new road surfacing material that reflects light more effectively is used in combination with intelligent street lighting to significantly reduce public authorities' electricity costs and decrease night-time light pollution.

Eiffage Route in pole position on sustainable roads

Eiffage Route is conducting numerous research and development projects focusing on energy savings, controlling greenhouse gas emissions and decreasing the Group's use of non-renewable raw materials.

In an effort to cut fossil energy consumption, our R&D teams are looking closely at the potential for replacing bituminous materials with plant-based substitutes. For example, Recytal-ARM®, a process combining a biosourced plant-based binder and a cold-reprocessing technique, decreases the environmental footprint of road maintenance works. In July 2017, this process (which has won financial support from E-Face, the Group's in-house investment fund), was applied to a specimen section of road in Aumont in a very successful trial. Lastly, our I-Street project for systemic innovation in support of the energy and environmental transition in road transport infrastructures, which won an award following the "Roads of the Future" call for projects issued by Ademe, the French environment and energy management agency, is contributing to the development of a greener road industry, foreshadowing the safe, intelligent and connected roads of the future.

Designed by our research and engineering centres in Ciry-Salsogne and Corbas, cool-process coated aggregate (heated to 130°C rather than 160°C) is less energy intensive and emits less greenhouse gas. We intend to ramp up our use of such materials from 15% in 2016 to 29% by 2020.

Leadership in renewable energy

At a time when the European Union is considering increasing the share of renewable energy in its energy mix to 20%, we are setting the pace in this area, in France and other countries. Group companies specialising in energy production and maintenance are designing and deploying multiple solutions, including wind farms, photovoltaic installations, co-generation and tri-generation plants, biomass-fuelled power plants and waste-to-energy facilities. For example, Eiffage Génie Civil is building two wind farms in Guadeloupe and Martinique, which are scheduled to begin operating in 2018. In Latin America, Eiffage Energía built the Quilapilún photovoltaic power plant in Chile, which entered service in July 2017. In Africa, the Ten Merina photovoltaic power plant (Senegal), which has an installed capacity of 30 MW – enough to cover the consumption of 200,000 people – was inaugurated in January 2018. We designed, built and financed this solar power plant and will operate it for the next 25 years. —

300,000

solar panels were installed in Quilapilún (Chile). This solar power plant has been supplying 110,000 homes since July 2017.

Making the digital revolution a performance driver

We are harnessing the digital revolution (IoT, big data, predictive maintenance, etc.) to optimise industrial processes and devise a wealth of new services for our towns and cities, underscoring our ability to make the difference.

Over the past ten years, industrial firms have reduced the energy intensity of their activities by almost 11%, focusing primarily on improving and adapting their technological processes.

62

Eiffage Route industrial facilities will be equipped with connected sensors by the summer of 2018, in order to enhance their performance and energy consumption.

Harnessing the IoT to improve our energy performance

Eiffage Route is determined to cut a million euros from its annual energy bill by 2020, and is harnessing its employees' innovative flair to achieve this goal. In 2017, the division gave personnel at its 62 industrial facilities the means to identify initiatives that can enhance energy performance. This Internet of Things-based programme, backed by a 35% subsidy from our Seed'Innov innovation support fund, will enable each plant's performance to be assessed in real time, in order to optimise our production processes and energy efficiency, step by step.

In 2017, Eiffage Route worked on designing an online management system able to manage activity at each plant, tank by tank, informed by data from sensors that will be installed on all equipment. This system will be precisely monitoring our 52 coated aggregate plants and 10 binder plants by the summer of 2018. The development process for this tool has been facilitated by synergies between our IT department and an Eiffage Énergie Systèmes office specialising in automatic control.

The system will be rolled out to sites outside France and to our quarries, in order to supervise all of Eiffage Route's industrial activities, facilitating the shift to more energy-efficient behaviour.

Energy coaching for residents of smart cities

As part of our effort to make smart cities serving their residents a reality, we teamed up with the telecommunications operator Orange to design a connected city block in the Smartseille eco-neighbourhood in Marseille, featuring a dedicated data flow aggregator. This pioneering device handles the multiple digital interfaces between the block's various stakeholders, including the operator, residents, retailers and service providers. The aggregator facilitates the everyday lives of the residents and employees who live and work in the area. For example, car parks and services can be shared. Energy solidarity between buildings, implemented via a single district heating system, enables heat exchanges, resulting in energy savings in excess of 30%.

Also in Smartseille, we designed an energy coaching application to advise users regarding best practices. This application broadcasts real-time information relating to energy and utility consumption. It also sends personalised recommendations in order to share best practices with in-

Faced with increasingly tough challenges, industrial companies operating in ever more competitive markets recognise that optimising production necessarily entails anticipating equipment failures.

30%

of the energy consumed in the Smartseille eco-neighbourhood in Marseille is obtained by energy solidarity between buildings, which enables heat to be exchanged according to requirements.

dividual users. There is even an Eiffage Énergie Systèmes "Energy Expert" on hand to assist all residents, to help them analyse their consumption data and optimise their energy use.

Remotely managed smart offices

Eiffage Énergie Systèmes is also innovating in the area of co-working offices for micro businesses, SMEs and independent professionals. This is a booming market, with a potential for 3,000 centres in France by 2030. Our teams in the south-west region of France have developed a turnkey solution in the area of connected offices. This centralised system enables the facility operator to plan office bookings, control access, adjust heating and air conditioning, configure printers and video projectors, or send alerts in the event of a problem such as intrusion, fire or abnormally high consumption. This remote monitoring and control solution can be easily replicated and deployed anywhere in France.

The easily implemented system also helps to guarantee energy efficiency by optimising consumption management and control based on each office's actual occupancy.

It is helping to reduce the carbon footprints of our customers, particularly land and property developers and managers as well as local and regional authorities. This solution has received a 40% subsidy from our Seed'Innov in-house fund.

Predictive maintenance for industrial facilities

Operating under the Clemessy brand, Clemessy Services supports its customers by ensuring that their facilities are reliable, which is crucial to their ability to achieve their production targets. Our teams design and implement solutions for inspecting, monitoring, servicing and maintaining equipment and facilities. As Clemessy Services strives to continuously improve and to increase the value created for customers, we are focusing more than ever on anticipating and preventing failures.

Predictive maintenance techniques anticipate failures, considerably increasing availability levels. Clemessy Services not only has the necessary equipment and personnel to analyse the vibration spectra of rotary machines and schedule their maintenance accordingly, but also uses other inspection technologies (infrared thermal imaging, acoustic and ultrasound inspection, etc.). For example, it is able to identify the sources of anomalies caused by overheating, or detect leaks in industrial installations. This enables us to carry out our maintenance operations at the ideal time, preventing failures that would shut down our customers' production lines. —

Works and services for industry

A longtime partner with state-of-the-art expertise

Industrial companies across all activity sectors need strong, expert partners to support them as they execute their more ambitious projects. Both in France and further afield, we work alongside leading industrial firms in the aviation, automotive, nuclear, petrochemicals, health and construction sectors, sharing our expertise in industrial systems design, integration and maintenance, as well as production, testing, inspection and compliance assessment processes.

Eiffage is a partner of the French National Centre for Space Studies (CNES) and Arianespace; we have been operating in the aerospace industry since 1965.

As a leading partner to traditional and high-tech industries alike, we install and maintain equipment and systems throughout France and in other countries.

In 2017, we once again demonstrated our know-how and our expertise in managing complex projects.

Aerospace – From Galileo to Ariane 6

In the aerospace sector, Clemessy, as part of Eiffage Énergie Systèmes, is in charge of electricity generation and distribution systems, launch pad lightning protection measures and utility instrumentation and control systems. Among our flagship projects in 2017, Clemessy was chosen by the French National Centre for Space Studies (CNES), Airbus Group and the European Space Agency (ESA) to develop the new Ariane 6 launch vehicle. Clemessy is working alongside Eiffage Génie Civil, which is building the related ELA 4 launch pad infrastructure at the spaceport in Kourou (French Guiana). Both in Europe and at the spaceport in Kourou, our teams are playing a key role in this remarkable project, either building infrastructures or developing instrumentation and control systems for the various rocket stages. Now more than ever, Eiffage is a key stakeholder in next-generation technology and industry.

Clemessy also continued working on the European satellite navigation system, Galileo (for which 24 satellites are planned). Our teams installed electrical testing equipment (including battery simulators, battery conditioning equipment and a payload simulator) that will be used to validate satellites on the ground.

Trust-based partnerships in the nuclear industry

In the nuclear industry, our current contracts were consolidated in 2017. For example, for the fourth time in succession, EDF awarded the five-year contract to maintain its atmospheric emissions analysers to Secauto, a company in the Energy Systems division. Extending an uninterrupted 30-year partnership, Société Anonyme de la Raffinerie des Antilles also renewed its faith in Clemessy, awarding the company a three-year maintenance agreement for its facility in Lamentin (Martinique). In the United Kingdom, our new customer EDF Energy - Nuclear New Build (NNB) awarded Clemessy the contract to build the two control rooms and the control simulator for the Hinkley Point C EPR reactor in 2017. This order,

€35m
is the value of the five-year contract awarded to Clemessy Services for maintenance services at the Total refinery in Feyzin.

worth €6.7 million to Clemessy, gives us a foothold in the British nuclear power market.

Petrochemicals and energy – Complex projects in France and overseas

Our expertise, combined with our ability to carry out complex projects to tight schedules without compromising on safety, are among the strengths that have earned us our status as a preferred partner in the petrochemicals sector. Illustrating this reputation, the Total refinery in Feyzin renewed its partnership with Clemessy Services in 2017. This partnership, stretching back thirty years, was taken to a new level this year with the award of a record-breaking maintenance contract worth more than €35 million over a five-year period. This new agreement is in addition to those already signed in 2017, concerning a multi-technical maintenance assignment at the Total refinery in Donges and a biorefinery conversion project, as well as a mechanical maintenance agreement with Société Ivoirienne de Raffinage.

We remain as committed as ever to the development of renewable energy and biofuels. Clemessy designed injection

Saint-Nazaire — Clemessy Services has a ship-building business, providing services relating to sheet metalworking, pipe systems, interior fittings and mechanical maintenance and repairs.

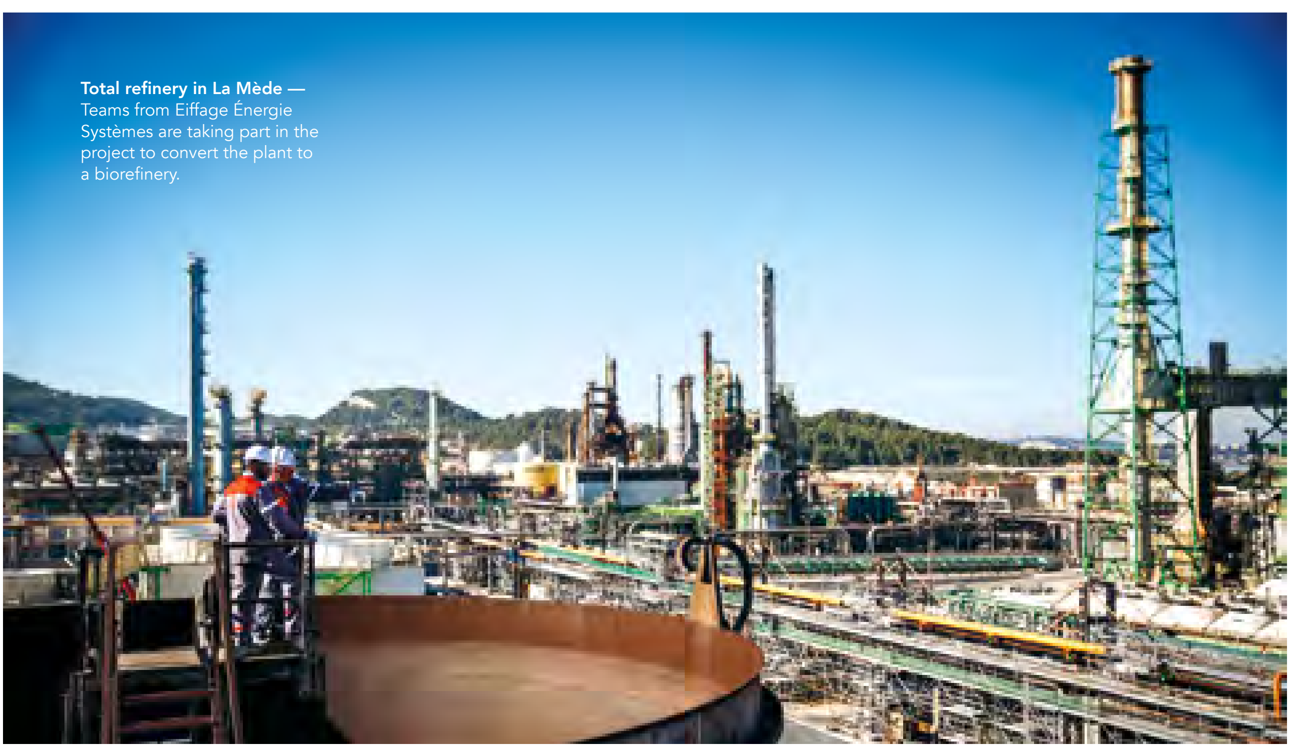
In a project for GRT Gaz in 2017, Clemessy designed and supplied skid-based systems to inject digester gas into the natural gas network.

modules to feed methane from anaerobic digesters into natural gas transmission networks. Three turnkey injection units were supplied to the operator GRT Gaz in 2017. These skids are equipped with analysis, filtration, metering and odorisation systems, covering the full spectrum of injection process requirements. The environmental and economic benefits of digester gas injection units are such that the French environment and energy management agency (Ademe) forecasts that more than a thousand will be installed by 2030. Clemessy intends to expand its teams in order to be able to respond to other requests in the future.

Automotive sector – Expertise acknowledged by industry leaders

Clemessy has been a partner to the automotive industry since the post-war years, building particularly strong relationships with Renault-Nissan, PSA and General Motors, as well as OEMs such as Valéo. New contracts won by Clemessy in 2017 include an order to modify a crank shaft handling line at the Dacia plant in Mioveni (Romania). This assignment, consisting in modifying the line and adding gantries and conveyors, strengthens our position as an integrator for mechanised plants. The work is scheduled to last eight months, followed by a 10-month validation period with the line in production.

Lastly, Renault picked Eiffage Énergie Systèmes to engineer, manufacture and install the final section of the assembly line for a new gearbox. These new contracts are in addition to the many assignments and works projects entrusted to Eiffage over many years, positioning us as a market leader in works and services for industrial customers. —



Total refinery in La Mède — Teams from Eiffage Énergie Systèmes are taking part in the project to convert the plant to a biorefinery.

Aerospace – Preparing Ariane 6 for lift-off

90 m
is the height of the mobile rocket launch tower for Ariane 6, in Kourou (French Guiana).

2020
is the year of the first flight of the Ariane 6 launch vehicle.

Drawing on more than 50 years' experience in the aviation and space industries, Eiffage's advanced expertise is on display in the Ariane 6 project, for which we are one of the main partners. Since 2016, we have been helping to build and commission this new European launch vehicle, slated to make its maiden flight in 2020.
At the launch base in Kourou, French Guiana, the Eclair6 consortium led by Eiffage continued work building infrastructures for ELA 4, the new Ariane 6 launch complex, scheduled for handover in 2018. This programme includes the construction of the launch pad foundation and two flame trenches, the mobile gantry (weighing 6,000 tonnes and standing 90 m tall) and the launch vehicle assembly building. The Eiffage-led consortium handed over the main earthworks for ELA 4 at the end of May 2017, more than a month ahead of schedule.
Also in Kourou, Clemessy is in charge of the electrical generation and distribution systems, launch pad lightning arresters, as well as utility management and monitoring at the launch complex.
In Europe in 2017, we helped to build ArianeGroup's Factory 4.0, which produces the Ariane launch vehicles. For the new plant, we designed an automated nozzle production shop for Ariane 6's solid rocket motors. —

Nuclear power – Industrial safety improvements at French plants

€1.9m
contract to strengthen the polar cranes at the Tricastin nuclear power plant.

€500,000
invested in seismic behaviour studies for the Tricastin project.

As a longtime partner to the nuclear industry and a polar crane specialist, Eiffage Métal was a natural choice for EDF's "Grand Carénage" revamping programme that aims to extend the service lives of nuclear power plants by renovating them and enhancing safety. In May 2017, Eiffage Métal won the contract to upgrade the seismic performance of the polar cranes at the Tricastin nuclear power plant. We will be working at all four of the site's plant units, upgrading one unit per year, beginning in 2019. The site work will be preceded by a phase of engineering studies and dynamic analyses of the crane's earthquake behaviour, in order to define the most appropriate reinforcement.
This work will comply with the new standards introduced by the French nuclear safety authority (ASN) in the wake of the Fukushima accident. It is also considered to be part of the fourth ten-year inspection (VD4 900), for which Eiffage is responsible in its capacity as the manufacturer of the Tricastin plant's polar cranes (with a 40-year track record). In early 2018, another polar crane strengthening contract was agreed with EDF, concerning the plants in Chooz and Civaux. —

"Harnessing our skills and expertise, we are supporting the next generation of nuclear power plant contracts, particularly those relating to service lifeextensions."

Arnaud de Villepin
Director of Eiffage Métal's Industry division

NEW OFFERINGS, NEW AMBITIONS


EIFFAGE
MAX. 200 kg

Human resources at the centre of our strategy

— Exemplary attitude and responsibility are the foundations of our organisation. Transparency and trust guide our decisions. Courage, lucidity and tenacity are the driving forces behind our development. Our ambition to achieve zero-risk operation in risk prevention clearly demonstrates that our employees are our primary concern. We must strive to preserve our ability to train, retain and attract talent. The outreach of the Eiffage Foundation illustrates our teams' growing commitment at grassroots level in the areas in which we operate. —

Risk prevention
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Our employees are our primary concern
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Rail —
Bretagne–Pays de la Loire
high-speed rail line.

Our employees are our primary concern

We owe the outstanding quality of our structures to our 65,000 employees. These women and men from varied backgrounds bring their talents to bear every day to achieve our shared ambition, that of reinventing cities and connecting communities.
Our employees are our priority project because, without them, nothing is possible. At Eiffage, we make every effort to guarantee their safety, their well-being and to enable each individual to fulfil their potential within the Group

Eiffage University was founded in 2014 to support our employees' development.

Risk prevention – "Zero-risk" target

Prevention and safety in the workplace are a priority focus of our "Eiffage 2020" strategic plan. From a risk prevention policy traditionally based on a zero-accidents target, Eiffage has taken another step forward in the past two years as we strive to make risk prevention a common value. The design, planning and execution of site work as well as motorway traffic monitoring and management are systematically approached from a risk prevention angle. In all of our businesses, awareness campaigns, training, safety audits, new tools and any necessary corrective measures are rolled out as part of extensive efforts to ensure the best level of protection and the adoption of safe practices. Through this all-round effort, we aim to reduce our overall accident frequency rate to six by 2020.

Management's involvement plays a key role in meeting this "zero-risk" challenge and ensuring that everyone understands our safety messages, in France and around the world.

Training – Developing skills in all our employees

Developing our human potential across all regions and countries in which we operate is a key challenge. Our Group, which invested the equivalent of 2.34% of payroll costs in training in 2017, uses ambitious tools to develop skills and support career progression. Eiffage University, which was founded in October 2014, is a crucial link in the human resources development chain. It provides joint courses that are designed and run by in-house trainers, adapted to the needs of the Group's divisions and employees. In 2017, Eiffage created an e-learning platform offering cross-disciplinary training courses. The first module concerned a topic of strategic interest to all Group divisions: building information modelling (BIM). 150 employees attended each of the three sessions organised in 2017.

APRR —
The APRR group's HR policy earned Afnor diversity certification in April 2016 for measures in favour of women, people with disabilities, young people and older workers.

In 2017, the Eiffage Foundation supported 25 citizen projects involving 29 sponsors.

Over 200

projects have been supported by the Eiffage Foundation since it was founded in 2008.

Employee share ownership – Giving our employees a share in the Group's performance

Employee share ownership is in many ways Eiffage's backbone, reflecting our staff's deep attachment to our company and its performance. It is the result of successful management, proving that employees feel at ease within the Group, buy in to its values, are willing to make a commitment to the company's success and are confident for the future. Employee share ownership is an excellent way to involve and secure the loyalty of our employees.

In 2017, Eiffage employees again confirmed their attachment to the system. A total of 40,688 employees subscribed to the share issue, corresponding to a take-up rate of more than 65.2%.

Eiffage Foundation – Promoting our employees' citizen commitment

Our Foundation strives to contribute to the social and economic development of the regions in which we operate. The Foundation's action gives meaning to our Group's business and the lives of our employees. It is "a cornerstone of our values and our balance", says Benoît de Ruffray.

In 2018, the Foundation will focus particularly on our employee's citizen commitment.

To encourage our employees' volunteering efforts, we are strengthening our partnership with leading community organisations in combating exclusion. We support projects sponsored by both current and retired staff. In 2017, the Foundation contributed to 25 citizen projects supported by 29 sponsors. The Foundation strengthens Eiffage's commitment to corporate social responsibility and the dedication, loyalty and solidarity of our teams.

The Group's performance depends on our employees' satisfaction and ambition. We therefore spare no effort to ensure their safety at our work sites, pass on their expertise, secure the future and promote social cohesion in all regions, in France and abroad. —

Risk prevention

Protecting personnel at our work sites and on our networks

Prevention and safety in the workplace are fundamental focus areas of the Eiffage 2020 strategic plan, and two priority goals asserted by Benoît de Ruffray. Extensive efforts, including awareness campaigns, training and safety audits, are being rolled out across the Eiffage Group to encourage safe practices and ultimately achieve the zero-risk target.

L'Isle-d'Abeau —
Safety awareness roadshow.

188
accidents causing bodily injury or damage to vehicles occurred while staff were working on our motorway network in 2017.

Construction – New impetus and aggressive communication

In 2017, the Construction division gave new impetus to the area of risk prevention, rolling out a communication campaign on "Basic Safety Rules" in France and the European subsidiaries. All the employees received a handbook setting out the mandatory actions, such as wearing of hard hats, goggles and gloves at all work sites at all times, and initiatives to prevent addictions, road safety rules, living as a community and prevention of psychosocial risks.

A "Final Safe" reporting tool was rolled out to prevention officers and local managers, allowing them to record best practices and identify risk situations, while facilitating risk prevention management.

Infrastructure – An "arduous work" prevention plan

Very tangible improvements have already been made at the work sites to reduce physical strain. As part of its 2015-2017 "arduous work" action plan, the Infrastructures division is involved in cutting-edge R&D programmes. It has formed a partnership with the startup Bioservo to adapt a connected glove, which amplifies the strength of the human hand while reducing muscle fatigue, for use in the public works sector. At the same time, the Safety Force© mobile application has inventoried 2,129 best practices, many of which concern handling. An assisted drill, which absorbs vibrations, facilitates repetitive drilling operations and eliminates the carrying of heavy loads has also been developed on the Grand Paris work sites. New equipment is also being introduced to move from manual to mechanical asphalt spreading.

Energy Systems – Leading in risk prevention in each specialist business

The Energy Systems division is pursuing the aim of being the leader in risk prevention in each of its specialist businesses. To achieve the goal, the division has defined shared rules in a commitment charter signed by the Executive Committee. The charter sets out "12 improvement focus areas" primarily addressing managers, and "6 key issues" relating to safety and prevention for mandatory application.

The division rolled out a communication campaign with a key event on June 12th 2017, in all the entities and at all work sites, in France and abroad. The objective was to clearly state management's commitment and to organise discussions to ensure that all employers are aware of this change.

An application called "Easy" was created to digitalise management safety inspections, define the action plans triggered by problems detected and share best practices. All this information can easily be obtained in real time, complete with photos and comments.

Motorway concessions – Concerted efforts for worker safety

Having observed a sharp increase in accidents involving staff working on roads and motorways, APRR and AREA spurred into action to organise the first National Days for safety of road and motorway workers on October 20th and 21st 2017. The aim was to alert drivers to the physical dangers to which motorway workers are exposed. Safety awareness roadshows at the Beaune service area on the A6 motorway, and the L'Isle-d'Abeau service area on the A43 motorway presented vans and equipment damaged by impacts and crash simulators.

APRR also continued to roll out its SafeStart® programme designed to prevent accidents in the workplace and in the home, by encouraging employees to remain vigilant at all times. The benefits of SafeStart®, which was launched in 2016, are apparent on a daily basis. More than 2,000 high-risk situations were reported between November 2016 and October 2017, meaning as many potential accidents were avoided. —

When the user picks up an object, the glove's sensors measure and amplify the hand's strength.

2,129
best practices were listed in 2017 via the Safety Force© application.

2,000
risk situations were reported via SafeStart® between November 2016 and October 2017 at APRR.

Training and professional development

Developing all our employees' skills and training for the future

Training our employees is a key factor for the success of our Group, allowing us to support careers while developing the skills Eiffage needs to prepare for the future.

2.4%
of Eiffage's payroll was allocated to training in 2017.

Eiffage has partnerships with the École polytechnique, ENSTA, CentraleSupélec, École des Ponts ParisTech and Essec engineering and business schools.

36%
of end-of-course internships at Eiffage Énergie Systèmes led to a recruitment in 2017.

40
work-study contacts are available each year on average at APRR and AREA.

Eiffage University – Over 500 training modules

Eiffage University is the cornerstone of our training action. It has several objectives:

- improve the readability and visibility of training in the Group;
- prioritise internal training;
- pool the training offer across all our business lines;
- make training a tool for internal mobility;
- contribute to developing new skills.

A total of more than 500 training modules are available at the University's various campuses, in Vélizy-Villacoublay, Lyon and Mulhouse. Employees can visit the University's website and access a detailed catalogue of all the courses on offer. This digital tool was completed in 2017 with the launch of an e-learning platform dedicated to cross-cutting courses, on topics such as building information modelling (BIM). It is the ideal way to facilitate rapid dissemination of knowledge to a broad, decentralised target group.

In-house training available to everyone, at every level

Eiffage University is the central driver of in-house training. Whether they are workers, foremen, supervisors or managers, all our employees received dedicated training to consolidate their knowledge and develop their skills.

In 2017, Eiffage University completed its site supervision training in the Energy Systems division with a dedicated course for foremen. Specific courses leading to a qualification are also offered to high-potential managers in all the business lines, in partnership with engineering and business schools.

Work-study and mentoring – A key avenue for recruitment

Eiffage implements a dedicated work-study policy, which is an important source of recruitment. APRR and AREA are committed to facilitating the integration of young people into the workplace, and offer an average of at least 40 work-study contracts each year. In 2016, over 50% of external appointments involved candidates aged under 30, i.e. 34 new employees. —

Training in the digital age

450
employees took part in the online course on BIM.

15
general courses are available on the Group's e-learning platform.

In 2017, Eiffage University launched an e-learning platform for training courses common to all our business lines.
Building information modelling (BIM), which is a key skill for Eiffage, was the topic of the first course.
Three online courses were organised and were each taken by 150 employees. Our business lines also rolled out other digital career management tools including:

→ (EC)2, a digital map launched by Eiffage Construction, covering all of the division's businesses and the related skills and training offers.

→ e-PCE, a digital platform for preparing annual appraisals, implemented by Eiffage Énergie Systèmes. Employees can express their training and mobility wishes and, in turn, managers can develop more personalised career paths. —

Fibre optics training with Eiffage Énergie Systèmes' telecommunication business

76
trainees acquired knowledge and experience in fibre optics.

57%
of participants signed a permanent employment contract after the course.

In partnership with the Chamber of Commerce and Industry, Pôle Emploi (the French job centre), technical colleges and the Auvergne-Rhône-Alpes regional apprentice training centre, Eiffage Énergie Systèmes organised and managed several training and apprenticeship programmes on fibre optics deployment and installation. The programmes are designed to train both young and older populations in jobs in which they have little or no skills and develop staff employability through bridge training schemes. These training platforms deployed by Eiffage are open to holders of technical school diplomas or certificates (BEP/CAP) in electronics, who are willing to be geographically mobile to move around to different work sites. Seventy-six trainees completed training at the various training centres and 57% subsequently signed a permanent employment contract. —

Work integration

Fostering access to work for all

Eiffage strives to give as many people who are unqualified or experiencing difficulty finding work a chance to earn a qualification and have a long-term career in a large company. This commitment is reflected in the work integration policy deployed in all the Group's entities, in partnership with local integration specialists.

Ladoux —
Michelin RDI Campus.

Integration and commitment to apprenticeship, diversity and equal opportunity are fully in line with Eiffage's values.

36,050

work integration hours, beyond the initial target, were logged on the Grande Chaloupe viaduct project (Reunion Island).

Developing local employment in all Group business lines

Eiffage projects often make a major contribution to local employment, representing real levers for integration by offering extensive employment possibilities for people with few qualifications. Contracts frequently include labour clauses reserving a specific volume of work hours for unemployed individuals, but very often, Eiffage exceeds the contractual and regulatory requirements. For example:

→ on the A6 motorway work site, APRR agreed to reserve 10,000 hours of work for people on integration programmes. After one year of work at the site, 12,000 hours have already been worked.

→ in the Infrastructures division, the BioSAV project (Seine Aval water treatment plant) made provision for 15,000 integration hours: 29,000 hours were completed and 17 individuals were hired on vocational training contracts.

→ the Grande Chaloupe viaduct contract on Reunion Island included a target of 11,550 integration hours.

At the end of the project, 47,600 hours had been worked and, during the work, seven individuals were hired on permanent project contracts.

→ at Eiffage Construction, the work site for the new Robert Schuman conference centre in Metz, which will wind down at the end of 2018, required 30,000 integration hours. By April 30th 2017, 74% of those hours had already been completed.

Promoting training

Through the work integration policy, Eiffage seeks to enable employees to earn qualifications via work-study and apprenticeship contracts, thus securing long-term integration. It is supported by the initial training centres created by Eiffage entities, which cater to all Group business lines and lead to a recognised vocational qualification.

Developing local partnerships

Many large projects require Eiffage to work with independent service providers, such as integration-focused temporary staffing agencies, SIAE social enterprises, and the Cap Emploi network. On a regional scale, our subsidiaries and establishments can also rely on the Crepi network of regional work integration clubs, co-founded by Eiffage in 1993.

This network provides concrete, pragmatic solutions to integration difficulties by putting people struggling to find work in

Saint-Denis (Reunion Island) — Grande Chaloupe viaduct work site.

20%
increase in the number of APRR and AREA employees with disabilities between 2014 and 2017.

contact with local businesses and the public employment service.

Encouraging integration of young people from priority neighbourhoods

The integration of young people from disadvantaged neighbourhoods is addressed through a specific Group policy, the Companies and Neighbourhoods Charter.

Through this policy and via the Eiffage Foundation, the Group finances projects to improve access to employment or training in these neighbourhoods, with a matching contribution from the various regional departments. Initiatives include the Lyon Duchère sports association and the Positive Planet organisation in Paris, which respectively offer integration measures and support for the creation of micro-businesses.

Committing in favour of people with disabilities

Eiffage takes various practical initiatives to promote the integration into work of people with disabilities:

→ raising manager and employee awareness to change perceptions of disability;
→ recruiting individuals with disabilities for long-term positions, possibly on work-study programmes;
→ taking on interns and creating partnerships with vocational retraining centres;
→ maintaining people with disabilities in employment, in particular if the disability was caused by a workplace accident;
→ encouraging professional development and employability for people with disabilities;
→ initiatives to provide continued employment for any existing employee who becomes disabled.

In October 2017, Eiffage Construction staged a Disability Forum at the Group's regional headquarters in Lyon (Hélianthe) to raise awareness among all the employees. It also signed an agreement with HandiBTP, a professional association promoting employment for the disabled within the public works industry, in 2017. Lastly, since 2013, the Construction division has provided financial backing and developed a skills-based partnership with the "Le Jardin Pêcheur" restaurant, in Bordeaux, which employs 80% of staff with disabilities. The restaurant, which opened in 2017 with a ceremony attended by Alain Juppé and project partners, has a seating capacity of 300 and will employ 40 full-time equivalent positions. —

Employee share ownership

Employee share ownership – A collective mindset

1989
Eiffage launched employee share ownership.

Employee share ownership was first introduced in 1989 and swiftly developed in France and abroad. Today, it is part of Eiffage's identity, reflecting our ambition to foster a sense of belonging and let our employees share in the success of our projects and the results of our growth.

Over 70%
of our employees were shareholders in 2017.

Eiffage has decided to promote employee share ownership not only in France, but also in the rest of the world and thus at its international subsidiaries. In 2017, the system opened in Germany, with a very promising initial take-up rate.

"Subscribing to employee share issues, even for only a few shares, is a way to take part in writing the Group's history."

Benoît de Ruffray
Chairman and Chief Executive Officer of Eiffage

Employee share ownership is in Eiffage's blood

Employee share ownership is extensively developed at Eiffage and has even contributed to shaping the Group. In 1989, an ambitious EBO (employee buyout) with a high participation rate, set the ball rolling to what, in 1993, became the Eiffage group, born out of the merger between Fougerolle and SAE. Employee share ownership drives commitment and engagement and gives the group's employees a direct stake in their company's economic and financial performance.

It has met with growing success since it was introduced, becoming a key characteristic of the Group's identity. It is Eiffage's hallmark, and a source of pride, conveying both meaning and promise:

- it guarantees our independence;
- it is a significant indicator of our employees' well-being and trust in the Group;
- for our customers and partners, it promises motivated employees committed to the success of their projects;
- it is a means of building cohesion and loyalty.

Growing involvement in our collective success

At December 31st 2017, more than 70% of Eiffage employees were shareholders, totalling almost 20% of the capital – a level rarely seen in listed companies and a great source of pride.

This figure reflects the strong commitment of our employees and their level of trust and engagement.

In 2017, 40,688 employees subscribed to the capital increase, i.e. 65.2% of eligible employees, for a total amount of €160 million. Compared to 2016, this represents increase of:

- 7.9% in the number of subscribers;
- 22.6% in amount.

This growing participation makes our target of 100% of employee shareholders more realistic than ever.

A component of the remuneration policy

Eiffage deploys an equitable remuneration policy, based on individualised remuneration and vested employee interest in the success and growth of the Group through incentive bonuses, profit-sharing

19.6%
of the Group's capital is held by employees.

700
messengers relay the Group's employee share ownership policy in the field.

and employee share ownership. These components of total remuneration are naturally adapted to legal and regulatory requirements of each country.

Supporting, explaining, educating

To explain and promote employee share ownership and to answer the questions of all our employee shareholders, more than 700 "messengers" convey our culture to new hires, across all our locations. Dedicated digital communication tools have also been designed and developed to support them in this role. A specific employee share ownership training course has also been added to the Eiffage University catalogue. The course is available to all employees who are keen to understand more about the challenges and rules of the system. The aim is to show each employee how employee share ownership, combined with an employee savings plan, allows them to become a shareholder in their company under particularly preferential conditions. —

Grenoble — On March 21st 2017, APRR organised the Trièves Triathlon on a section of the A51 motorway closed to traffic.

Eiffage and sport – For the love of challenge

Eiffage has always attached great importance to sport. Whether initiated spontaneously by employees or instigated by the Group, sport unites us around the shared goal of tackling challenges together and flying Eiffage's colours.

250
licensed members belong to Les Furets d'Eiffage, a company running club affiliated with the French Athletics Federation.

Eiffage sponsors the École polytechnique X2015 class until June 2018. This is a means of strengthening our connections with students and informing them of our businesses and activity.

Forging bonds

Both within the company and out on the ground, sport is a powerful means of uniting, developing cohesion and creating lasting bonds between individuals. While driving the values of courage and challenge, sport also helps to keep "a healthy mind in a healthy body".

To promote these values and encourage our employees to engage in sports activities, once every two years the Group organises the Eiffage Sport Challenge. From the regional qualifying events to the national final, it gives employees from all backgrounds the chance to reveal their talent in one of three disciplines: football, tennis, or multi-sports (cycling, running and archery).

Eiffage employees may also propose sports initiatives themselves. In 2002, for example, a small group created a running club called Les Furets d'Eiffage. Its members regularly get together to train and also compete in international races, including the New York and Paris marathons. Les Furets d'Eiffage now stage their own indoor meeting in the Val d'Oise department in France, as part of disability awareness week, and the event has become a qualifying heat for the French para-athletics championship!

Creating exceptional sporting moments

Eiffage also rolls out its expertise as a construction contractor in the world of sport. We have built many prestigious venues, including the Paris Bercy omnisports arena, the Olympic pool in Dakar, the Pierre-Mauroy stadium in Villeneuve-d'Ascq in the north of France, a unique venue featuring a mobile roof and a retractable lawn, and the aquatic centre in Amiens, on which work commenced in 2017.

For the duration of an event, some of our structures also turn into a sports venue. For example, since 2007, the Millau Viaduct has welcomed almost 15,000 runners for a biennial semi-marathon, the "Motorway of the Future" in Senegal staged the first Eiffage Dakar Motorway Marathon in 2016 and, for the past two years, the A51 motorway in Isère has been the venue for the Trièves triathlon.

Partnering sports events also enables Eiffage to develop relations with engineering and management schools. The Group has therefore been a partner of the Ecole Polytechnique's Raid de l'X event since 2014 and organises a sports and leisure weekend each year in Millau for students from the École des Ponts ParisTech engineering school. —

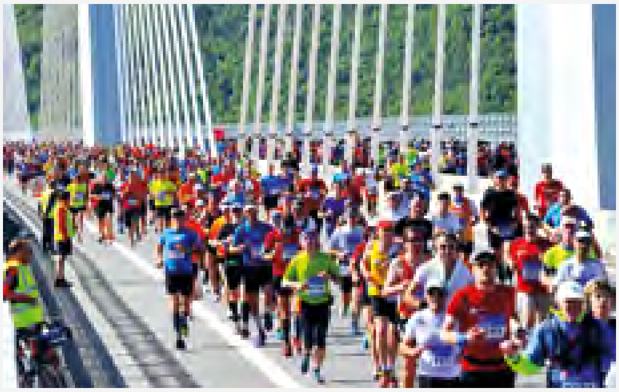

Souleymane Cissokho

Eiffage backs work integration initiatives for top athletes

2014
Eiffage Construction became a signatory to the French Performance Pact.

8
top athletes have joined Eiffage under the Performance Pact since 2014.

The French Performance Pact, launched in 2014, is based on a mutual commitment made by the French government, signatory companies and the sports movement to facilitating the integration and professional redeployment of top athletes. This is another way for Eiffage to assert our attachment to the values of sport and to contribute to the international outreach of French sport. From the very beginning, Eiffage Construction integrated several athletes as part of this programme: Maxime Maurel (paratriathlon), Laëtitia Payet (judo), Loïc Korval (judo), Manon Valentino (BMX) and Souleymane Cissokho (boxing). In 2016, APRR joined this social commitment and welcomed Valentin Belaud (modern pentathlon) onto its teams. In February 2018, Eiffage Construction renewed its commitment to the Performance Pact of the French Ministry of the City, Youth and Sport and was joined by two new athletes, Dimitri Bascou (110 m hurdles) and Alexandre Mariac (judo). The Group's employees include several other top athletes, hired outside the Performance Pact, such as Marine Vallet (high jump) and Christophe Gerlac (freestyle and Greco-Roman wrestling). —



Course Eiffage du Viaduc de Millau en Aveyron, a race between heaven and earth

23.7 km
race.

4,920 m
along the viaduct, 270 m above ground.

The Millau viaduct has played host to the Course Eiffage du Viaduc de Millau en Aveyron since 2007. This race is a unique biennial event at which runners from all backgrounds take the viaduct by storm, over almost 24 km, including five suspended between heaven and earth, 270 m from the ground.
This section is a highlight of the event, affording a stunning view of Millau and the Grands Causses regional park set around it.
With almost 15,000 participants in 2017, including 900 Group employees, in just a decade the Course Eiffage du Viaduc de Millau en Aveyron has become one of France's top ten running events, attracting runners from all over the world.
More than 30 nationalities will be represented at the 2018 race on Sunday, May 27th. —

"A challenge worthy of your talent."

Slogan of the 2018 Course Eiffage du Viaduc de Millau en Aveyron

OUR PEOPLE MAKE OUR DIFFERENCE

Grenoble —
Solidarauto Garage.

Over 230
employees have been involved in citizen projects since 2008.

Bordeaux —
Maison de Joseph.

11
multi-year projects have been supported since 2013.

"The Eiffage Foundation gives meaning to our Group's business and the lives of our employees. It is a cornerstone of our values and our balance."

Benoît de Ruffray
Chairman and Chief Executive Officer of Eiffage and President of the Eiffage Foundation

Eiffage Foundation – Our employees hand in hand with people in need

Founded in 2008, and chaired by Benoît de Ruffray, in nine years the Eiffage Foundation has supported over 200 projects. It pursues the mission of contributing to the social and work integration of people in difficulty. In 2018, the emphasis is on one of the Eiffage Foundation's core focuses: the citizen commitment of Group employees.

Encouraging citizen commitment among employees

Employee commitment is one of the cornerstones of our Foundation. By volunteering to work in a partner community organisation, our employees personally take action to assist people in difficulty. They support jobseekers as part of the association Solidarités nouvelles face au chômage (SNC), assist entrepreneurs in the suburbs through the Positive Planet network, or mentor students in partnership with the Article 1 community organisation (formerly Passeport Avenir).

Providing long-term support for projects

Combating unemployment and poor housing, supporting training and facilitating employment integration requires long-term commitments. Such is the rationale behind our support for the Solidarauto network of garages, which facilitate mobility for individuals in difficulty by selling and repairing vehicles at affordable prices. The funds invested over three years support the creation of a national federation and the opening of three new garages in France. They provide a solution to a real need: in France, more than one in three jobseekers have already been turned down for a job owing to their lack of mobility.

Supporting projects sponsored by our employees

Since it was founded, the Eiffage Foundation has also supported the community organisations in which our current or retired employees are involved. For example, we back the "Maison de Joseph" project led by the association Notre-Dame des Barrails in Bordeaux (France), which two employees from Eiffage Construction support. Since 2002, this organisation has helped around a hundred homeless individuals find housing and employment, or a source of income. In 2007, it opened a first residence for 30 people. Our Foundation is currently contributing to the extension of a second house to accommodate 43 residents (renovating a former wine warehouse will provide four additional rooms). —

Our employees take action for jobseekers and students

3,800
jobseekers have been supported by volunteers at Solidarités nouvelles face au chômage (SNC), backed by the Eiffage Foundation.

50
Eiffage employees are involved in student mentoring with Article 1 (Passeport Avenir).

In May 2017, the Eiffage Foundation signed a three-year partnership with the association Solidarités nouvelles face au chômage (SNC) to help train volunteers and assist the organisation in creating inclusive jobs. Each year, SNC accompanies 3,800 jobseekers on their way to regaining access to work. We also support Article 1 (formerly Passeport Avenir), which helps students from diverse backgrounds to earn their diploma. Our employees can volunteer to mentor these high-potential youths: they help build their self-confidence, introduce them to the corporate world and show them how to build their professional network. Over the 2017-2018 period, more than 50 Eiffage employees volunteered to take part in the programme. —

A call for projects based on crowdfunding

12
initiatives to be selected on the Ulule platform.

€5,000
in additional funding for our employees' favourite project.

In November 2017, the Foundation launched a call for citizen projects on the crowdfunding platform Ulule, with the theme "living well together wherever we are".
In response, via Ulule, public-interest organisations submitted their initiatives aiming to maintain or create the social fabric in their region. Selected projects will receive additional funding from the Eiffage Foundation to match funds raised from the general public on the online platform.
In May 2018, Eiffage employees will be asked to select their favourite project, which will then receive an additional financial contribution. —

General information and financial highlights

Contents

Directors' report

(The Directors' report as submitted to the general meeting includes all documents contained in the 2017 Registration Document.)

The Group recorded a solid overall performance in 2017, marked by increases in revenue and in operating profit on ordinary activities at all divisions, a further decrease in finance costs, and a strong increase in profit attributable to the equity holders of the parent,[1] up 23% compared with 2016. Having strengthened its balance sheet (€838 million reduction in the level of debt in 2017) and seen an increase in its order book (up 7%), Eiffage can contemplate 2018 with serenity.

Consolidated revenue generated by the Group came to €15 billion, up strongly by 6.9% on a reported basis (and by 6.3% on a like-for-like basis), fuelled both by the contracting businesses and the concessions businesses, which posted increases of 6.9% and 7.2%, respectively. International operations recorded a 14.8% increase in revenue, with much coming from organic growth (12.7% increase on a like-for-like basis). Motorway traffic continued to grow for light vehicles, while there was a sharp acceleration in the case of heavy goods vehicles, traffic finally recovering to just above its pre-2008 levels.

Consolidated revenue by division for the year ended December 31st 2017

In millions of euros	Year ended December 31st 2016	Year ended December 31st 2017	Actual consolidation scope	Like-for-like*
Construction	3,666	3,750	+2.3%	+1.6%
of which property	768	845	–	–
Infrastructures	4,325	4,704	+8.8%	+8.2%
Energy Systems	3,461	3,783	+9.3%	+8.0%
Sub-total contracting	**11,452**	**12,237**	**+6.9%**	**+6.0%**
Concessions (excluding IFRIC 12)	2,556	2,739	+7.2%	+7.5%
Total Group (excluding IFRIC 12)	**14,008**	**14,976**	**+6.9%**	**+6.3%**
Of which:				
France	11,246	11,806	+5.0%	+4.7%
International	2,762	3,170	+14.8%	+12.7%
Europe excluding France	2,384	2,700	+13.3%	+10.9%
Outside Europe	378	470	+24.3%	+24.6%
Construction revenue of concessions (IFRIC 12)	272	313	N/M	N/M

1. Before adjustments to non-current deferred tax to reflect the decrease in the French corporation tax rate, which resulted in an additional profit of €59 million in 2016 and €33 million in 2017.

(*) Constant consolidation scope: calculated by neutralising:
– the 2017 contribution made by companies consolidated for the first time in 2017;
– the 2017 contribution made by companies consolidated for the first time in 2016, for the period equivalent to that in 2016 before they were consolidated for the first time;
– the 2016 contribution made by companies deconsolidated in 2017, for the period equivalent to that in 2017 after they were deconsolidated;
– the 2016 contribution made by companies deconsolidated in 2016.

Constant exchange rates: 2016 exchange rates applied to 2017 local currency revenue.

Operating profit on ordinary activities having increased to €1,729 million, the operating margin improved to 11.5% in 2017, up from 11.4% in 2016. The operating margin of the contracting businesses improved to 3.5% (from 3.3% in 2016), with all divisions contributing to this overall performance. The operating margin of the concessions business inched lower to 48.1% (from 48.4% in 2016) given the slightly dilutive effect, as expected, of the Bretagne–Pays de la Loire high-speed rail line project entering the operation phase. Even so, this project did contribute to the increase in operating profit on ordinary activities recorded by the concessions businesses.

Consolidated operating profit on ordinary activities by division for the year ended December 31st 2017

	2016		2017		
	In millions of euros	**% of revenue**	**In millions of euros**	**% of revenue**	**% change**
Construction	147	4.0%	153	4.1%	+4.1%
Infrastructures	93	2.2%	119	2.5%	+28.0%
Energy Systems	138	4.0%	158	4.2%	+14.5%
Sub-total contracting	**378**	**3.3%**	**430**	**3.5%**	**+13.8%**
Concessions	1,236	48.4%	1,317	48.1%	+6.6%
Holding	(17)		(18)		
Total Group	**1,597**	**11.4%**	**1,729**	**11.5%**	**+8.3%**

Profit attributable to the equity holders of the parent, before the adjustment of non-current deferred taxes, increased by 23% to €512 million in 2017 (from €416 million in 2016). There was sharp decline in net debt (amounts due to banks and bond holders less cash and cash equivalents), down €838 million to €10.4 billion at December 31st 2017. As regards funding, APRR staged three bond issues totalling €1.3 billion in 2017, all three at relatively distant maturities (2032 and 2033). These transactions will lead to a significant reduction in the Group's finance costs in coming years and increase further the maturity of its debt. The order book of the contracting businesses reached €12.9 billion at December 31st 2017, which represents an increase of 7% compared with December 31st 2016.

Order book of the contracting businesses at December 31st 2017

In billions of euro	2016	2017	% change
Construction	4.7	4.9	+6%
Infrastructures	4.4	5.0	+13%
Energy Systems	2.9	2.9	+1%
Total	**12.0**	**12.9**	**+7%**

Events since the balance sheet date

On February 1st 2018, Eiffage Energía, a subsidiary of Eiffage Énergie Systèmes, completed the acquisition of EDS Ingeniería y Montajes, a company with revenue of €25 million in 2016, whose head office is located in the Spanish Basque country.

On February 20th 2018, the consortium formed by Eiffage, Razel-Bec and TSO was awarded lot 1 for line 16 of the Grand Paris Express under a contract worth €1.84 billion in total (Eiffage's share amounting to €1.71 billion).

On February 23rd 2018, Eiffage Énergie Systèmes entered into an agreement to acquire 51% of the capital of Kropman, a leading Dutch electrical engineering group with revenue of €153 million in 2017.

On March 15th 2018, Eiffage Construction acquired Priora AG, one of the leading construction company in the German speaking part of Switzerland with revenue of approximately €340 million in 2017.

Revenue generated by concessions (excluding IFRIC 12) increased by 7.2% to €2,739 million.

Motorway concessions in France

Since August 2017, all of the Group's in-service French motorway concessions have been placed under the responsibility of Philippe Nourry.

Revenue contributed by the **APRR network** increased by 4.2% to €2,425 million. Traffic, as measured by the number of kilometres travelled, recorded another rise in 2017, up 3.2% overall, with increases for both light vehicles, up 2.8%, and, especially, heavy goods vehicles, up 5.9%, reflecting the economic recovery under way in France and in the rest of Europe. Heavy goods vehicle traffic recovered to its level at end-2007, before the crisis. The integration of new sections of the A75 motorway at Clermont-Ferrand and A480 motorway at Grenoble into the APRR and AREA concessions, as part of the motorway regeneration plan signed in 2015, also contributed to the growth in traffic. The EBITDA margin improved to 73.2% (from 72.4% in 2016), operating profit on ordinary activities reaching €1,331 million in 2017.

This good operating performance was due to the steady increase in traffic as well as tight management of operating costs, which declined compared with 2016, if taxes other than income tax are excluded.

Net profit contributed to Eiffage's consolidated profit by the APRR group (including the contribution of its holding company, Financière Eiffarie, and the amount attributable to non-controlling interests) came to €706 million.

Investments came to €353 million in 2017. The year ended was marked by a ramp-up of work on large infrastructure investments in fulfilment of commitments arising from APRR's and AREA's contract-based plans and from the motorway regeneration plan.

Several projects will be completed as early as 2018, notably the development of the A6-A89 interchange north of Lyon and the widening of the A71 north of Clermont-Ferrand. Work on other projects will continue or get under way in 2018, notably the widening to 2x3 lanes of the A6 motorway at Auxerre and of the northern section of the A41 at Annecy, the reconfiguration of the interchanges between the A36 motorway and the RN1019 trunk road south of Belfort, between the A71 motorway and the Central Europe Atlantic Road at Montmarault, between the A406 motorway and the Central Europe Atlantic Road at Mâcon, and between the A43 motorway, the A41 motorway and the urban expressway in Chambery. Preparatory work is under way and administrative authorisations are pending for the development of the two major cross-city routes in Clermont-Ferrand and Grenoble.

Tariffs were raised on February 1st 2018, by 2.00% for APRR and 2.04% for AREA, in application of the tariff formulas contained in the latest amendments to the concession agreements.

At operational level, the adoption of common operatorship at the level of APRR and AREA, introduced at the start of 2017 as part of the "Synergie" initiative, has resulted in greater efficiency and coherence and enhanced service quality.

Reorganisations launched during the course of the year targeting the accounting function at APRR and the toll collection operational structure at AREA have already produced their expected benefits.

The modernisation of toll collection continued, the proportion of automated transactions increasing to 98.9% in 2017, up from 97.5% in 2016. The rollout of non-stop toll collection continued at all toll barriers located near urban agglomerations, as a result of which remote toll collection increased to account for 57.6% of transactions, up from 55.9% in 2016, while the number of badges managed by the Group now stands at almost 2.5 million. This number is set for further sharp increases, notably with the launch by the APRR Group of the TopEurop badge at the end of 2017. This is the first badge distributed by a motorway concession operator in France providing full interoperability of toll services on the French, Spanish, Portuguese and Italian motorway networks.

Concerning the network's safety record, the situation was much as the year before, with the same number of fatalities (40, as in 2016), while there was a 5% increase in the number of accidents resulting in bodily injuries.

The considerable progress in 2016 in the prevention of occupational accidents was confirmed in 2017, the workplace accident frequency rate reaching 5.9 and the workplace accident severity rate 0.45.

As part of its business plan, APRR has stepped up efforts to develop its customer service offer, accelerate the development of innovation and facilitate the company's digital transformation, the benefits being not just gains in productivity but also an improvement in working conditions.

APRR is rated A- by Standard & Poor's since November 2016. Its credit rating was also upgraded to A- by Fitch Ratings in October 2017. The company staged three bond issues in 2017: €100 million of bonds indexed to inflation maturing in April 2032 with an annual coupon of 0.34% over French inflation indexed nominal; €500 million of bonds maturing in January 2032 with a fixed-rate annual coupon of 1.625%; €700 million of bonds maturing in January 2033 with a fixed-rate annual coupon of 1.5%.

At the end of the year, APRR and AREA reached an agreement over the new motorway investment plan launched in the summer of 2016. Under this plan amounting to €220 million for APRR Group, which is being financed by additional annual tariff increases from 2019 to 2021, some 15 projects are planned that are aimed at accelerating the development and modernisation of the motorway network, notably in the areas of environmental protection, customer services and coverage of the national territory. Proposed amendments to the concession agreements will be submitted to France's State Council (*Conseil d'État*) for its opinion at the start of 2018 and could be finalised during the second quarter of 2018.

Revenue contributed by the **Millau viaduct** increased by 4.8% to €48.8 million thanks to a 0.9% rise in overall traffic (with increases of 0.2% for light vehicles and 7.4% for heavy goods vehicles) and an increase in toll rates, further to the amendment published in the Official Gazette on January 31st 2016. The purpose of this amendment was to offset the increase in the fee for the use of public property decided by the French State in May 2013 and to bring within the scope of the concession the rest of the area adjoining the viaduct, in return for a compensating rise in tariffs spread over 2016 and 2017.

The renovation work was completed to schedule at the start of last summer. Inaugurated on July 5th 2017, this remarkable service area now offers additional services in more comfortable surroundings for the viaduct's users.

The development of toll automation at the Saint-Germain gate continued in 2017, with the proportion of automated transactions increasing to 86.5% (from 83.7% in 2016) and that of remote toll collection to 39.4% (from 36.9% in 2016).

Adelac, the concession operator of the northern section of the A41 motorway between Annecy and Geneva, recorded a 1.9% rise in overall traffic (with increases of 1.7% for light vehicles and 7.1% for heavy goods vehicles). Traffic was affected to some extent by a heavy goods vehicle catching fire in the Mount Sion tunnel on November 3rd 2017, which led to the motorway's closure for nearly an entire day. The fire was rapidly brought under control by the AREA teams and fire-fighters, with no injury being reported.

A'Liénor, the concession operator of the **A65 motorway** between Pau and Langon, recorded another increase in overall traffic, up 2%. The Pau administrative court's decision on November 17th 2016 to rescind the decree banning heavy goods vehicles from using the adjacent highway network did have an impact on the growth of heavy goods traffic last year, despite new decrees published by the departmental authorities in Landes on March 17th 2017. The growth in toll revenue, up 4.4% to €57.7 million in 2017, paved the way for a further reduction in the company's borrowings, with repayments totalling more than €60 million since 2015.

Société Marseillaise du Tunnel Prado Carénage (SMTPC) (in which Eiffage has a 33% interest) recorded a 3.1% decrease in revenue compared with 2016. This was the consequence of the inauguration on November 29th 2016 of the L2 Est orbital motorway, a rival toll-free route. On October 19th 2017, the Aix-Marseille-Provence metropolitan authority passed a resolution approving an amendment to the concession agreement providing for the development of a new exit onto Marseille's Boulevard Schloesing connecting the motorway to the city's southern districts. The project's legal compliance still needs to be vetted by the Prefect, in addition to which the European Commission must confirm the compatibility of the project with state aid regulations governing the payment of compensation for public services.

Traffic through the Prado Sud tunnel, in which Eiffage has a 41.5% interest and which constitutes the southern extension of the SMTPC concession, increased strongly by 10.9% in 2017.

Concessions and PPP

Since August 2017, other concessions and public-private partnerships (motorway concessions abroad, rail infrastructures, public-private partnerships for the operation and maintenance of buildings, etc.) in service or under development have been placed under the responsibility of Marc Legrand.

In **Senegal**, Dakar's Blaise Diagne International Airport was brought into service on December 7th 2017. With passenger numbers set to rise, this can be expected to drive up traffic on the concession's Motorway of the Future linking this airport to the capital. There was a further increase in motorway traffic in 2017, paving the way for a 25% rise in revenue to €36 million.

Work on the **A94 motorway** in Bavaria is proceeding to schedule, nearing 70% completion. This project, undertaken in partnership with German companies BAM and Berger Baum, is the first public-private partnership for a motorway won in Germany by Eiffage. The first road courses were laid at the end of 2017, while the operations and maintenance teams are being assembled in readiness for the motorway's commissioning at the end of 2019.

Rail infrastructures

There were developments aplenty concerning the Bretagne–Pays de la Loire high-speed rail line, which was handed over to SNCF Réseau as scheduled on May 15th 2017, the line entering commercial operation on July 2nd and the refinancing of the project's bank debt being arranged on December 14th. Since test runs started on April 1st, OPERE teams have provided maintenance for the rail infrastructure to ensure performances and availability attain the required levels.

At December 31st 2017, 17,000 trains had travelled on the high-speed rail line, covering a distance of 2 million km and achieving excellent punctuality. Revenue generated from the operation of the rail line and its maintenance under the public-private partnership came to €70.9 million in 2017.

Other public-private partnerships and concessions

In addition to the fixtures of the Lille Olympique Sporting Club, the resident association football club playing its home games in the stadium, in 2017 the **Stade Pierre Mauroy** hosted a number of sporting and cultural events representing 20 days in total, in particular three games for the World Men's Handball Championship, the semi-final and final of the Davis Cup in tennis and the concerts of Céline Dion, Depeche Mode and Bruno Mars, to name only the most exceptional events. This constitutes a record since the venue was opened, showing the full range of possibilities and versatility of the stadium arena.

The improvement in the quality and quantity of events, along with a reduction in operating and overhead costs, paved the way for an increase in revenue (to €41.5 million) and in gross operating profit. Meanwhile, the significant increase in revenue generated by permanent activities (corporate hospitality events, multi-year official commercial partnerships, etc.) also contributed to the improved financial performances and provide a recurring source of revenue that will help stabilise performances in those years when events scheduling is less intense.

On December 18th 2017, the bridge loan extended in 2008 by Eiffage to its subsidiary Élisa, the company party to the partnership agreement, was refinanced with a credit institution. This refinancing, entered into with the agreement of Métropole Européenne de Lille (MEL) through the signature in 2017 of an amendment to the partnership agreement, will lead to a significant reduction in Élisa's finance costs in coming years.

The dispute with MEL is still being heard by the Lille administrative court. It concerns notably the interpretation of certain clauses of the contract and the compensation to be paid in respect of cost overruns caused by delays securing the building permit and by the improvements made to the stadium.

Conducted under the partnership agreement, work on the office building that will house Orange's regional headquarters for Northern France is proceeding to schedule. The structural work has just about been completed for the ground floor and the first two floors. Located in close proximity to the stadium, the 19,000-m² office complex being developed by Eiffage Immobilier Nord will be home to around 1,300 Orange employees when completed in August 2019. The property development project will contribute to enlivening the stadium's esplanade and can be expected to boost property values for the hotels and stores located nearby.

After two-and-a-half years of work, Eiffage Concessions delivered on schedule the south wall of the Grande Arche de La Défense, having redeveloped the roof terrace, refurbished the facades and lifts, and renovated the offices occupied by the Ecology and Housing Ministries. The public-private partnership also calls for the commercial exploitation of the building rooftop, which is expected to attract large numbers of visitors given its promenade deck and exhibition and cultural areas. It was opened to the public on June 1st 2017.

The Carcès secondary school in the Var department, the buildings of Metz University and the final lot of Aix-en-Provence University, all developed under public-private partnerships, were delivered on schedule and to the customers' satisfaction.

On the handover dates of these last two projects, early repayment by the public-sector customers of €72.5 million, made possible by a loan they had arranged directly with the European Investment Bank, enabled Eiffage to repay early and for the same amount the project debt contracted with credit institutions.

Work on Lorraine University in Nancy and the two remaining secondary schools in the Var department is proceeding to plan. These last remaining projects will be delivered in the first half of 2018.

As regards the broadband networks developed by Eiffage under public service delegations, these projects have seen their financial situation stabilise. Nonetheless, discussions are under way with the awarding local authorities to restore the projects' financial equilibrium or negotiate their termination.

Capitalising on the Group's more than 90-year presence in Senegal, Eiffage Concessions is pressing on with its development in the country, completing the delivery of the 30MWc Ten Merina solar photovoltaic power plant in November. Maintenance services will be provided by RMT (a subsidiary of Eiffage Énergie Systèmes) and Eiffage Opération Services (a subsidiary of Eiffage Services) over a period of 25 years.

In Chile, Eiffage is a minority shareholder in the consortium formed with Japanese companies Sojitz and Shikoku Electric Power that, in June, signed contracts to build, finance and operate the 98MWc Huatacondo solar photovoltaic power plant in the Atacama Desert. The construction work will be undertaken by Eiffage Energía (the Spanish subsidiary of Eiffage Énergie Systèmes), which will also provide maintenance services.

In March 2017, Eiffage and partners Mirova, Engie and Swimdoo signed the concession agreement for the future Amiens Aquatic Centre. Work started in November, with this centre due to open its doors to the public in the summer of 2019.

Eiffage Services, the subsidiary specialised in the operation and maintenance of facilities developed under public-private partnerships, recorded a further improvement in its profitability, rewarding its efforts to improve risk management. In 2017, the company generated revenue of €30.4 million.

Finally, in 2017 Eiffage pressed ahead with the proactive management of its portfolio of public-private partnerships: in November, it sold its 85% interest in Eifficol 1 and Eifficol 3 (which are party to the public-private partnership for eight secondary schools in Seine-Saint-Denis), its over 80% interest in Eiffigreen (which is party to the public-private partnership for the GreEn-ER University in Grenoble), and Effly54 (which is party to the public-private partnership for the Jarny secondary school in Meurthe-et-Moselle).

Revenue contributed by contracting businesses increased sharply in 2017, up 6.9% to €12,237 million, confirming the recovery in activity observed for these businesses in the fourth quarter of 2016.

The Group's international operations recorded particularly upbeat performances, with a 14.6% increase in revenue that was fuelled mainly by organic growth of 12.5%, rewarding efforts made by the Group for several years to strengthen its permanent on-the-ground presence in selected countries as well as develop its operations based on the export model. International operations now account for 26% of the revenue of contracting businesses, compared with 18% five years ago. 2017 was also marked by a recovery in activity for contracting businesses in France, with revenue up 4.4% from the previous year.

Eiffage Énergie Systèmes was adopted as the umbrella brand for the Group's activities in the energy sector at the very end of 2017.

The **Energy Systems** division aims to achieve dense coverage of its territories, so as to be in close proximity to customers, providing reliable and highly responsive services, denoted for a high level of technical know-how spanning its multiple areas of expertise.

Revenue contributed by Eiffage Énergie Systèmes came to €3,783 million in 2017, up strongly by 9.3% year-on-year, fuelled by acquisitions (1.3% contribution) as well as by a very upbeat performance by international operations (24% increase). There was a further improvement in the operating margin, to 4.2% (from 4% in 2016). The order book increased by 1% to €2.9 billion, which represents almost 9.5 months of activity.

Work undertaken as part of the business plan yielded concrete results in 2017, with the implementation of a transversal, customer-centric organisation. The division's entire offering was catalogued and mapped. This inventory against the backdrop of Eiffage Énergie Systèmes' ambition to vie on equal terms with the best in the class by 2020 has led to organisational changes to better serve the division's strategy. The expertise of Eiffage Énergie Systèmes is now focused around three core activities: electrical engineering, industrial engineering and HVAC/energy engineering.

These core activities draw on expertise and niche technologies to address the challenges presented by the four markets served by the division: industrial sector, infrastructures and networks, cities and local authorities, and tertiary sector. Within each of these markets, offerings have been segmented.

Coordinated by transversal internal experts, these segments will act as drivers in the development of Eiffage Énergie Systèmes, by:

- → strengthening synergies between on-the-ground activities and specialties;
- → enriching offerings and integrating even more added value;
- → asserting a specialist positioning in certain market segments;
- → favouring innovation.

This dedicated operational organisation will improve the clarity of the division's offerings. The new brand policy being developed provides better visibility. The customer remains at the heart of the strategy, the offerings of Eiffage Énergie Systèmes now being marketed through expert brands dedicated to specific markets and areas of expertise. Five major expert brands embody the division's fundamental and distinctive characteristics. They comprise the four brands corresponding to the four markets and the expert brand dedicated to HVAC and energy engineering.

For services to towns and local authorities, the division's activities are grouped under the **Expercité** brand. This end market constitutes a major source of growth. The geographical coverage of Eiffage Énergie Systèmes provides strong legitimacy, strengthened in 2016 by the acquisition of Ipérion, which has enhanced the division's capacity in the field of virtual reality. Through this business combination, Eiffage Énergie Systèmes has a unique, comprehensive offering covering all the challenges of urban development from design to maintenance, in areas spanning the living environment, mobility, security and safety, connectivity, networks and property, virtual reality and new services. This modular, tailor-made offering has attractive development prospects. One project that embodies the two facets i.e. proximity and expertise was the renovation of the Paris municipal boiler system network, which was completed in 2017.

Teams renovated the technical installations of 2,000 boiler rooms and, concurrently, installed a new IoT sensor-based monitoring system, rolled out as part of the of the Paris municipality's first IoT network.

For services to the **industrial sector**, the division's activities are now grouped under the **Clemessy** brand. The major challenge is the optimisation of industrial production.

The organisation by market segment having reached a more mature stage, this makes for steady growth in many flagship segments. One of the highlights in 2017 was the delivery in November of the largest solar photovoltaic plant in sub-Saharan Africa, developed near Nouakchott in Mauritania. Teams designed and built this plant, which covers an area of 64 ha, in less than 12 months. Ongoing projects include four contracts for the ELA 4 launch pad for the future Ariane 6 launcher in French Guiana. In France, work has continued in the nuclear sector on general electrical installations and emergency diesel engine systems. As regards new orders, Renault selected Eiffage Énergie Systèmes to design, build and install the assembly line end, including the end-of-line test bed, for its new gearbox system for hybrid vehicle drive trains. As regards maintenance services, another one of the division's core activities in the industrial sector, conditions remained upbeat in the petrochemical sector: Eiffage was awarded a multi-disciplinary maintenance contract for Total's Donges refinery, underlining the Group's polyvalence. It was also entrusted with the outage work at the oil company's La Mède refinery.

In **infrastructure and networks,** Eiffage Énergie Systèmes brings closer and connects territories by developing energy, transport and telecommunication infrastructures. As regards electricity transmission and distribution in France, the year's highlight was obtaining the biggest-ever project for overhead power lines awarded by French transmission system operator RTE.

This is for a 400KV line connecting Avelin to Gravelle in the Hauts-de-France region. Teams will be responsible for the design, development, production and installation of a new-generation overhead power line, underlining the pertinence of the niche strategy deployed, based on high technical value-added content. 2017 was also marked by the rebooting of the high voltage power line activity in Africa, involving notably installation of a high voltage 225KV interconnection between Burkina Faso and Ghana and further work on substation and grid projects.

In the transport sector, teams propose a comprehensive range of services adapted to both rail and road transport. They have confirmed their capacity to meet technical challenges and deliver highly complex projects, the most emblematic obviously being the Bretagne–Pays de la Loire high-speed rail line. Finally, note that in market segment terms, activity in the telecommunications sector was particularly intense, with several design-build projects for FTTH networks awarded by Orange in the Mayenne, Charente-Maritime, Aveyron and Gironde departments, as well as projects awarded directly by local authorities, notably the Saône-et-Loire, Jura and Côte-d'Or General Councils.

In the **tertiary sector,** Eiffage Énergie Systèmes proposes a range of high-quality technical services designed to provide owners and tenants with innovative, high-performance and connected buildings. The year ended was an opportunity to focus on two levers for developing this market: energy performance and innovation. Eiffage Énergie Systèmes has signed the charter on the energy efficiency of public and private tertiary buildings, affirming its commitment to sustainable building energy performances.

As regards new technologies, the division has developed its own digital aggregator. Installed last summer in the Smartseille eco-district developed by Eiffage Immobilier, this platform's goal is to store, sort, analyse and process data in order to offer services to local residents. This innovative solution positions Eiffage Énergie Systèmes as a full-service provider, with high value-added solutions addressing new uses linked to the Internet of Things (IoT) and Big Data. Concerning operation and maintenance, Orange renewed its trust in Eiffage Énergie Systèmes, with a new multidisciplinary operations and maintenance contract for its buildings covering part of the French territory. Another significant development in 2017 was the acquisition of Wetec, a Paris-based electrical contractor providing services to customers in the luxury goods sector.

With this new expertise, Eiffage Énergie Systèmes affirms its ambition to develop at the top end of the tertiary sector, where there are very real possibilities for achieving synergies with Eiffage Construction, which is also positioned in this market. In 2017, several landmark projects were completed, notably the renovation of the Grande Arche de La Défense, Hall 7 of the Porte de Versailles exhibition centre and the SMABTP head office in Paris.

Finally, in **HVAC and energy engineering,** a new brand, **Clévia,** was launched at the end of 2017. This core business line for the division is transversal, cutting across all its markets, of which the tertiary sector is probably the most mature. The know-how developed by the division's teams is widely recognised, notably in the healthcare sector, with cutting-edge expertise in sanitary plumbing and special fluids, as illustrated by the projects undertaken at the Épinal, Roche-sur-Yon and Grenoble teaching hospitals. In the industrial sector, work was completed on the sanitary ventilation and smoke scrubbing systems at the Veytaux hydroelectric plant in Switzerland, while work is ongoing on the clean rooms of the Boiron laboratory in Lyon.

In the infrastructure sector, expertise in underground ventilation systems has continued to drive the development of the division's activities. The year's highlights included the award of the contract for the maintenance of auxiliary ventilators in the Mont Blanc tunnel in France and, further afield in Belgium, of the contract for the renovation of the Hal tunnel in Brussels, drawing on the synergies developed within the division.

For services to towns and local authorities, a turnkey offer has been developed for district heating systems, which helped clinch a number of contracts, with the signature notably of public service delegations with the Asnières and Clamart municipalities. Finally, the acquisition of Bœuf, based in Dijon, enabled Eiffage Énergie Systèmes to complete its coverage of the French territory in HVAC and energy engineering.

In the **rest of Europe** and the **rest of the world,** the Eiffage Énergie Systèmes subsidiaries recorded a strong increase in their activities, with revenue up 24.2%. All expanded their franchise, capitalising on a strong geographical anchoring. In Spain, notably, Eiffage Energía has become Iberdrola's preferred partner for the maintenance of the energy utility's medium and low voltage distribution systems. On February 1st 2018, Eiffage Energía acquired EDS Ingeniería y Montajes, a company with revenue of €25 million in 2016 that is based in the Spanish Basque Country, thereby completing its geographical coverage in Spain. In Italy, work by Elettromeccanica Galli Italo on the electricity lot for the Allianz tower is in full swing. In Belgium, the contracts under which VSE and Yvan Paque provide maintenance services for road tunnels and public lighting systems in Brussels were renewed. In Germany, finally, automobile automation systems specialist NAT took full advantage of the buoyant conditions in this sector.

The highlight in 2017 was the development of the division's solar photovoltaic expertise on the export market. In particular, Eiffage Energía completed the delivery of the 110 MWc Quilapilún solar photovoltaic power plant in Chile and was awarded the contract for the 103MWc Huatacondo solar photovoltaic power plant, on which work has started.

To further strengthen its anchoring across Europe, on February 23rd 2018, Eiffage Energie Systèmes acquired 51% of Kropman, a leading Dutch electrical engineering group with revenue of €153 million in 2017.

Eiffage Infrastructures now comprises three business lines: road construction and maintenance, civil engineering and metallic construction.

Revenue contributed by Eiffage Infrastructures came to €4,704 million, up strongly by 8.8%, thanks to the development of its international operations, fuelled notably by work for offshore wind energy projects in the case of metallic construction, and by road and rail infrastructures in Germany. In France, 2017 was marked by an improvement of conditions in road construction and maintenance, whereas civil engineering projects for the Grand Paris programme as yet are still making modest top-line contributions. The operating margin improved to 2.5% (from 2.2% in 2016).

The order book increased by 12.8% year-on-year to €5.0 billion, which represents almost 13 months of activity.

Road construction and maintenance in France

After a downturn having lasted several years, Eiffage Route's activity stabilised in 2017 thanks to a moderate upturn in orders from the public sector. Furthermore, the company won several significant contracts for reserved lane public transport systems, high level service bus lines and tramways, notably in Bordeaux, Pau, Lyon and Biarritz.

Several major projects were completed in France, notably for the McArthurGlen Provence designer outlet village, which was undertaken in collaboration with Eiffage Construction, and the Villages Nature complex in Seine-et-Marne, commissioned by Euro Disney SCA and Pierre & Vacances-Center Parcs.

Besides these successes in road construction and maintenance, Eiffage Route pressed ahead with its development of quarrying and industrial activities, optimising its industrial production system and identifying end-uses to meet its customers' needs. In this respect, a multitude of projects linked to digital transition are being rolled out right across the value chain, covering production, marketing, administration and management.

Civil engineering in France

For civil engineering activities in France, metrics varied depending on the sector of activity and the region.

In Île-de-France, the prospect of a ramp-up of projects linked to the Grand Paris programme points to a sharp increase in revenue in coming years, with several major projects having already got under way:

→ The Éole project for the western extension of line E of the RER rail network (featuring a six-kilometre tunnel and construction of the new Porte Maillot station) awarded in 2016 to Eiffage as part of the consortium formed with Bouygues Travaux Publics and subsidiaries (lead contractor) and Razel-Bec, under a contract worth €460 million in total (Eiffage's share coming to €134 million).
→ For the same line, construction of the Bezons flying junction (a one-kilometre civil engineering structure crossing several existing railway lines), between the communes of Nanterre and Bezons, under a contract worth €60 million.
→ Section T2B of line 15 of the Grand Paris Express, linking the Bry-Villiers-Champigny and Créteil l'Échat stations in Val-de-Marne, featuring the drilling of a twin-track, 7.2-km long tunnel, the construction of seven ancillary civil engineering works between the stations, a further civil engineering structure as part

of the future eastern extension of line 15, and three stations, under a contract awarded to the consortium formed with Razel-Bec and worth €795 million in total (Eiffage's share coming to €435 million).

Eiffage Génie Civil continued to invest heavily in studies for the tender invitations launched by public authorities concerning other lots for the Grand Paris Express programme. On February 20th 2018, it was awarded lot 1 for line 16 of the Grand Paris Express network under a contract worth €1.84 billion (Eiffage's share coming to €1.71 billion) awarded to the consortium formed with TSO and Razel-Bec.

The contract covers the drilling of more than 19 km of tunnels, the construction of 18 related rail structures, the laying of rail tracks, the installation of overhead power lines and path facilities, and the building of five stations: Stade de France, La Courneuve Six-Routes, Le Bourget RER, Le Blanc-Mesnil and Saint-Denis Pleyel, which will be the largest station of the Grand Paris Express network, frequented by 250,000 passengers each day. This huge contract will require 700,000 m³ of concrete and the excavation of 2,600,000 m³ of soil, using six tunnel boring machines. More than 1,500 people will be working on the project at its peak and it is expected to generate nearly 6,000,000 hours of work, of which 500,000 hours by workers as part of an employment integration scheme. The works involve a three-month preparation period and will take six years to complete.

This trading-up strategy, targeting more complex projects, is not confined to the Grand Paris programme. For example, integrated teams from the Infrastructures division, drawing on the expertise of the different business lines and operating out of several locations, are continuing to work on the future Ariane 6 launch pad in Kourou in French Guiana under a project undertaken for Centre National d'Études Spatiales (CNES).

Eiffage Génie Civil's regional activities experienced a slight dip, the dearth of large infrastructure projects being only partially offset by work undertaken by motorway concession operators as part of five-year investment programmes or motorway regeneration plans, such as the rerouting of the A9 motorway at Montpellier and its widening near Le Boulou in the Pyrénées-Orientales department, and the completion of the A89-A6 motorway interchange in the Rhône department.

Two years after the acquisition of rail network maintenance and renewal specialist Pichenot, Eiffage is affirming its ambitions in this sector of activity, launching the track work for the Éole project to extend the RER E line which concerns a 47-km section in service, running between the stations of Nanterre la Folie and Mantes-la-Jolie, via Poissy under a contract worth €62 million.

Following the acquisition in 2016 of demolition specialist Chastagner, Eiffage continued to develop this fast-growing business line through a combination of organic and external growth, completing the acquisition of Perez Morelli in December 2017.

As regards niche activities, the acquisitions of ETIC and TSV have enabled Eiffage to complete its service offering by proposing integrating solutions meeting its customers' needs. ETIC is specialised in the design, manufacture and installation of equipment for civil engineering works and buildings, for both new build projects and existing sites, while TSV is specialised in jacking, hoisting and displacement.

Metal

After several years when activity in its domestic market declined sharply, requiring a rightsizing of its production tool in France, Eiffage Métal benefited in 2017 from the more favourable economic environment and reaped the rewards of a development strategy focused on export markets and complex high value-added projects. With regards to the latter, it showcased its expertise in facades by completing the outer shell of the Luma Foundation tower in Arles (Bouches-du-Rhône), a project designed by architect Frank Gehry, and by working on the metal framework for the Paris head office of French newspaper Le Monde, a project undertaken in collaboration with Eiffage Génie Civil and Goyer.

Eiffage Métal's European activities in Belgium, Germany and Spain recorded further growth. Smulders, the European leader for offshore wind turbine metallic structures, capitalised on its expertise in a sector that is booming in the North Sea and on its production facility opened in 2016 in Newcastle upon Tyne. This has brought its nearer its customers, as illustrated by the work it did for the Aberdeen Bay and Beatrice offshore projects in the United Kingdom. In 2017, Smulders recorded a 49% increase in revenue to a new all-time high.

International projects and subsidiaries

In Germany, Eiffage Infrabau recorded a strong increase in its revenue, buoyed by growth in the rail transport sector and by the progress of the A94 motorway project in Bavaria. Building on its successful strategy of targeted acquisitions in speciality activities, Eiffage completed the acquisition of micro-tunnelling expert Brochier in 2017, this after the integration of MDM in 2016.

In Spain, while activities in 2017 were affected by the difficult conditions in the public works sector because of institutional uncertainties at national level, the order book at the end of the year points to there being a recovery in 2018.

Following the handing over of the Avenir motorway in Dakar in 2016, Eiffage Sénégal remains a major player in large-sized projects in the country, being part of the consortium awarded the design-build contract for lot 1 (earthmoving and tracks) of the Dakar regional express rail project, in addition to which the consortium formed with Eiffage Génie Civil was awarded lot 2 for the Keur Momar Sarr potable water treatment and distribution project.

In Colombia, Eiffage subsidiary Puentes y Torones is ramping up activity on complex civil engineering works projects, notably on the Gualanday and Honda viaducts, and looking to play to its strengths by participating in the country's large infrastructure projects. In Canada, ICCI has now been marshalled to seize opportunities provided by the infrastructure programme initiated by the provincial and national authorities, this after a period marked by a decline in civil engineering works projects linked to the exploitation of shale gas.

Concerning projects on the export markets, 2017 was marked by a strong acceleration in activity for the Infrastructures division, which reaped the rewards of its development efforts in recent years. Besides its longstanding presence in Senegal, Eiffage Infrastructures worked on civil engineering, environmental and metallic construction projects in Madagascar, Djibouti, Congo, Togo, Ghana, Angola, Côte d'Ivoire and Sierra Leone, notably on recurring business. Given the volume of studies under way, further growth in activity is expected in 2018.

In July 2017, the joint venture between Eiffage Génie Civil and British firms Carillion and Kier was awarded two of the seven lots for phase 1 of the future High Speed 2 (HS2) rail line, which will link London to Birmingham in 2026. Carillion having being placed in receivership in the middle of January 2018, Eiffage and Kier will now deliver the project under a fifty-fifty partnership. The two civil engineering lots (C2 and C3) concern 80 km of track located midway along the route in rural areas in the Midlands, under a design-build contract worth €1.6 billion. The first phase (studies phase), covering the pre-project studies and budget validation, is under way and should be completed at the end of 2018. The second phase (works phase) will involve detailed studies and then the construction work. This second phase was not included in the order book as at December 31st 2017.

On December 29th 2017, the Infrastructures division completed the acquisition from Saipem of its maritime works activities, including the transfer of Saipem staff involved in these activities working at the head office and at construction sites as well as contracts being executed or tendered for, notably in Kuwait, Panama, Congo and Monaco. This is the latest step in Eiffage's international redeployment in speciality activities, which is expected, furthermore, to lead to synergies in the execution of large complex projects.

Research and development

When it comes to innovation, the Infrastructures division enjoyed several major successes in 2017.

The I-Street project to promote systemic innovation in support of ecological and energy transitions in road transport infrastructures, led by Eiffage in an exclusive partnership with Total, OliKrom and Ifsttar, was designated as the winner of the Roads of the Future call for projects staged by Ademe, the French environment and energy management agency, as part of the government programme for investing for the future.

Concurrently, the Roads and Streets Innovation Committee at the Ministry for Ecological and Inclusive Transition twice named Eiffage as the winner in its annual call for innovative projects: first, for Recytal-ARM®, a cold emulsion process for the onsite bio-regeneration of road surfaces using a non-bituminous, naturally sourced binder obtained as a by-product of timber and paper production; second, for Luciole®, a process combining a photometric-optimised road surface and smart overhead lights for an energy-efficient management of urban lighting systems.

Having made prevention one of its priorities, the division entered into an agreement with Swedish start-up Bioservo Technologies to conduct trials of its bionic glove that gives workers extra strength and endurance to make daily tasks easier and conserve energy.

Revenue contributed by Eiffage Construction in 2017 increased by 2.3% to €3,750 million, with another solid performance at operating level, the operating margin improving to 4.1% (from 4% in 2016).

Taking advantage of the still buoyant market conditions in the residential sector, property recorded a 10% increase in revenue to €845 million. Housing unit reservations increased by 10% to a new record high of 4,530 (of which 4,371 in France). Government policies (extension of Pinel tax incentive and continued distribution of interest-free property loans) helped fuel demand from individual investors and first-time owners. As in previous years, block sales to institutional investors and social landlords accounted for more than half of all transactions.

The order book increased by 5.8% to €4.9 billion for the contracting businesses, which represents almost 16 months of activity. In accordance with the division's business plan, property development and urban development are continuing to grow, providing the division with long-term visibility. Landmark projects won over the course of the year have also strengthened the prospects of Eiffage Construction. They include the construction of the BNP Paribas Fortis head office in Brussels under a contract worth €200 million, the renovation of the Pascal towers in La Défense for Altarea Cogedim, and that of the Gaîté Montparnasse district in Paris for Unibail-Rodamco under a contract worth almost €100 million.

Meanwhile, to be closer to the ground, help develop its activities and consolidate its territorial anchoring, Eiffage Construction started up a regional office (Occitanie) in south-western France.

Property development in France

Eiffage Aménagement, a reference in the private sector when it comes to urban development, currently has 1,000,000 m^2 under development and is working on 750,000 m^2. It has seen an increase in activity in recent years due notably to the rising popularity of joint development projects between the public and private sectors. This is illustrated by the development of the 213,000-m^2 Parc-Centrale mixed development zone in Châtenay-Malabry, a project that will be executed by Eiffage Aménagement via France's first ever development special-purpose public-private partnership (SEMOP). 2017 was also marked by the launch of work on several major projects, including the Quartier de Seine Ouest mixed development zone in Asnières-sur-Seine (137,000 m^2), the Cour des Marchandises around the SNCF station in Pontoise (just over 20,000 m^2), and the Grand Canal district in Clamart (90,000 m^2).

Eiffage Immobilier, one of France's ten leading property developers, is continuing to grow, launching retail marketing operations for more than 5,000 housing units and completing the delivery of 3,445 housing units in 2017.

The diversification of the offer under way for several years on the theme "living together better" has seen Eiffage Immobilier enter new markets. The relevance of this business model has been demonstrated by the success of Cocoon'Ages, the concept for intergenerational residences created in partnership with social engineering firm Récipro'Cité, with around 30 projects under preparation or at the development phase at end-2017. The construction work has started on the first six Cocoon'Ages residences and a showroom was inaugurated in Aubagne at the end of the year, enabling local authorities and social landlords to discover this new concept in community life.

Complex mixed development projects in city centres remain a major source of activity for Eiffage Immobilier, whose technical expertise is widely acknowledged when it comes to projects of this type. One example is the ongoing project Univ'R Longchamps in Marseille, which was awarded a Pyramide d'Argent (Urban Diversity category) and the Jury's Special Prize at Innov Immo 2017. Other major projects are under way, notably a 58,000-m^2 development in the Smartseille district, with the first deliveries of office, residential and service units taking place in the second half of 2017. These complex projects, often undertaken as part of a renovation programme, are also an opportunity to equip iconic architecture to serve a new purpose, a case in point being the conversion of the Grand Hôtel-Dieu in Lyon, the first stage of this project having been handed over at the end of the year.

In the tertiary sector, Eiffage Immobilier had a 200,000-m^2 pipeline at the end of 2017. Besides their near-systematic certification to the highest quality standards, Eiffage Immobilier's office property projects stand out for having been designed by highly acclaimed architects. In 2017, construction work started on the 21,150-m^2 CityLife office building, designed by Jean-Paul Viguier, in Nanterre's Cœur de Quartier district. Several flagship projects were completed, notably the Îlot Shell in Nantes, designed by Rudy Ricciotti, of which the stand-out feature is a nine-kilometre "ribbon" shell made of concrete strips.

In the hotel sector, Eiffage Immobilier is present across all categories, with 76,000 m^2 under development, representing 2,000 rooms.

Major projects at the construction phase include the four-star Mama Shelter hotel in the historical centre of Toulouse and the five-star Intercontinental hotel within the confines of the Grand Hôtel-Dieu in Lyon, which are both scheduled for delivery in 2018.

Construction in France

The **housing sector** remains the main source of activity for Eiffage Construction, accounting for more than 40% of its revenue. Orders were taken for 15,500 units in 2017, of which almost 7,000 under renovation schemes. This expertise in rehabilitation is illustrated nowhere better than by the design, build, operate and maintain contract, bundled with an energy performance agreement, for one of the largest projects ever undertaken in France, currently under way in Ostwald (Bas-Rhin), where the division is renovating 950 occupied housing units.

Eiffage Construction has also developed a major presence in the **tertiary sector,** with no let-up in demand from the private sector. Whether through the construction of new corporate headquarters like those of Sceneo in Bezons, continental Europe's very first office building to be awarded US WELL Building Standard certification, or the renovation of office buildings as with the 23,800-m^2 Vivacity project in Paris, Eiffage Construction is able to showcase its technical expertise. Large corporations also call upon Eiffage Construction for the development of key sites, as illustrated by the delivery of the second stage of the Michelin Research, Development and Industrialisation (RDI) Centre in Clermont-Ferrand, totalling 97,000 m^2.

Order intake for **large public and private infrastructure projects** held up in 2017. Public-private partnership contracts obtained by the Group have seen it work on large-scale projects, such as the development of the new aquatic centre in Amiens, a contract won in 2017, the renovation of the Grande Arche de La Défense and the construction of the Metz University campus, which was completed in 2017. In the private sector, meanwhile, over the course of the year Eiffage Construction completed work on the 75,000-square metre Hall 7 of the Paris Exhibition Centre, located at Porte de Versailles.

Drawing on the expertise developed by its subsidiary Pradeau-Morin, Eiffage Construction confirmed it is a recognised expert in **heritage restoration.** In 2017, the company completed work renovating a store located in Place Vendôme for a leading luxury goods manufacturer and the restructuring of a 17th century building in the Sentier district in Paris, which is now home to the four-star Hoxton hotel. Thanks to its century-old expertise, widely acknowledged and duly certified, in listed buildings conservation, the company was awarded the contract for the restoration of the dressed-stone walls and pillars of the Paris Austerlitz train station.

International

Eiffage Benelux is a top-tier player in construction and special works in Belgium. The company has been selected for large-scale projects in both the public sector such as the Chirec hospital complex in Auderghem, handed over in 2017, or the SERRA complex comprising an administrative building, a car park and a bus depot, on which work started in 2017 – and the private sector – such as the 24-floor The One tower in Brussels, under a contract worth €60 million. Eiffage Benelux is also involved in property development projects throughout the Benelux countries, through its subsidiaries Eiffage Development in Belgium, which in 2017 handed over the first phase of the Greenwood residential complex in Brussels, and Perrard Development in Luxembourg, which completed the Galiléo residential complex in the capital.

Eiffage Polska Budownictwo has established a presence spanning the tertiary and residential markets in **Poland's** main cities. After the handover at the end of 2016 of Posnania, one of the biggest shopping centres in Europe, the company launched the construction in 2017 of 287 housing units in the Krochmalna district in the historic centre of Warsaw, a project undertaken

Consolidated income statement for the year ended December 31st 2017

In millions of euros	2016	2017	% change
Revenue (1)	**14,008**	**14,976**	**+6.9%**
Operating profit on ordinary activities (% of revenue)	**1,597** (11.4%)	**1,729** (11.5%)	+8.3%
Other income (expenses) from operations	(71)	(56)	
Operating profit	**1,526**	**1,673**	**+9.6%**
Net finance costs	(539)	(490)	**-9.1%**
Other financial income (expenses)	(41)	(20)	
Financial income (expenses)	**(580)**	**(510)**	**-12.1%**
Share of profit (loss) of equity-method investments	(2)	4	
Income tax	(167)	(335)	x2
Profit for the year	777	832	+7.1%
Non-controlling interests	(302)	(287)	
Profit for the year attributable to the holders of the parent	475	545	+14.7%
Earnings per share	5.13	5.73	
Net profit for the year attributable to the holders of the parent before deferred tax adjustments (*)	**416***	**512***	+23.1%
Earnings per share before deferred tax adjustments (*)	**4.49**	**5.38**	

(1) Excluding construction revenue of concessions (IFRIC 12).

* Before adjustments to non-current deferred tax to reflect the decrease in the French corporation tax rate, which resulted in an additional profit of €59 million in 2016 and €33 million in 2017.

for Echo Investment. In anticipation of the expansion of its property development activities, an ad-hoc subsidiary has been incorporated, which started work on its first housing development projects in Warsaw and Krakow.

Eiffage Construction is constantly investing in **innovation** to improve its construction techniques. In particular, it has pressed ahead with the development of its dry process technology and structured its offer, with the incorporation in 2017 of Eiffage Construction Bois. Many wooden building projects are under way, some having entered the construction phase, such as in Strasbourg, Saint Ouen, Paris and Bordeaux (Hyperion tower).

The rollout of digital technology at Eiffage Construction's business lines is continuing, with as objective to improve productivity: Building Information Modelling (BIM) is now in wide use; Finalcad (an application for monitoring work sites and building handovers) is continuing to be implemented; and Finalsafe (a safety application) has been developed. These are but a few examples of the division's dynamism in embracing digital technology.

Other expenses from operations amounted to €56 million, down €15 million, as was expected by management.

Net finance costs declined for the third consecutive year, down 9.1% to €490 million (from €539 million in 2016).

Income tax expense amounted to €335 million in 2017 (compared with €167 million in 2016). The charge for the year was reduced by €74 million, being the adjustment to deferred tax assets to reflect the gradual decrease in the corporation tax rate in France effective from 2020 to 2022 (resulting from the 2018 Budget Act). This future reduction in income tax expense, which has no effect on the cash position, led to a €33 million increase in the profit for the year attributable to the holders of the parent.

As a result, profit for the year attributable to the holders of the parent amounted to €545 million in 2017 (compared with €475 million in 2016).

Restated for the deferred tax adjustment mentioned above, the profit for the year attributable to the holders of the parent increased by 23% to €512 million in 2017 (from €416 million in 2016).

Free cash flow came to €735 million in 2017. This is after an increase in working capital requirements (which had a negative impact of €104 million) and in current provisions (which had a positive impact of €52 million). This also reflects investments amounting to €570 million to develop concessions (notably by APRR, also to complete the Bretagne–Pays de la Loire high-speed rail line project and in public-private partnerships for building projects).

As regards acquisitions and disposals, these resulted in net disposals amounting to €84 million. The largest acquisition in 2017 concerned the maritime civil engineering activities of Saipem. Several smaller acquisitions were completed by the Group in energy systems and in specialty civil engineering.

As part of the strategy for the rotation of its portfolio of public-private partnerships, Eiffage sold majority interests in the capital of four such ventures (see section dealing with Concessions), which led to a €240 million reduction in net debt.

Given the foregoing, and after taking into account capital transactions and dividend payments, there was another decrease in the Group's net debt – excluding the fair value of debt with Caisse Nationale des Autoroutes (CNA) and of swaps – of €838 million. The holding company and contracting businesses had net cash of €904 million at December 31st 2017 (compared with €492 million at December 31st 2016).

As part of the proactive management of its debt and liquidity and in order to lower its finance costs, Eiffage SA took a number of measures in 2017, which involved:

- increasing CICE financing;
- arranging for the bridge loan extended in 2008 to its Élisa subsidiary to be refinanced with a credit institution;
- actively managing its commercial paper programme, with all the issues now having been placed at negative interest rates.

Given the €1 billion credit line confirmed until September 30th 2021 (with the amount reduced to €0.92 billion in the final year) and the €2.3 billon of cash and cash equivalents at December 31st 2017, the Group had €3.3 billion in liquidity at December 31st 2017 (compared with €3.0 billion at December 31st 2016). This liquidity is available for:

- meeting seasonal increases in working capital requirements at its contracting businesses;
- covering any investments at its contracting businesses or providing equity financing and shareholder advances for concessions and PPP;
- funding, in the best conditions, the Group's development through organic growth and/or acquisitions.

In 2017, the Eiffage share price traded between a high of €93.70 and a low of €66.44 to close the year at €91.34, up 37.87% year-on-year, bearing in mind the CAC 40 and SBF 120 recorded increases of 9.26% and 10.84%, respectively, over the same period.

In 2017, volumes traded on the NYSE Euronext, which on average accounted for 56.43% of trading in Eiffage shares, decreased, representing 75% of the capital compared with 86% in 2016.

Pursuant to the authorisations granted by the general meetings of April 20th 2016 and April 19th 2017, Eiffage purchased 2,703,546 of its own shares and sold 2,340,475 shares in 2017, of which respectively 2,350,420 were purchased

	Number	% of capital
Number of shares purchased in 2017	2,703,546	2.76%
Number of shares transferred in 2017	588,134	0.60%
Number of shares sold in 2017	2,340,475	2.39%
Number of shares cancelled in 2017	3,000,000	3.06%
Average purchase price	€81.41	
Average sale price	€74.24	
Transaction fees excluding taxes	84,392.02	
Number of shares registered on December 31st 2017	1,895,422	1.93%
Cost of the shares held in treasury	€132,493,947	
Nominal value of the shares held in treasury	€7,581,688	

and 2,340,475 were sold under the liquidity contract entered into on December 6th 2012, which took effect on January 1st 2013. Of these shares, 588,134 were transferred to employees or their beneficiaries in connection with the exercise of stock options. The table below summarises the various transactions completed in 2017:

In its company financial statements, Group parent company Eiffage SA reported a net profit of €253 million for the year ended December 31st 2017 (compared with €148 million for 2016).

Given the consolidated net profit reported for 2017 and prospects for 2018, the general meeting is invited to approve the payment of a gross dividend of €2 per share, which represents an increase of 33%. This dividend is to be distributed in respect of all 98,003,766 shares in issue at December 31st 2017 and of the shares that will be created in connection with the capital increase reserved for employees decided by the Board of Directors on February 28th 2018. The profit corresponding to the unpaid dividend on shares held in treasury will be carried forward for subsequent appropriation.

The following documents relating to the preparation and agenda of the general meeting convened on April 25th 2018 are available in the section of the Directors' report on corporate governance, which includes:

- the presentation of the resolutions to be put to the vote, including concerning the remuneration of the Chairman and Chief Executive Officer;
- the table summarising currently valid authorisations to increase the capital and to grant stock options and bonus shares;
- the table summarising currently valid authorisations to increase the capital and to grant stock options as submitted to the general meeting of April 25th 2018.

Risk factors

Operational risks

The Group's core activity being mainly to design and execute construction projects, exposure to operational risks exists at each phase of the process.

When an order is booked, operational risk may arise because labour costs to complete the construction have been underestimated or because the quantities of materials have been incorrectly estimated. Similarly, a poor assessment of a customer's requirements may result in a significant operational risk. The environment at the construction site (access to the site, neighbourhood constraints, regulatory issues, etc.) is also an important criterion that must be taken into account in the conduct of the project.

To mitigate these risks, each contract considered must pass a customer selection process and its feasibility and technical content must be analysed. This process includes a detailed review of the offer in light of legal and financial criteria relating to the project and customer.

Each costing goes through a validation process based on materiality levels. The purpose of this validation is to check and approve the costing options selected. A counter-analysis is performed by the Works department for significant projects that represent a major investment in terms of man hours.

During the construction phase, hazards may arise linked to the weather conditions or soil composition (foundations, earthmoving, etc.) for example, as many accidents. The quality of the constructions (lead times, delivery, etc.) depends on the ability to master these operational risks.

The Group's absolute priority is the safety of its employees and of all other people working on construction sites. To this end, significant resources are devoted to training the personnel, to replacing equipment, and to regularly analysing construction site risk with the supervisors. Work at construction sites proceeds satisfactorily when the teams possess the required expertise, and are fully aware of and alert to the existence of these risks.

Concurrently, the planning of a construction project is based on the principle that each and every staff member must be adequately prepared and assume responsibility. Progress reports are prepared at regular intervals during the construction to ensure compliance with objectives in terms of deadlines, customer satisfaction and cost.

The Group's requirements extend to its partners, i.e. to the subcontractors and suppliers with which it has a business relationship. These partners are assessed at regular intervals based on precise criteria to ensure compliance with the Group's values and principles.

Materials purchasing risks

The Group is exposed to sporadic fluctuations in the cost of certain materials used in its manufacturing processes, notably petroleum products (fuel, lubricants and bitumen), cement, steel, aluminium and copper. To mitigate this risk, there is a Group Purchasing department that works in coordination with the Purchasing departments in each division. The Group Purchasing department seeks to anticipate possible cost fluctuations by negotiating framework agreements featuring effective price revision clauses so as to provide additional protection to the revision clauses contained in the public procurement contracts. The Group's size and capacity for purchasing in bulk lend it significant clout when negotiating prices as well as supply and payment conditions.

Competition risk

The heads of each operating unit have been provided with information and individualised training (see section 5 below – Ethics training) on the risks arising from combinations in restraint of trade between competitors and from arrangements entered into with customers, and each has undertaken formally to comply with the Group's instructions. In accordance with its Code of Ethics and the demand made to each employee to behave in exemplary fashion, the Group has spelled out its commercial practices to all members of staff and increased sanctions for any breaches.

Industrial and environmental risks

Given the nature of its activities, the Group has relatively little exposure to industrial risks.

There is a risk linked to accidental exposure to hazardous chemical products. There is also the risk that customers will experience business interruptions as a result of work carried out by Group companies.

At environmental level, particular regulations govern the activities of the Group's various divisions, concerning notably the processing of materials recovered from demolition or building sites and of materials produced for road construction, the protection of the environment and biodiversity during the construction and operation of motorway and rail infrastructures, etc.

Measures taken by the Group to manage these risks and the cost of the investments related to preventive measures and to measures to implement applicable standards and regulations are presented in the section of this report dealing with employee and environmental matters. Fundamental principles have also been compiled in the Group's risk management guide (reference guide).

Concerning risks linked to the emission of carbon dioxide and other greenhouse gases, the Sustainable Development and Transversal Innovation department considers the following separately:

- regulations relating to the European Union Carbon Emissions Trading System, applicable to the Bocahut quarry in the Aisne department, which is the only Eiffage Infrastructures entity to have been allocated carbon emission quotas;
- the publication each year of greenhouse gas emissions in the section of this report dealing with employee and environmental matters, as well as the definition of a three-year objective for reducing these emissions;
- the coordination of energy audits at the level of the subsidiaries and regions, as may be required by regulations;
- the coordination and management of the E-FACE Eiffage carbon energy arbitrage fund, which seeks to promote the development of low-carbon solutions in the Group's offering.

Concerning risks associated with biodiversity protection, during the construction phase and later during the operating phase, the Group remains committed to achieving excellence in this area, notably by:

- receiving recognition from the French Ministry of Ecology, Sustainable Development and Energy for its specific contribution to the country's National 2011-2020 Biodiversity Strategy;
- implementing the Group Biodiversity Charter signed by the Chairman, and ensuring its promotion at partner institutions and companies;
- providing further training in connection with the first Business Chair dedicated to "Environment, Biodiversity and Major

Infrastructures" created in partnership with Paris 1 Panthéon-La Sorbonne University;

- compiling an in-house biodiversity risk prevention and management pack for all the operating departments of the Group's divisions, setting out notably the rules for compliance with the Avoid, Reduce, Offset (ARO) mitigation hierarchy, along with ecological engineering solutions during the construction and operating phases.

Legal risks

A significant proportion of the Group's activities is governed by regulations applicable to public contracts in France and, in the case of building works, the ten-year contractors' guarantee.

Some activities are governed by authorisations granted in respect of classified installations. This concerns notably road construction, for coating stations, binder production plants and quarries (in the latter case with the requirement to provide financial guarantees to cover site rehabilitation).

Some contracts may contain confidentiality clauses, notably when pertaining to national defence.

Financial risks

Information provided in this section forms an integral part of the Annual Financial Report.

Exposure to interest rate risk

For its concessions and utilities management activities, the Group contracts debt at fixed or variable interest rates depending on the market conditions when the financing is arranged. In respect of variable-rate loans, interest rate hedges are put in place to reduce exposure to changes in interest rates.

As regards the Group's other activities, debt contracted bears variable interest rates except for finance lease obligations, which bear fixed interest rates.

Not taking into account the non-recourse debt of the concession operators included in its consolidation scope, the Group has no debt (net cash position of €904 million at December 31st 2017). The concessions activity's non-recourse debt (net amount of €11,279 million at December 31st 2017 excluding the fair value of the CNA loans and financial instruments entered into to hedge interest rate risks) is carried by:

- the APRR group and its holding company Eiffarie, most of this debt being at fixed rates until June 30th 2018;
- the holding company controlling concession operator Compagnie Eiffage du Viaduc de Millau, all of this debt being at fixed rates, with the capital indexed to inflation;
- A'Liénor, the operator of the Pau–Langon A65 motorway, most of this debt being at fixed rates;
- the companies that are party to public-private partnerships, including for the Bretagne–Pays de la Loire high-speed rail line, nearly all this debt being at fixed rates.

Exposure to currency risk

The Group has little exposure to currency risk in connection with its ordinary activities since its main subsidiaries operate in the euro zone, these companies accounting for 95.7% of consolidated revenue.

Export contracts outside the euro zone are negotiated in the same currency as the related costs.

Consequently, the currency risk is limited to lags in the cash flow generated by these contracts, to payments made to cover head office costs and to profits transferred to France.

As and when conditions require, hedging contracts may be entered into to protect specific balance sheet assets or liabilities against currency fluctuations.

Exposure to liquidity risk

In connection with its concessions and utilities management activities, the Group negotiates individual financing agreements specific to each concession or public-private partnership. These financing agreements may require compliance with financial ratios tailored to each situation. The liquidity risk attendant on these agreements is managed by analysing expected cash flows and debt repayments.

Meanwhile, in connection with its contracting activities in particular, the Group pursues a policy of arranging and renewing confirmed credit lines. In this respect, at December 31st 2017, Eiffage had an undrawn credit line confirmed until 2021 amounting to €1 billion (€0.92 billion in the final year), while the holding company and contracting companies had €2.3 billion of net cash and cash equivalents.

In addition, Eiffage has a €1 billion commercial paper programme having given rise to issues totalling €0.1 billion at December 31st 2017. Finally, a programme for the securitisation of trade receivables was renewed in March 2016 for five years, for a maximum amount of €0.6 billion.

As for APRR, it put into place an EMTN programme in 2007, under which it can issue up to €9 billion of bonds.

The company staged three bond issues in 2017:

- in April, it issued €0.1 billion of inflation-linked bonds maturing in April 2032;
- in June, it issued €0.5 billion of fixed-rate bonds maturing in January 2032; and
- in November, it issued €0.7 billion of fixed-rate bonds maturing in January 2033.

At December 31st 2017, a further €1.55 billion could still be issued under the above programme.

To finance its investment programme, APRR arranged a seven-year loan amounting to €275 million with the European Investment Bank (EIB) in 2015, having earlier arranged two seven-year loans of €75 million each in 2012 and 2013.

Furthermore, in 2015 APRR renegotiated an existing revolving credit facility amounting to €1.8 billion for a five-year term (which was extended by two years in 2016). No amounts have been drawn against this facility, the full amount of which was therefore available at December 31st 2017.

Finally, APRR has arranged a commercial paper programme (under which it had issued €0.1 billion at December 31st 2017), used to improve short-term liquidity.

APRR is rated A- by Standard & Poor's since November 2016. Its credit rating was upgraded by FitchRatings, also to A-, in October 2017.

As regards Eiffarie, in 2015 it arranged a term loan for an amount of €1.5 billion and an initial term of five years (which was extended by two years in 2016). This loan amounted to €1.3 billion at December 31st 2017 given the repayments made since its inception.

To the extent that the above debts are the object of covenants, details, including compliance therewith at December 31st 2017, are provided in Note 8.3 to the consolidated financial statements.

The ageing of the Group's financial assets and financial liabilities is provided in Note 8.2 to the consolidated financial statements.

Exposure to market risk

The Group is not exposed to any equity risk since all surplus cash is held in the form of money market UCITS (invested exclusively in very short-dated money market instruments), bank certificates of deposit or term deposit accounts.

Exposure to credit risk

With regard to the management of customer risk, the Group's revenue is generated in two main activities.

As regards concessions and utilities management activities, the risk of insolvency is extremely slight, being mitigated by the very large number of transactions for small individual amounts settled in cash on the transaction date, or because amounts are settled by local and regional authorities over the long term under the terms of public-private partnerships.

As regards the contracting activities, a substantial part of the business is with public-sector customers or large private-sector companies, mitigating the non-collection risk. As regards the property activities, sales are largely negotiated under pre-completion development contracts, with the payment of advances on the part of the buyers, which limits the payment default risk.

Exposure to the risk of fluctuation in raw material prices

As regards the contracting activities, the projects in which the Group is involved are generally covered by price revision clauses linked to a national index that provide a hedge against the risk of fluctuations in raw material prices.

As and when conditions require, and exclusively in the case of major projects without a price revision clause, contracts may be entered into as a hedge against fluctuations in raw material prices. This is limited to the sourcing of supplies for which prices on world markets are prone to sharp fluctuations.

Insurance risk cover

The Group's policy with regard to insurance cover is scaled to take into account the size effect.

First, certain risks characterised by a high frequency rate but low severity are covered through self-insurance (e.g. auto insurance and property insurance) or the application of appropriate deductibles (e.g. ten-year contractors' guarantee).

Second, particular attention is paid to risks presenting higher severity by taking out policies providing substantial cover (third-party liability).

The construction activity is subject to specific regulations and legal requirements in terms of insurance cover (ten-year contractors' guarantee). All these aspects are monitored by the Legal departments of each division.

The Group insurance manager ensures that the measures taken are appropriate at a global level, notably as regards self-insurance and coverage limits.

Description of insurance policies taken out by the Group

→ Various third-party insurance lines provide overall cover of €85 million by claim, and an additional line subscribed since 2003 has raised this to €155 million per claim and per year. This insurance covers APRR and its subsidiaries since their integration into the Group.

→ Insurance in respect of the ten-year contractors' guarantee is taken out almost exclusively for the French businesses. Cover complies with Law no. 78-12 of January 4th 1978 and the relevant implementing decrees, and accordingly provides insurance against damage to buildings for the ten years following delivery within the limit of the costs of any deficiencies detected.

→ Various annual policies have been taken out at Group or subsidiary level, including by APRR and its subsidiaries, to cover the Group's property and operating assets, including contractors' all-risks insurance (for damage during construction work), comprehensive property insurance (for offices, housing and workshops) and auto insurance (third-party liability, fire and theft).

→ Insurance cover has also been taken out since 2003 for the third-party liability of directors and corporate officers at the level of the company and its subsidiaries.

→ Lastly, risks concerning accidental environmental damage are covered by the third-party liability contracts referred to above. Specific policies have been taken out for classified installations (coating stations, etc.).

In total, insurance premiums paid by the Group in respect of the aforementioned policies amounted to €60 million in 2017 (compared with €56 million in 2016).

A. Internal control and risk management procedures

"Risk-taking is an inherent trait of any enterprise. There can be no growth or creation of value in a company without risk-taking. However, if risks are not properly managed and controlled, they can affect the company's ability to attain its objectives. Risk management and internal control systems play a key role in directing and guiding the company's various activities by continually preventing and managing risks."

AMF reference framework
– July 2010

The internal control and risk management systems put in place within the Group are based on the principles set out in the report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and comply with the reference framework published by the AMF.

1. Scope of internal control and risk management

The Group's activities are organised into divisions, which are coherent sub-groups within the business lines. For contracting activities, each division is controlled by a company that is wholly-owned by Eiffage. Public service concession companies are owned directly by Eiffage or through financial holding companies. The percentage of the capital owned by Eiffage varies.

Group internal control procedures cover all the companies consolidated under the full method as well as all permanent or temporary joint ventures, whether consolidated or not.

2. Internal control and risk management objectives

Internal control is a process put in place by the Group, defined and implemented under its responsibility, to which a range of resources is assigned. Its objectives are:

→ compliance with applicable laws and regulations;

→ application of directives and policies defined by General Management;

→ proper functioning of the company's internal processes, particularly those contributing to the safeguarding of its assets;

→ reliability of financial information.

Risk management is a Group management tool that helps to:

→ create and preserve value and the Group's assets and reputation;

→ secure the Group's decision-making and processes, contributing to the achievement of its objectives;

→ ensure actions are consistent with the Group's values;

→ focus the Group's employees on a shared vision of the main risks.

By helping prevent and minimise the risks that the Group will not achieve its objectives, the internal control system plays a key role in the management and steering of its activities.

Limitations of internal control and risk management

As with any control system, these systems cannot provide an absolute guarantee that the company will always achieve its objectives but they do provide a reasonable assurance that this will be the case.

3. Organisation of the internal control and risk management functions

The organisational structure put in place to achieve the objectives defined above is based on the accountability of each employee, along with rules on conduct and integrity.

Over the course of 2017, in conjunction with the business plan and further to the requirements of Law 2016-1691 of December 9th 2016 on transparency, the fight against corruption and the modernisation of the economy, certain of these rules were reformulated and a more precise framework defined, in light notably of the new Code of Conduct and the internal whistleblowing system.

The decentralisation of responsibilities within the Group is achieved through a network of moderately-sized subsidiaries and entities, which facilitates monitoring and minimises risk.

The majority of the Group's contracting business consists of small, short-term projects (or contracts). The internal control function is organised on the basis of the allocation of roles and responsibilities between four management levels:

- the project (or contract), which is the basic unit. The project manager has full responsibility and is personally accountable for the accuracy of his/her accounts;
- the operating managers (the heads of entities or subsidiaries), whose powers are defined by delegations of authority granted by their superiors. The entity or subsidiary manager is responsible for commercial activities and contract decisions, and sets the profit margins when tendering for contracts;
- the regional manager, who supervises the entities and/or subsidiaries in his/her area and coordinates their activities. He/she is responsible for ensuring optimum use of human and material resources and for fostering exchanges and the free circulation of information (vertically and horizontally). His/her role is to guide and oversee;
- each division's general management, which has responsibility for:
  - cash management;
  - monitoring of compliance with accounting and management rules;
  - career management for management level employees;
  - determining investments in real property, equipment as well as mergers and acquisitions.

Within the organisational structure, there are also divisional internal controllers, who are responsible for:

- defining internal control priorities on the basis of risk assessments carried out by the division;
- assisting operational managers in covering their area of responsibility;
- appraising the implementation of action plans following internal audits;
- carrying out second-level controls of compliance with procedures and also of controls performed at the level of the regions, establishments and/or subsidiaries;
- taking part in the regular updating of internal control and risk management tools.

The work of the divisional internal controllers is performed with the assistance of correspondents identified at the levels of the regions and/or subsidiaries.

Their work is coordinated, giving rise to a quarterly report on progress implementing action plans that is submitted to Internal Audit and Risks department.

Internal control within APRR and AREA is organised at several different operational levels. In addition to controls by general management and the relevant governing bodies, internal control has been entrusted to the functional departments, within the framework of specific delegations of authority. The operating departments also function on the basis of delegations of authority granted by higher-level management. The basic operating units are the districts and agencies (APRR) or the maintenance centres or toll stations (AREA), which ensure, for the portion of motorway they cover, the collection of tolls and the operation, upkeep and security of the network. These tasks are performed under the responsibility of the regional department to which the districts and agencies are attached.

B. Responsibility for internal control and risk management

As stated above, risk management and internal control is everybody's business. Accordingly, all governing and management bodies have a role to play.

1. General Management

Group General Management is responsible for strategy, in other words, for determining major financial investments. It also manages the careers of senior executives and coordinates the labour policy of all divisions. It has authority for:

- finance;
- relations with the financial community and shareholders;
- accounting, tax and management methods and rules.

With regard to internal control, General Management is involved in all the validation stages of the work and receives all the reports on audits conducted by the Internal Audit and Risks department.

The central support functions at the head office are staffed by experts whose task is to assist the company managers and the regional managers, who may consult these functions irrespective of the lines of authority.

General Management ensures that the Board of Directors and the Audit Committee receive all necessary information in a timely manner.

2. Board of Directors

As required by Article L.225-100 of the French Commercial Code, the Board of Directors reports on risks in its Directors' report, notably describing the risk management policy and how the main risk factors are handled.

Accordingly, the Board of Directors checks with General Management that the internal control system is capable of ensuring that the financial information published by the Group is reliable and gives a true and fair view of its results and financial situation.

3. Audit Committee

The Audit Committee is responsible for monitoring:

- the process for preparing financial information;
- the effectiveness of the internal control and risk management systems;
- the statutory auditing of the company

financial statements and the consolidated financial statements;
- the independence of the Statutory Auditors.

The Audit Committee may request any additional information or explanations at any time, to supplement the regular information updates it receives.

It ensures that action is taken to correct any weaknesses identified in the risk management and internal control system.

It reports to the Board of Directors on its work carried out at its meetings and the recommendations it wishes to make to Group management.

It liaises with the Internal Audit and Risks department in accordance with AMF and IFACI standards.

4. Compliance

Meanwhile, on January 26th 2018, the Group established a governance body dedicated to compliance. This body is tasked with steering the implementation, subsequent adaptation and assessment of the compliance programme within the Group, in particular as regards the general obligations to prevent and detect conduct likely to constitute corruption or influence peddling in France or abroad (arising from Law 2016-1691 of December 9th 2016) and to exercise a duty of care (arising from Law 2017-399 of March 27th 2017).

This body is chaired by a member of the Executive Committee. Permanent members comprise the legal director of each division, a sales and marketing director, the sustainable development and transversal innovation director and the internal audit and risks director. This body may, as and when needed, seek assistance from any person or persons as it sees fit. It meets at the frequency considered necessary for the fulfilment of its mission, but in any event at least twice each year.

In addition, acting on its own behalf and that of its subsidiaries, the Group filed declarations of interest concerning lobbyists with France's High Authority for Transparency in Public Life, and performed an exhaustive review of its procedures for the prevention of insider dealing pursuant to the legislation governing market abuse.

5. Internal audit

The Internal Audit and Risks department's role is to regularly assess the functioning of the risk management and internal control system. It verifies that directives issued by General Management are properly implemented.

To do this, it organises internal audits following which it recommends improvements and corrective action. The recommendations are then transposed into detailed action plans, with quarterly progress reviews.

The Internal Audit and Risks department works according to an annual audit plan approved by General Management and the Audit Committee.

The Head of Internal Audit and Risks may liaise with the Chairman of the Audit Committee whenever necessary.

At the start of 2018, the Internal Audit and Risks department's accreditation with IFACI Certification, a member of the Institute of Internal Auditors (IIA), was renewed.

6. Divisional internal controllers

As indicated above, divisional internal controllers perform second-level controls of compliance with procedures and also of controls performed at the level of the regions, establishments and/or subsidiaries. They assess and monitor the implementation of action plans following internal audits. They ensure that, at regular intervals, the risk mappings of the businesses carried on by the divisions are updated, in particular the mapping required by the Law 2016-1691 of December 9th 2016 on transparency, the fight against corruption and the modernisation of the economy.

7. Group employees

Each employee is accountable for his/her actions.

This principle draws on the Eiffage Charter of Values and Objectives, a code of conduct distributed at all levels of the Group. It can be consulted by all employees via the Group's various internal communication facilities, notably the intranet.

The Charter's objectives – respect for customers, employees, shareholders, partners, suppliers and subcontractors and other stakeholders, including public authorities, and commitment to human progress – as well as the Group's values – responsibility, trust, transparency, lucidity, exemplary conduct, determination and resilience – underpin the internal control system that has been put into place.

First-level controls of employees' activities are exercised by the line managers. Through the assistance they provide, the regions and/or subsidiaries' various support functions – accounting, management, human resources, prevention, quality and legal participate in these first-level controls.

C. Internal control procedures

The duties of the divisions' central departments include, inter alia:

- preparing, distributing and explaining to correspondents in the regions and subsidiaries (or entities), in France and abroad, all directives and recommendations concerning changes in laws and regulations or in the Group's or divisions' internal rules;
- providing and updating guidelines and other manuals for operational and sales and marketing managers;
- organising regular meetings with correspondents in the regions and subsidiaries (or entities) to discuss problems in interpreting messages or applying instructions and ensure that messages have been properly understood and instructions are complied with.

The internal control procedures can be broken down into nine main areas:

1. Management rules
2. Ex-ante checks
3. Warning systems
4. Eiffage Handbook
5. Ethics training
6. Fraud prevention
7. Preventive audits
8. Self-assessment
9. Information systems

1. Management rules

The management rules applied by Eiffage are based on four general principles:

A. Forecasts and performance data come from the field.

B. Quality of forecasting is essential;

C. Management must be consistent with the accounts.

D. APRR and AREA must be treated as special cases.

A. Forecasts and performance data must come from the field

The monthly operating accounts and the quarterly forecasts are the core management tools.

The operating accounts are generated directly by the accounting software. Expenses are input by the Accounts departments, while each project or contract manager is responsible for inputting accrued revenue items and expenses.

Each employee is responsible for the figures he/she provides.

The same applies to the quarterly forecasts, which are, by analogy, estimates of the operating accounts at the end of the project or the accounting period.

B. Quality of forecasting is essential

As a minimum requirement, forecasts are prepared for each project (or contract):

- before its launch or at the launch date;
- at each quarterly review.

The purpose of forecasts is to estimate as accurately as possible, for each project (or contract), the income and result:

- for the next three months;
- for the current financial year;
- at the end of the project (or contract).

An annual budget is set for each support function, service provider and cost centre. This is reviewed quarterly.

All forecasts are structured in the same way as the operating accounts so as to highlight any variances.

Any emerging variances between forecasts and actual figures are analysed and commented on and taken into consideration when the next forecast is prepared.

C. Management must be consistent with the accounts

The accounts must be the sole guideline for management. Therefore, the only figures that count ultimately are those recorded in the accounts.

It is the operators' responsibility to determine the revenue that represents fairly the percentage of the contract that has been completed. It is therefore the concept of revenues earned that takes precedence over the actual amounts billed, the timing and basis of which may be different.

Information must travel up from the lowest unit (the project or contract) to the Group holding company without any adjustments or additions, so that accounts are consistent at all levels, and the person who originally provided the data remains fully accountable for it.

Only essential information is passed up through all levels of the organisation but, for information to flow freely, it can be sent to a particular person or department directly.

Certain principles, which are easy to apply, ensure information is consistent:

- Principle of comprehensiveness:
  - all projects and contracts must be included;
  - all the cost centres must be included;
  - all the subsidiaries and all the entities must be included in the summary documents of the relevant division;
  - no account, structure or entity must be left out.
- Principle of consistency:
  - neither the methods nor the scope

can be modified except as decided and instructed at Group level;
– past records cannot be altered: they are useful for understanding a situation and drawing lessons;
– all figures are reported on a cumulative basis.

→ Principle of uniformity:
– a common language must be used throughout;
– standard document formats.

D. APRR and AREA must be treated as special cases

APRR and AREA adapted their reporting system early in 2006 so as to conform to the Eiffage Group's management rules. Their management charts comprise a series of monthly operating and financial indicators relating in particular to traffic, revenue, operating productivity ratios, general overheads, capital expenditure, cash flows, workforce and the calculation of aggregate monthly EBITDA.

The Chairman and Chief Executive Officer of APRR and AREA and the Group's Chief Financial Officer ensure at the time of the initial and various quarterly revised budgets that decisions taken are consistent with the management contract and operating and financial objectives.

2. Main ex-ante checks

Delegations of authority

These define the nature and scope of delegated duties and powers, in accordance with the function occupied by the party to whom authority is delegated.

Put succinctly, the Chairman of each division's lead company delegates to his/her regional managers, subsidiary managers and entity managers broad powers to represent the company, negotiate contracts within certain limits, manage non-executive employees, and deal with health and safety issues.

The regional manager in turn sub-delegates more limited powers to subsidiary or entity managers regarding health and safety.

Banking powers and rules relating to cash management

Powers to operate bank accounts are codified, with persons authorised to operate an account being required systematically to act under a joint signature.

A strict procedure must be followed when opening bank accounts.

Detailed directives set out the rules for cash management, the provision of surety and other guarantees, the arrangement of financing, and security measures.

Procedures relating to investments

Investment decisions are taken at the level of each division's general management. Prior authorisation from Group General Management is required systematically for financial investments (acquisitions). This also applies for new concession projects.

Moreover, the Board's internal regulations provide that when financial investments or new concessions exceed €30 million the projects must be discussed by the Strategy and CSR Committee and then referred to the Board. Projects involving investments of less than €150 million may also be referred to the Strategy and CSR Committee instead of the Board. The same rules apply to divestments.

With regard to property, plant and equipment, the size and type of investment will dictate whether it is managed directly by the subsidiaries and regions or at division level.

Budget forecasts are prepared for capital expenditure (of any kind), and the divisions' central procurement departments monitor spending in relation to these budgets.

In 2016, the rules governing procurement procedures involving motorway concession companies were reformed. APRR is now subject to the rules governing procurement procedures and contracts for adjoining commercial installations applicable to motorway concession companies, as laid down in the Law 2015-990 of August 6th 2015, as amended by Law 2016-1691 of December 9th 2016 on transparency, the fight against corruption and the modernisation of the economy, and its implementing decrees, incorporated into the French Public Highways Code (*Code de la voirie routière*). These new measures came into effect for works contracts published on or after May 5th 2016.

Until May 5th 2016, APRR's contracts were governed by the provisions set out in Article 6 of the terms of reference appended to its concession agreement (requirement to advertise and use competitive procedures as defined in Decree 2005-1742 of December 30th 2005 for works contracts exceeding €2 million, excluding taxes, and service contracts exceeding €240,000, excluding taxes).

Since May 5th 2016, any contract with a value that is greater than either of the maximum limits stipulated below is subject to the regulated procedure defined in the Public Highways Code (Articles L.122-22 *et seq.* and R.122-28 *et seq.*).

The Public Highways Code states that from now on regulations pertaining to advertisement and competitive procedures defined by Decree 2016-360 of March 25th 2016, as amended by Decree 2017-1816 of December 28th 2017, will apply to:

→ works contracts exceeding €500,000 (excluding taxes);

→ supply contracts and service contracts exceeding €240,000 (excluding taxes);

→ to the extent the contracts do not benefit from one or other of the derogations provided for under the regulations.

Proposed contracts and amendments thereto exceeding predefined thresholds must be submitted to APRR's contract award commission for its opinion.

The Contract Award Commission, whose members (a majority of whom are independent) are designated after consulting the French regulatory authority for railways and roads (*Autorité de régulation des activités ferroviaires et routières* – Arafer), is tasked with defining internal regulations applicable when entering into and executing contracts.

Arafer is responsible for ensuring the existence of effective and fair competition when contracts are negotiated.

If regulatory requirements as to advertisement and competition are not fulfilled, it can initiate legal proceedings to challenge the award of the contracts concerned and to impose financial sanctions on the concession operator.

In 2017, the APRR and AREA contract award commissions examined 79 referrals, which are analysed below:

Number of referrals	APRR	AREA	Total
Contracts for supplies and services	15	12	27
Works contracts	38	14	52
Total	**53**	**26**	**79**

Number of referrals	APRR	AREA	Total
Limited tender procedure	4	5	9
Open procedure	40	18	58
Competitive dialogue	9	3	12
Negotiated competitive procedure	0	0	0
Amendments	0	0	0
Total	**53**	**26**	**79**

The Contract Award Commissions issued favourable opinions on all the contracts referred to them, although in some cases these were subject to the satisfaction of certain conditions.

Each year the Contract Award Commissions prepare a report on their activities during the previous year and send it to Arafer.

3. Warning systems

Whistleblowing system

The whistle blowing system was put in place by the Board of Directors in April 2009 and authorised by CNIL, the French data protection authority, on July 23rd 2009.

The scope of the system implemented within the Group was reviewed in 2017. It is aimed notably at breaches of the Code of Ethics, which defines and illustrates different types of behaviour that are forbidden, notably those susceptible of giving rise to acts of corruption or influence peddling, or practices in restraint of trade. More generally, the whistleblowing system in place can be used to report a crime or an offence, a serious and manifest violation of an international commitment duly ratified or approved by France or the country of incorporation of the company concerned, of a unilateral act of an international organisation based on such a commitment, or of a law or regulation, or a serious threat or prejudice to the general interest having come to the personal attention of a member of staff.

Management chart

Independently of any other systems that may have been implemented by the different Group entities to address specific needs, the main monitoring and control tool used in the Group is the management chart.

Its main function is to summarise key information needed for monitoring and steering the Group's various entities.

The management chart centralises information received on projects (or contracts) at successive organisational levels:
- entity (or subsidiary);
- region and/or business line;
- division;
- Group;

using a standard layout common to all the divisions.

It contains past performance indicators (revenue, earnings, cash flow, etc.), trend indicators (order book, cash flow, number of employees, etc.) and future performance indicators (forecasts).

Certain other indicators specific to the various business lines are included in the management chart.

Major projects are monitored centrally when at least two divisions are involved, using a dedicated management chart intended for Group General Management.

Past performance and trend indicators are monitored on a monthly basis, while future performance indicators are monitored quarterly.

The rules governing the preparation of the management chart and forecasts were compiled and summarised in a reference document which was distributed throughout the Group in February 2010, entitled Management Control & Reporting.

Priority is given to prompt distribution of documents and quick response times. A mandatory timetable for the distribution of the management chart and forecasts is prepared at the beginning of each year. Each month, members of the Board of Directors are provided with a summary of the management chart at the level of the Group, together with the Group's cash position.

The Management Control Committee composed of all the divisional management controllers meets five times a year, under the supervision of the Group Management Control department.

The Committee's work consists essentially of:
- checking that information received from divisions is consistent and coherent;
- verifying compliance with the rules on preparing reports and forecasts;
- coordinating centralised monitoring of major projects involving several divisions;
- sharing management control good practices;
- regularly reviewing the situation particularly in terms of orders, revenue, cash flow, overheads and earnings for each division and the Group as a whole.

Group Management Control, assisted by the divisional management controllers, is closely involved in preparing Eiffage University training materials and conducting training sessions on the basic principles of contract budget and financial management for the Group's young works supervisors and project managers. Around 15 such sessions take place every year, in Vélizy or Lyon.

The property development business is closely monitored because of the specific types of risk involved

A Property Commitments Committee, which brings together Eiffage General Management (represented by the Chief Financial Officer) and the Eiffage Construction division's general management (represented by its Chairman, its Chief Financial Officer and a specialist lawyer) meets once a week.

Each of the division's regions conducts a detailed review of all aspects of the property development projects (administrative, commercial, technical and financial). The Committee rules on each stage in the launch and development of a property development project.

In addition to the monthly management chart, a separate chart is prepared each quarter to monitor operations, project by project.

Cash flow monitoring

In the Eiffage Group's business lines, the companies' cash position is a key indicator of financial health. Accordingly, this is analysed at least once a month based on various consolidated cash statements prepared at each level of the organisation for the entities controlled.

Eiffage is responsible for centralised management of the production of the daily cash position, which shows daily changes and is sent to the Group's General Management.

APRR's cash positions are monitored through weekly reports and monthly cash flow reports and budgets prepared by the various APRR and AREA entities and at the consolidated level as well as using more specific reports during budget reviews or at accounts closing.

Debt collection

The programme for the securitisation of trade receivables concerns almost all the French contracting subsidiaries. This form of financing has resulted in more formally documented procedures for monitoring trade receivables.

A management chart summarising securitisation transactions is prepared monthly for each division by the Eiffage Cash Management department.

4. The Eiffage Handbook

Initially called the Eiffage Code of Good Practice, the Eiffage Handbook addresses Group risk mapping issues in a practical format.

It identifies risks, describes the control procedures and proposes solutions, while also containing useful remarks from users and feedback from Internal Control and Audit.

The rules set out in the Handbook apply to all business lines and subsidiaries.

The Handbook is organised into seven processes:

- Organisation
- New projects/project monitoring
- Human resources
- Prevention
- Procurement
- Environment
- Accounting, Management and Finance

A useful reference tool for managers, it summarises the main checks and controls.

It is designed to increase individual accountability and encourage managers at all levels to remain constantly vigilant.

It is a common reference document for the Group that is of particular use to newcomers (newly recruited employees or newly acquired entities).

It is available to all employees with access to the Group's computer network, even when they are out of the office, as since 2016 it is published in digital format for tablets and smartphones.

5. Ethics training

Since 2010, Eiffage has developed a training module on the Group's good practices entitled "Basics of Ethical Business Practices", offered by Eiffage University, which is more specifically designed for managers and supervisors with responsibility for operating units or sales and marketing, procurement or pricing functions. This training was overhauled in 2017.

6. Fraud prevention

Fraud-related issues are discussed at Audit Committee meetings and passed on to the Board of Directors if necessary.

Specific instructions relating to the application of banking reconciliation procedures, the use of payment instruments and expense statement procedures are communicated at regular intervals to all of the Group's operating entities, and compliance therewith is systematically verified during internal audits.

Secure electronic payment systems have been rolled out at all Group entities with the aim of limiting the use of cheques and manual transfers and thereby minimising the possibility of fraud.

The functional link within the Group's financial and control unit has been strengthened to facilitate alerts as regards possible cases of fraud. Regular meetings are held by the administrative and financial managers at division level under the responsibility of the chief financial officers. The divisions' chief financial officers in turn meet three times a year under the coordination of the Group's Chief Financial Officer. These meetings are aimed notably at raising awareness of fraud prevention and have resulted in broader internal disclosure of proven cases of fraud and dissemination of ways of preventing their recurrence.

In 2017, Eiffage was the victim of many attempted external frauds, notably attempted identity thefts targeting senior executives and other members of management, aimed at diverting customer payments to impostor bank accounts or placing bogus purchase orders in Eiffage's name in an attempt to defraud Group suppliers.

A "fraud alert" message is now displayed on the Eiffage website inviting users, if they are in any doubt, to contact the company at surete@eiffage.com in order to perform a verification.

7. Preventive audits of entities or procedures

Specific audits are organised by the general management teams within the divisions or at Group level.

On these occasions, the Internal Audit and Risks department issues recommendations with a view to improving procedures, ensures these recommendations are acted upon and, lastly, controls and subsequently assesses the implementation of recommendations made by follow-up audits.

The findings of the Statutory Auditors' reports are examined and acted upon by each division's general management team, the Internal Audit and Risks department and the Group Management Control department.

8. Internal control self-assessment

Based on the inventory of existing procedures, the mapping of risks and an internal control analysis grid, the Group has initiated a process of self-assessment for its contracting activity, using questionnaires. These questionnaires – which are updated by the Internal Audit and Risks department – are broken down by process, sub-process and risk factor and allocated to the various hierarchical levels concerned by these risk factors (subsidiary, region, division and Group) so as to determine as precisely as possible how internal control procedures within the Group are being applied in practice.

In addition to these core questions, by request each division can tailor the questionnaires to specific aspects of its business and risk management procedures.

For the 2017 campaign, 433 questionnaires were sent out, with a 100% response rate.

9. Information systems

All information systems are steered by a central IT department that pools the Group's resources in this area. This has made it possible to increase the resources devoted to the reliability and security of networks and data. The function of IT security manager was created in 2008, and comes with Group-wide responsibility.

The Group has rolled out the following common modules: general and management accounting, sales administration, procurement and outsourcing, inventory management and reporting (including forecasts and order books).

Each division or business line has its own management tools that are adapted to its activities and take into account their specificities. The use of these tools is extended to new entities as and when acquisitions are completed to ensure the proper control and consistency of data.

User access controls are used to implement the fundamental internal control principal of separation of incompatible functions.

Within APRR and AREA, the Information Systems department supplies and maintains the necessary tools.

The architecture of the toll and traffic systems is highly decentralised so as to avoid any risk of operating disruptions in the event of a problem. The toll gates and plazas are independent of each other, and the channelling of information from the toll gates is staggered so as to limit the knock-on effect of a malfunction at a given point in the information system.

A business continuity plan (BCP) exists for the information systems.

D. Risk management procedures

The Group's risk management system is based on the policy defined by Group General Management and is the responsibility of the Internal Audit and Risks department, which is under the direct supervision of Eiffage's Chairman and Chief Executive Officer and reports to the Audit Committee.

As such, this department is responsible for the quality of the risk management systems. The purpose of its continuous oversight is to preserve their integrity and to improve them, in particular by adapting them in light of organisational and environmental changes. It arranges for action to be taken to correct any problems that have been identified and to ensure that risks remain within the prescribed limits. It oversees implementation of such action within the divisions.

In parallel, the Sustainable Development department, which reports directly to Eiffage's Chairman and Chief Executive Officer, reviews the mapping of non-financial risks, notably environmental risks, at the Group level. It asks each division to provide an up-to-date list of these risks and to ensure compliance as and when regulations change.

1. Group Risks Committee

The Group Risks Committee has three permanent members: the Chairman and Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit and Risks. Members of other departments and independent specialists may also attend meetings if need be.

The Committee meets at least once a year to review the main risks, identify any changes to their criticality and assess their management.

These risks include organisational risks (information systems, etc.), new business and project monitoring, human resources, prevention, procurement, the environment and accounting, management and finance.

The risk mapping process was modified in 2017. It can be consulted in the Handbook.

Detailed risk mapping is carried out at divisional level; the Internal Audit and Risks department uses this as a basis to conduct its assignments.

2. New Business Risks Committee

The New Business Risks Committee was created in 2011 in order to examine and validate the terms and conditions of the company's commitments when submitting offers with a view to entering into public procurement contracts, concession agreements or public-private partnerships.

Transactions above 'trigger' thresholds, defined for each division's business lines, are reviewed in light of criteria covering all identified risks (financial, organisational, contractual and technical). A detailed risk analysis chart is used to formally establish the Group's terms of engagement.

The Committee is composed of Eiffage's Chairman and Chief Executive Officer, the Chairman of the relevant division, the Head of Internal Audit and Risks and representatives from the operational departments involved in the projects under review. It met 128 times in 2017.

Low-carbon strategy

Financial risks associated with climate change and measures the company has put in place to reduce them through a low-carbon strategy

Eiffage was the first construction group in France to publish its global carbon footprint – in 2009 – and it has consistently implemented a low-carbon strategy over a number of years, which combines internal measures with ambitious low-carbon offers for its customers.

While pressing ahead with its numerous action plans aimed at optimising energy consumption by its industrial activities (controlling heat loss, reducing greenhouse gas emissions at aggregate coating units, etc.) and maintaining its objective to reduce greenhouse gas emissions by 5% by the end of 2018, the Group is aware of the risk of fluctuating costs associated with the purchase of carbon-based materials and fossil fuels, and also of customers' changing perception regarding their own exposure to climate risk.

For this reason, Eiffage has invested in research and development at its construction, property, energy, road, civil engineering and motorway concessions businesses, promoting solutions for the substitution of fossil fuels and carbon-based materials and processes. Designing and operating low-carbon buildings, urban districts and infrastructures feature prominently in the strategy underpinning the three pillars of Eiffage's 2020 business plan, which are ecological transition, innovation and digital transformation.

To enable concrete solutions to emerge more quickly and efficiently, this research is carried out with an ecosystem of partners also committed to developing a viable low-carbon economy and bringing together many different stakeholders, such as suppliers and large accounts, and drawing on an open innovation process to involve start-ups, research centres and academia.

With the handover in 2017 of the first stage of Smartseille, a pioneering eco-district in Marseille where renewable energy powers over 72% of heating and cooling needs, Eiffage is unrelenting in its efforts to support the emergence of sustainable, low-emission infrastructures and cities. The Group has engineered offers that are mindful of resources (energy, water, air, land) while being smart (connected) and reliable (resilient).

This new impetus is confirmed by Eiffage's 2020 business plan, with the decision to entrust transversal innovation to the Sustainable Development department and to make available internal resources at financial level to support the rollout of the Group's low-carbon offering. Created in 2016 and allocated an annual budget of €2 million, the E-FACE fund supports the operational development of low-carbon offers by funding the cost differential between a traditional solution and an alternative, low-emission solution for all eligible commercial projects undertaken by the Group. This fund constitutes an important source of financing for the Group's efforts to reduce the carbon footprint of its projects. Other benefits include the detailed identification of low-carbon materials, products and processes easily substitutable for their high-carbon counterparts, and the accounting traceability of the carbon content of purchases.

The E-FACE fund was launched on the back of a trial carbon arbitrage fund set up for the BPL high-speed rail link project between 2012 and 2016, which saved 14,000 tonnes of CO_2 equivalent during the project thanks to 23 innovative low-carbon technical solutions. This innovative project, received international recognition at the Conference of the International Union of Railways held in Vienna in October 2016.

Information concerning payment terms for the suppliers and customers of eiffage (table as required by article D.441-4)

In euros

	Article D.441 I.-1: Invoices received and due but not settled at the balance sheet date					Article D.441 I.-2: Invoices issued and due but not settled at the balance sheet date				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Ageing analysis of late payments										
Invoices concerned – Number	–				15	–				21
Invoices concerned – Total amount, including taxes	598,218	(3,530)	240,000	407,436	1,242,124	11,940	0	0	575,563	587,503
Invoices concerned – Total amount, including taxes, as a percentage of purchases for the year	3.09%	0.00%	1.24%	2.10%	6.41%					
Invoices concerned – Total amount, including taxes, as a percentage of revenue for the year	–					0.04%	0.00%	0.00%	1.72%	1.76%

(B) Invoices excluded from (A) relating to amounts payable or receivable that are in dispute or were not recognised

	Article D.441 I.-1	Article D.441 I.-2
Invoices excluded – Number	None	None
Invoices excluded – Total amount	None	None

(C) Periods of payment used as reference (contractual or statutory period of payment – Article L.441-6 or Article L.443-1 of the French Commercial Code)

	Article D.441 I.-1	Article D.441 I.-2
Period of payment used to determine late payment	**Contractual period of payment:** Less than statutory period of payment if period is contractual **Statutory period of payment:** Application of statutory period of payment for the supplier's sector of activity	**Contractual period of payment:** Less than 45 days from end of month **Statutory period of payment:** 45 days from end of month

The Board of Directors

Employment, environmental and corporate social responsibility information for 2017

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Strategy, values and organisation: the Eiffage Group's commitment to sustainable development

Note to the reader

The employment, environmental and CSR information provided in this chapter meets the requirements of Articles L. 225-102-1, R. 225-104 and R. 225-105, as amended, of the French Commercial Code (*Code de commerce*) concerning social and environmental transparency requirements for companies.
The decree's application thresholds for 2017 require the publication of CSR data for the Group and its divisions, and for APPR SA, AREA SA and Clemessy SA.
It should be noted that the actions and policies applicable to the Group scope include the scope of the subsidiaries.
In addition to the publication of this information, an Eiffage sustainable development website, which can be accessed from Eiffage's general website, offers an expanded digital version of the sustainable development report. It describes, in detail and with numerous examples, the Group's employment, CSR and environmental policies and commitments, the actions and reviews implemented during the previous year and its strategic sustainable development objectives.
The information published in this chapter covers Group actions during the current year as well as in previous years where relevant. Performance indicators relate to calendar years.
A methodology note concerning the reporting of qualitative and quantitative data is available in an appendix.

The Group's sustainable development strategy

Eiffage's commitment to sustainable development has been confirmed by the Sustainable Development Charter, signed by Benoît de Ruffray in July 2016. The Charter states in particular that "in a global context of massive urbanisation and stress on natural resources and the climate, Eiffage combines profitable growth with respect of environmental and social developments".

Eiffage, a key player in urban construction, infrastructure and sustainable urban development

Eiffage's sustainable urban development strategy, launched in 2007 and supported by Phosphore, the prospective research programme on sustainable cities, is now coming to fruition with the **roll-out of innovative alternative construction solutions,** that take on board environmental, social and economic issues and are the result of a systemic and holistic approach. The Smartseille eco-district in Marseille is a striking illustration, combining sustainable city innovations and showcasing the most recent work on the "road of the future", which will transform our roads from simple "products" into mobility and services networks.

→ The Group deploys a number of tools to support these initiatives:
The HQVie® (Haute Qualité de Vie / high quality of life) sustainable construction standard, which reflects the complexity of sustainable urban development and sets ambitious performance targets covering a wide range of topics for urban projects at building, city block and neighbourhood levels;
→ a carbon energy arbitrage fund to support alternative solutions as part of the low carbon strategy;
→ the development of partnerships and open innovation financing with start-ups;
→ an exemplary biodiversity policy, with formal commitments within the framework of the National Biodiversity Strategy in France, and also of the BBOP internationally.

Developing our human potential: protecting and supporting change

In a rapidly changing society, Eiffage strives to take on board new work practices while continuing to enrich its offer. It also regularly renews its prevention policies. The development of human potential is based on four closely linked core objectives:
→ **Protect:** preventing workplace accidents is a priority for the Group. New policies have been introduced to complement the efforts made in this area over a great many years, both internally and to encour-

age good practices by its stakeholders. The Chairman and Chief Executive Officer has set a target frequency rate of 6 by 2020 for all Group divisions;

→ **Train:** ambitious training programmes build expertise and help employees at every level of the Group to gain additional qualifications;

→ **Innovate:** equipping employees to pursue opportunities for professional and business development in the current context of ecological and digital transition;

→ **Integrate:** the Eiffage Group has a long-standing tradition of forming local partnerships to promote integration into employment.

Protecting natural resources and managing environmental risks

Eiffage has a proven track record of initiatives to protect the environment: reducing its carbon footprint, protecting natural environments and biodiversity and optimising use of natural resources are the cornerstones of an environmental policy rolled out throughout the Group as part of an approach based on eco-design and the circular economy. These policies are often combined with internal efforts to improve productivity, and underpin the strategy to develop innovative and effective offers. Specifically:

→ Group divisions continue **to secure and renew ISO 14001 certification** for all entities, and **ISO 50001 certification** for industrial, maintenance and building energy management activities, with the aim of developing improved environmental and energy performance standards;

→ **training** is provided for managers and site workers on specific issues such as analysing life cycles, legislation on water, updating information on environmental offences, etc.;

→ local facilitators **raise awareness** among site workers;

→ **operational tools** are made available to staff (biodiversity pack, GEODE environmental management software, **eco-design** tool);

→ **internal innovation** is encouraged through programmes to identify and reward initiatives (pilot projects, the Innovation Awards).

Dialogue and involvement of Group employees: contributing to local development

Eiffage's multifaceted social policy is organised on the basis of the impacts its activities are seen to have on civil society and the solutions to be adopted when those impacts are negative, and also around structuring actions involving all its employees. Specifically, it:

→ contributes to regional territorial and economic development in France and internationally, and enhances local assets;

→ boosts the local economic fabric with active multi-partner employment and integration policies, aimed at providing training for locally-sourced workers and improving their chances of finding further employment after completion of the project;

→ organises initiatives for dialogue and consultation with local residents to develop territories harmoniously;

→ sponsors initiatives proposed by Eiffage employees to help the long-term unemployed and particularly vulnerable members of society;

→ continuously improves the Group's purchasing policy to further integrate environmental and sustainable development components into selection criteria, prioritise virtuous suppliers and guarantee fair practices and respectful treatment of customers.

A common charter and shared values

The values of the Eiffage Group

The Charter of Values and Objectives

The Charter of Values and Objectives is one of the cornerstones of the Eiffage corporate culture, and sets out the Group's intangible principles that every employee must know and respect. All new employees receive a copy, and all employees are expected to be familiar with it.

The Charter clearly sets out the Group's values:

→ **responsibility** towards employees and management and towards customers and partners;

→ **trust** in every employee, between the Group's business lines, and between operational staff and support functions;

→ **transparency,** indispensable to the values of trust and responsibility, the basis for the whistle-blowing responsibility of every employee and warranting strengthened audit and control procedures as well as the assistance that every employee must provide to them;

→ **leadership** by example;

→ **respect** owed to customers, employees, suppliers and every partner;

→ **prohibition of conflicts of interest** and moderation in operating expenditures and reimbursement of expenses;

→ **lucidity** concerning the growth and growth prospects of Eiffage's markets;

→ **courage** and **tenacity,** values necessary to weather periods of slower business.

Employee shareholding: a hallmark of the Eiffage group, which encourages employee loyalty

The importance of employee shareholding is one of the hallmarks of the Eiffage Group. Since its launch in 1992, the employee shareholding programme has been an indisputable success, giving the Group's employees a direct stake in their company's economic and financial performance. In 2017, it accounted for 19.6% of the Group's capital – a level rarely seen in listed companies. The employee shareholding programme is being gradually extended to employees of the Group's foreign subsidiaries, and in 2016 Management agreed on a target of 100% of employee shareholders by 2020.

The 2017 employee shareholding data can be found on page 17.

The Group Ethics and Commitments Guide

In 2011, the fundamental elements of Eiffage's ethical approach were compiled in the Ethics and Commitments Guide, which is available on the Group's website. It sets out the rights and duties of all Group employees, and the Group's commitments to its external stakeholders. This seminal document also includes summaries of specific policies, such as the sustainable development and environment policies.

A CSR strategy in line with international standards

Eiffage's core values apply to all Group establishments and guarantee compliance with the Group's international CSR commitments.

Almost all the countries in which the Group operates have ratified the International Labour Organisation's (ILO) fundamental conventions. Eiffage is therefore fully committed to upholding these rules on:

→ forced labour (C29-C105);
→ child labour (C138-C182);
→ discrimination (C100-C111);
→ freedom of association and right to organise (C87-C98).

In addition, by joining the Global Compact, Eiffage made a commitment to take into account, disseminate and promote the major UN principles. The Global Compact encourages companies to adopt, support and implement a set of core values in their sphere of influence in the areas of human rights, working conditions, the environment and anti-corruption. Every year since 2005, the Group has renewed its commitment to the UN Secretary General in its "Communication on Progress", which details all Group actions aimed at achieving the objectives defined in accordance with the Global Compact principles [1].

A compact organisation and a clear strategy for 2020

Following the relocation of the head offices of the various divisions and the holding company to the Pierre Berger Campus in Vélizy-Villacoublay in September 2015, the various sustainable development departments, previously distributed across the divisions and the holding company, have been merged into a single department to enhance synergies and to strengthen operational links. The new department brings together the coordinators from all of the Group's business lines.

→ The **CSR section** is tasked with assessing the Group's non-financial performance and helping to promote CSR initiatives. It works with the business sections to support operational departments with regulatory watch and joint development of training materials relating to sustainable development issues such as carbon, biodiversity, the sustainable construction methodology, etc.

→ The **business sections** (Infrastructure activities section and Construction/Energy business deployment section) are responsible for environmental and sustainable development aspects of their respective divisions' commercial activities, as well as disseminating Group policies and training and leading division-level environment networks.

→ The **sustainable engineering section** provides expertise in the area of environmental risk management for complex projects. It also specialises in measures to prevent/reduce/offset adverse environmental effects, biodiversity and carbon strategies for projects, and knowledge management.

Early in 2017, as part of Eiffage's 2020 strategic plan, coordination of the transversal innovation and foresight policy was entrusted to the Head of Sustainable Development, and the department was renamed the Sustainable Development and Transversal Innovation department. It is now responsible for overseeing three transversal innovation tools available to all Group activities: Start'Labs, the Seed'Innov fund and the E-Face carbon energy arbitrage fund.

The Sustainable Development and Transversal Innovation department consists of 24 experts working in the various sections, whose collective training and experience is sufficiently diverse to implement a systemic, integrated sustainable development strategy.

In terms of governance, the Sustainable Development and Transversal Innovation department:

→ reports directly to the Chairman and Chief Executive Officer;
→ attends the Group Management Council, which meets four times a year;
→ when requested by the Chairman and CEO, attends specific Group Executive Committee meetings along with the Chairman and CEO, the division chairs, the deputy CEO in charge of Concessions and the Chief Financial Officer;
→ works in close collaboration with the Human Resources department on labour-related topics, the Purchasing department, the technical and innovation functions, the quality departments, internal audit, etc.

[1] **Eiffage's commitment to the UN's Global Compact**
Effective implementation of the principles of the Global Compact requires a number of measures, which the Group incorporates into its corporate strategy and that are carried out through the commitments and actions of its divisions. (cf. Appendix 1: Cross-reference table comparing the principles of the Global Compact and Eiffage data)

Developing human potential

An innovative employment policy capable of rising to the challenges of a tight labour market and supporting professional development

After ten years of economic recession, the economy recovered significantly in 2017. In this more favourable context, one of Eiffage's goals is to recruit several thousand new employees despite the fact that the construction and public works sector has suffered from labour shortages for a number of years. The Group is accordingly revitalising its recruitment policies, and introducing innovative measures aimed at younger candidates and also more experienced profiles. The labour market is not the same in all countries or regions of France; for example, it is very tight in the Paris region due to the large number of ongoing projects as part of the Grand Paris programme.

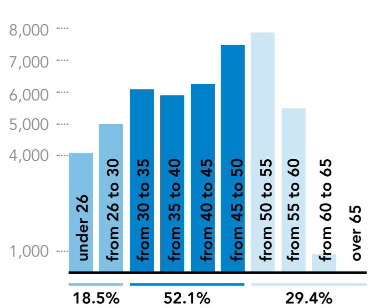
The recruitment and employment strategies seek to diversify candidate search methods in order to attract specialist profiles and alleviate the shortage of candidates for certain positions, thus anticipating and accompanying the Group as it continues to evolve. More specifically, the Group has put in place a number of workforce and skills planning agreements ("GPEC" agreements), action plans and agreements for the continued employment of older staff members, the sustainable employment integration of young people and the transmission of knowledge (contrats de génération), training programmes and mobility charters.

The divisions are united in their approach to these issues, and share a set of common objectives:

- attract young talent by actively engaging with our partner schools and colleges, and through a strong presence on the social networks; also improve integration of new recruits, thus fostering employee loyalty;
- support employees' internal mobility initiatives by implementing information campaigns and mobility guides or systematically posting opportunities on the Group's job boards;
- improve access to internal continuous professional development, and expand the e-learning offer. The goal is to improve internal expertise in order to respond to new market demands, specifically as regards digital and environmental aspects. The Group also wishes to expand its training offer and propose e-learning solutions as well as face-to-face training. A new Group-wide e-learning platform was launched in 2017. The platform provides employees with individual access to cross-cutting courses on key topics for our industries, such as BIM. The e-learning approach facilitates rapid access to available training solutions by a broad decentralised target population;
- seek solutions that are not detrimental to employees in case of a short-term slowdown in business. Despite the general upturn, local entities may experience slowdowns. Regional entities can pool skills with a view to loans of personnel from entities working below capacity to those in need of more workers, and extend such personnel loans to all entities within the Group;
- implement commitments with regard to equal opportunity and diversity, and support individuals with disabilities (cf. Part 2-5-1/ "Employee training and awareness of equal opportunities").

Table 1: Workforce as at December 31th 2017

Number of employees in France in 2017, by age bracket



96.5%
of the workforce is employed in the European entities 77.7% of whom work in the French entities

In 2017
5,584
new employees were hired on fixed-term or permanent contracts in France

2,182
of all new employees hired in France were aged under 26, i.e., 39% of all new recruits

Mobility within the Energy Systems division:
228
internal transfer requests were received in 2017
leading to
128
actual transfers

(2) The golden rules of recruitment
In the first quarter of 2018, Clemessy introduced a charter setting out the "golden rules of recruitment". The HR Director is responsible for communication concerning the charter and its implementation. It sets out a series of guiding principles: a pragmatic approach, priority for internal recruitment, discrimination-free recruitment, a positive attitude on the part of interviewers, speed and quality of replies, integration programme and mentoring. In addition, a specific training course has been created for managers needing to recruit new staff. 50 managers will complete the course in 2018.

(3) The Energy Systems division is multiplying initiatives to attract young undergraduates and school leavers
It is clear that companies wishing to attract promising young candidates need to adopt a more creative approach and make full use of the social networks, which are now key channels for finding and advertising jobs. In 2017, the Energy Systems division organised or took part in 24 initiatives in schools, 16 forums, four career presentations, two site visits and two live chats (75 well targeted CVs were received as a result of the chats alone), as well as afterwork events where young people were able to meet Eiffage staff in a friendly environment.

A recruitment policy to attract the best candidates

Construction industry experiences economic recovery and a tight labour market

The recruitment policies are generally based on common objectives and principles tailored in each division [2] to the specificities of their business:

→ recruit the required skills without discrimination;
→ foster vocational and geographic mobility;
→ continue to prioritise recruitment via work-study and internship programmes;
→ expand sourcing practices, notably to social networks;
→ improve communication on the Eiffage employer brand to strengthen its appeal.

Against the backdrop of an economic recovery and a tight labour market in the construction industry, the divisions have introduced a raft of initiatives to strengthen their presence on the social networks and develop closer relations with schools and colleges, training centres and recruitment agencies. Our long-standing recruitment challenges also require us to work on improving the image of our business activities, and highlight the increasing importance of digital technologies and environmental considerations, in order to attract talented young candidates who have tended to turn their back on the industry during the recent economic crisis. Communication on our employer brand is also vital to raise the Group's profile.

A considerable proportion of our workforce will be retiring in the next few years, hence the need for dynamic recruitment policies. The arrival of a huge number of newcomers also means we will need to focus on onboarding and management of new recruits, to improve integration and reduce staff turnover.

The divisions have all developed and documented recruitment policies set out in internal documents – such as the document entitled "Trajectoires" used by APRR-AREA – or in specific action plans such as the Horizons programmes for young or more experienced employees ("Horizons Juniors" and "Horizons Confirmés") at Eiffage Construction, which aim to detect and assess employees with considerable potential for progression and who could subsequently be promoted to a managerial position.

Table 2: Hires and dismissals

Co-opting Charter

The Energy Systems division was the first to test this new scheme, which is aimed at encouraging employees to propose, or "co-opt", candidates in order to widen the Group's talent pool. Under the Co-opting Charter, any employee can propose motivated candidates from their own network of relations. To encourage co-opting, a €1,000 bonus is paid to the co-optor if the co-optee is retained after his/her trial period, provided the co-optor is still in the workforce at that time. Since the launch of this scheme in October 2016, 25 new employees have been successfully co-opted. The Construction division has now also rolled out the scheme.

Using social networks to develop Group visibility and improve attractivity

To improve the effectiveness of the recruitment process, the divisions have strengthened their presence on the social networks, which have become key vectors for communicating about our activities, publishing job offers and hiring. The Group's priority is to stand out from its competitors, in particular by highlighting its human values, extremely decentralised structure – which is a guarantee of a greater degree of autonomy – and its strong corporate culture.

Several years ago, Eiffage Energie Systèmes developed a website specifically for the publication of its job offers and runs communication campaigns [3] on the social networks to raise awareness of its business activities and job opportunities by the general public, and specifically by young graduates and school leavers.

Every opportunity to raise the profile of the company is acted upon. For example, Clemessy now displays its corporate visuals on all its vehicles in order to draw attention to the employer brand and reach a segment of the population who are not necessarily market aware.

An innovative recruitment initiative by Clemessy (Energy Systems division): a virtual recruitment fair

The online recruitment fair organised by Clemessy in conjunction with Pôle Emploi (the French job centre) in 2017 showcased 10 "stands" offering over 40 positions throughout France. As well as increasing awareness of positions available in the company, the innovative fair boosted Clemessy's image and more generally showcased career prospects within the industry. Candidates and potential employers were able to establish contact rapidly, without the need to leave their homes or offices.

The results were impressive:

354
applications were received

76
interviews were held.

A long-term partnership with engineering and management schools, universities and technical schools

Given the current tight labour market, the relationships the Group has built up over a number of years with schools and colleges are one of our strengths. In addition, a number of Eiffage employees work with technical/scientific faculties or departments and/or are members of their boards of governors, and they serve as valuable intermediaries allowing the Group to develop unique links with the schools.

The Group has improved its profile among young graduates by forming long-term partnerships with engineering and management schools (Ecole Polytechnique, ENSAM, CentraleSupélec, École des ponts Paris Tech, ESSEC) and has sponsored classes, namely at the ESTP construction engineering school, since 2012. The divisions also take part in events organised by these schools[4] to provide career information and present opportunities for internships or first jobs.

Similarly, Group subsidiaries in Europe are currently developing close links with the top schools in their countries. For example, Eiffage Construction in Poland welcomed 44 interns from the Kraków University of Technology in 2017, who completed internships of between one and six months on the company's worksites or at head office in support functions.

Table 3: Interns and employees on work-study contracts

Individualised remuneration and incentive programmes

The divisions' remuneration policy is based on individualised remuneration and vested employee interest in the success of the companies: salaries, incentive bonuses, profit-sharing and, of course, employee shareholding, which is one of the hallmarks of the Group. Remuneration and benefits policies are naturally adapted to the context and legislation of each country. Each establishment is responsible for ensuring there are no discrepancies in pay for equivalent positions and potential.

Gross annual averages are shown for France by employment category – managers, workers and technical, clerical and supervisory staff – and by gender.

Table 4: Gross remuneration excluding leave (annual average)

Working time: priority given to full-time contracts

Work is organised in accordance with the legal and statutory working hours in the countries where Group companies are established. Work time organisation may be adapted within the framework of agreements with labour partners, when this is relevant in a given context. The Group gives priority to full-time employment contracts. The ratio of employees on part-time contracts in the Group has remained consistently low (2.18% in France).

Table 5: Organisation of working time

Absenteeism

In France, the absenteeism rate is 6.36% of days worked in 2017.

Table 6: Absenteeism

Organisation of labour relations in the Group

Eiffage seeks to maintain and develop labour dialogue based on open communication and respect for its internal stakeholders. In France and the countries where the Group is located, the institutions representing employees operate in accordance with the regulations in force in that country.

European Works Council

The 2011 agreement creating a European Works Council was extended in 2015, and was then renewed on December 30th 2016 for a further term of at least four years, following negotiations conducted during five meetings with a specially formed negotiating group.

[4] **Eiffage Construction offers end-of-course training to identify future talents**
The Construction division organised the sixth inter-regional training course for interns from different regions and from other divisions (Concessions, Infrastructures). The interns work alongside mentors for several months, and prepare a joint end-of-course project on a topic of strategic interest to the Company: the chosen topic in 2017 was the digital era.

In 2017, Eiffage offered
2,993
work-study positions in France and
2,803
internships in France

EMPLOYMENT, ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY INFORMATION FOR 2017

The agreement was signed by management and all the trade union organisations at European level. It assigns additional resources to the Council and confirms and clarifies its role and responsibilities. The full Council meets at least twice a year, and partial Council meetings are held at least four times a year. It has 22 members, who are appointed by the trade unions from among their elected or designated representatives on the employee representative bodies in the French and European subsidiaries.

Group Works Council

The agreement on the renewal of the Group Works Council, signed by management and the trade unions in December 2013, strengthened the body's operating resources and placed particular emphasis on the training of new members. The Group Works Council comprises 30 members appointed by the trade unions from among the elected representatives to the French subsidiaries' company level and local works councils. It also meets twice a year.

Employee protection

The 2008 Group agreement implemented a healthcare insurance system for the majority of the French subsidiaries, as well as providing long-term care coverage for retiring employees and their spouses. This cover is based on an accidental death and disability plan that supplements the existing employee protection system.The agreement is regularly amended, in particular to adapt the level of cover offered to employees and to integrate the new companies acquired by the Group. An amendment was signed on 22 December 2016. A committee to monitor the mutual medical insurance plan, comprising management representatives and three representatives per trade union, examines the elements related to the system's management and operation with the help of an audit firm, independent of the bargaining meetings.

Another plan also applying to the majority of the French subsidiaries provides employees and their beneficiaries with substantial cover in the event of extended sick leave, disability or death. In 2016, this plan was modified following three meetings with the trade union organisations.

Psychosocial risk prevention agreement

The stress and psychosocial risk prevention agreement – covering all French subsidiaries except APRR and AREA, which have had their own agreements since 2013 and 2011 respectively – was renewed in 2017. In addition to the introduction of a "right to log off", the initial agreement has been enhanced, in particular by the addition of training. Members of entities' health, safety and working conditions committees (CHSCT) or social and economic committees (CSE) who act as risk prevention advisers will now receive training every two years. All managers will also receive training on psychosocial risks. In the near future, employees experiencing problems will also be able to call a dedicated helpline.

As monitoring of the psychosocial risk prevention agreement is essential if we are to prevent psychosocial risks, the Monitoring Committee has been given a more pronounced role. The Monitoring Committee now meets twice a year, instead of once. The Committee will also be responsible for circulating information on methodology and good practices to the CHSCT and CSE committees.

Remuneration

Following a process of labour dialogue, company-wide and establishment-wide agreements were signed that take particular account of the working conditions of their employees. These exist alongside division-wide agreements applying to all subsidiaries when this is justified by the topics and issues addressed. Remuneration also depends on agreements signed as a result of the mandatory annual salary negotiations, and the agreements on profit-sharing and incentive schemes.

Other agreements

As required by law, the Group's French subsidiaries, depending on their organisation, in principle have works councils or central works councils and local works councils, employee representatives, health, safety and working conditions committees, and – in most cases – union delegates, to provide representation for employees at all levels. The organisation and nature of their activities have led several divisions to set up coordination, consultation and discussion bodies, such as division committees, which supplement the statutory system of employee representative institutions defined by law.

The Group does not currently have a systematic, harmonised procedure for escalating information about its entities' collective bargaining agreements.

At APRR-AREA, labour dialogue is based on the negotiation and signature of conventions or collective labour agreements. Labour dialogue is also based on periodic meetings between management and employee representatives within several bodies, each of which has specific responsibilities. Collective bargaining involves management and union delegates who are designated at the company level (AREA) or at central level and for each establishment (APRR).

The company or local works councils and the central works council are consulted regarding the application of economic and business decisions concerning the general management of the company (AREA works council or APRR central works council) or of the establishments (APRR local works councils), as well as on specific company or establishment projects in these areas.

The central works council exercises the economic powers that concern the company's general management and exceed the scope of the powers of the establishment managers. It must be informed and consulted with regard to all the company's major economic and financial projects.

In February 2017, APRR organised elections for its employee representative bodies. In 2017, APRR and AREA also signed a new agreement on the consultation of their central works councils and works councils; for example, diversity and equal opportunities reviews and reports for the previous year are now presented once a year in the fourth quarter of the current year. In October, APRR strengthened its previous workplace and skills planning agreements ("GPEC" agreements) in order to give a new impetus to workplace and skills planning based on responsible and constructive labour-management dialogue, and to encourage the transmission of knowledge. AREA negotiated a voluntary "arduous work" agreement, which was signed in September. An agreement signed at the end of the year updated the supplementary social protection scheme available for AREA employees.

At Clemessy, labour dialogue takes the form of periodic meetings between management and employee representatives, in particular via negotiations with union delegates and regular meetings with the various representative bodies: local works councils, employee representatives, health, safety and working conditions committee, central works council and its different committees. In 2017, the committee in charge of monitoring the GPEC workforce and skills planning agreement met once. The psychosocial risk prevention committee met once. A review of the third year of application of the agreement for the continued deployment of older staff members, the sustainable employment integration of young people and the transmission of knowledge *(contrat de génération)* was conducted. Sub-committees also worked on the following topics: training, workplace gender equality, incentive bonuses, and monitoring the employee savings plan.

A new centralised database was made available to members of the central works councils and works councils in 2017. In addition to its statutory employee representative bodies, Clemessy also has a discussion and consultation group, covering both Clemessy SA and its subsidiaries. This group met once in 2017.

Prevention and safety in the workplace: strategic priorities

Benoît de Ruffray, Chairman and Chief Executive Officer of Eiffage, has stated that prevention and safety in the workplace is a priority for the Group. The divisions have incorporated this into their strategic "Horizon 2020" plans. They have moved from a safety policy that was traditionally based on a "zero accidents" target to a prevention policy based on a "zero risk" objective, also known as "100% safety".

Accidents in the workplace should never be seen as inevitable. Prevention must become a common value; operational excellence is inseparable from an acceptable safety record. More than ever before, every level of management needs to remain vigilant to ensure that safety messages are explained to and understood by everyone: in France, in Europe and elsewhere.

Our efforts are beginning to pay off. Accident frequency rates continue to fall in all the contracting businesses (Construction, Infrastructures, and Energy Systems divisions). In the Group's motorway concession companies, APRR and AREA, the rate has remained stable at approximately 6, which is the target for the Group as a whole.

The general accident frequency rate in France has remained below the threshold of 10, standing at 8.31 in 2017 compared to 9.88 in 2016 and 11.86 in 2015.

Table 7: Health and Safety

Specific training and campaigns to improve accident prevention and safety

The divisions have redesigned and reinforced their actions to prevent accidents and improve safety based on the specific needs of their businesses, and introduced a systematic "zero risk" objective.

A wide range of actions and initiatives have been implemented, with Prevention departments bringing into play all the levers at their disposal:

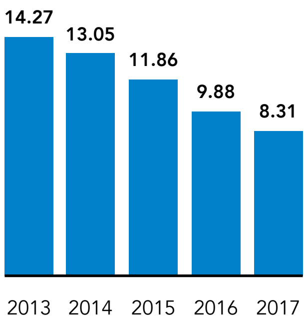
- → methodical dissemination of awareness-raising tools and regular campaigns on accident prevention and safety;
- → weekly fifteen-minute safety sessions on worksites, specific "safety proficiency" training for craftsmen combined with tests, prevention challenges;
- → dedicated training for managers;
- → systematic risk assessments on worksites or for specific projects;
- → encouragement of cooperation and collective vigilance;
- → input from prevention specialists in technical training courses, to integrate safety into all aspects of site work;
- → regular worksite inspections by prevention officers to check that safety rules are followed;
- → audits to analyse workplace accidents and determine their causes.

2017 was a pivotal year in terms of prevention for the Construction division, which succeeded in giving new impetus to this key area.

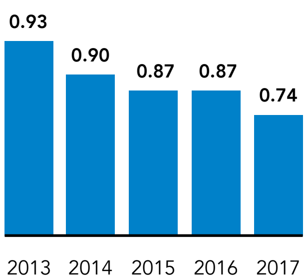
The division rolled out a new prevention policy. 25 "Basic Safety Rules" (Essentiels sécurité) were defined, corresponding to specific areas. The policy was supported by an aggressive communication campaign and specially designed graphics. This new visual identity means that staff can immediately identify safety-related messages. The division focuses its communication actions on a different "Basic Safety Rule" each month, illustrated by a specific pictogram, a poster and a video. The campaign has been rolled out both in France

25
Basic Safety Rules defined by the Construction division

Frequency rate of workplace accidents in France (%)



Severity rate of workplace accidents in France (%)



[5] **Managers are encouraged to prioritise safety performance**

Infrastructures division managers are encouraged to lead on safety with the objective of transitioning from a prescriptive approach to a performance-based approach.
The six guiding principles are:

- share and explain the company's safety ambitions to bring staff on board and spark a genuine commitment to safety;
- place safety at the heart of all technical and organisational decisions;
- earn credibility by always practising what you preach, in all circumstances;
- encourage the feedback of information, cross-departmental cooperation and a team spirit;
- be present on the ground, to ensure reality matches the demands;
- encourage good practices and discipline breaches fairly.

and in international entities, and targets company employees and temporary staff alike.

The "Basic Safety Rules" handbook, issued at the same time, is also distributed in every working language in use within the division, namely French, Dutch and Polish. The handbook highlights three key mandatory actions: wearing of hard hats, goggles and gloves on all worksites at all times; the existence of continuously updated site installation plans for all worksites showing pedestrian walkways; at least one prevention inspection per month by the CEO, the regional managers or the company's or establishment's senior managers.

The handbook also covers addictions, safety instructions when driving vehicles, living as a community and prevention of psychosocial risks.

The Prevention department has also begun the substantial task of clarifying all safety instructions and redesigning safety training. Prevention audits were carried out in subsidiaries identified as experiencing difficulties in this area in 2016, and in subsidiaries with only average results in 2017. In 2018, audits will be carried out in subsidiaries whose safety record has not improved recently, and in those that request an audit. Seventeen new audits are scheduled, and approximately twenty were held in 2017. Audit findings will be reported in the presence of General Management, and action plans will be put in place. Then, a meeting of all managers whose departments have been audited will be organised to encourage the pooling of experience regarding actions put in place. A manual of best practices will be compiled and, over an initial trial period, managers will be invited to use this to conduct self-assessments. Subsequently, self-assessments will become mandatory.

In the same spirit, in 2015 the Infrastructures division defined 20 basic safety rules applying to all employees and other workers acting on behalf of the company. They cover all high-risk situations, including people on foot, pedestrians in the immediate or close vicinity of site vehicles and machinery, the condition of structures, materials and equipment, use of certain products, posture while working, etc.
The division's Prevention department has continued to roll out its "Safety Performance" prevention programme designed to raise awareness of managerial staff over three years. The programme targeted front-line managers[5] in 2016 and 2017, and is now being extended to all the division's 5,000 French and international managerial staff, all of whom should have received training by the end of 2019. Its six guiding principles (see below) aim to help managers develop leadership skills and act as a driving force in this area.

The organisational and operational processes described in the Infrastructures division's safety prevention handbook satisfy the requirements of the International occupational health and safety assessment series OHSAS 18001 standard. The specific risks associated with a given project are assessed at the tender phase.

On 12 June 2017, the Energy Systems division launched its strategic safety plan by creating special opportunities for dialogue with all staff members at each site, workshop or worksite, both in France and abroad. The objective was to clearly state management's commitment to safety and to organise discussions with all employees, to ensure they were aware of this significant shift in strategy.

A commitments charter was drawn up, which lists twelve key components of excellence in safety. The charter covers every aspect of life on worksites and within the company, from the recruitment process, which tests leadership on prevention, to disciplinary action for failure to follow instructions, training for managers and worksite supervisors, risk analysis, feedback on dangerous situations and good practices.

Six basic rules

Six basic rules, defined on the basis of an analysis of workplace accidents over ten years or so, are displayed on posters. A leaflet has also been produced in six languages (English, German, Spanish, Italian, Dutch and Portuguese), to be issued to all employees so that they can familiarise themselves with the rules and ensure they comply with and enforce them.

– LOTO (Lock Out Tag Out Try Out): I must check that equipment (mechanical, electrical, etc.) has been locked and tagged, and check that electrical equipment is disconnected;
– Collective protective equipment: I must ensure that collective protective equipment is available in my working area and is in good working order;
– Individual protective equipment: I must wear the appropriate protective clothing;
– Moving vehicles, machinery and loads: I must not: approach moving site machinery or vehicles, approach moving loads;
– Safety harness: I must clip my harness to a stable structure;
– Signs and marking: I must ensure my worksite is correctly signed and marked.

So-called last-minute assessment systems have also been put in place to encourage operators to anticipate and systematically assess risks before starting work.

Employees at all levels continue to receive safety training; more than 6,000 have completed prevention management sessions to date.

10th work-study day

Each year, Eiffage Energie Systèmes West organises the induction of new employees on work-study contracts. They are each assigned a mentor for the duration of their contract. The aim of the induction day is to immediately build strong ties between the new employee and their mentor and to explain the company's core values. This is also an ideal opportunity to communicate on prevention, with a focus on the main risk within the company: road risk. This was covered at the 10th work-study day. The day ended with a talk by an apprentice who had been the victim of a serious road accident.

APRR and AREA prioritise the safety of staff working on motorways

The national road network managers have observed a sharp increase in accidents affecting staff working on roads and motorways: up 30% over three years. In 2017, 188 accidents causing bodily injury or damage to vehicles occurred while employees were working on our motorway networks. In most cases, they were caused by a driver who was overtired, distracted or speeding.

In view of these figures Asfa, the French association of motorway operators, and the roadway authorities (*Directions interdépartementales des routes*) organised the first National Days for safety of road and motorway workers on 20 and 21 October 2017, just before the Autumn half-term holidays. Awareness-raising activities were held to alert the general public to the physical dangers to which motorway workers are exposed. Local APRR and AREA staff hosted safety awareness roadshows at the Beaune–Côte-d'Or service area on the A6 motorway south of Dijon and the L'Isle-d'Abeau–Isère service area on the A43 to the east of Lyon, with safety workshops and crash simulators. Ten APRR motorway workers also manned the Paris roadshow, providing information and sharing their experiences while displaying vehicles and signage.

At the same time, APRR continued to roll out its SafeStart® programme designed to prevent accidents in the workplace and in the home, by encouraging employees to take responsibility for their own safety and remain vigilant at all times.

1,600 APRR district and branch staff completed the SafeStart® training programme by the end of 2017

1,600 APRR district and branch staff had been trained by the end of 2017. This figure will rise to 1,800 by the end of 2018. The programme will be extended to AREA employees in 2018 and 2019, although members of the health, safety and working conditions committee (CHSCT) and of the operations committee received training in 2017. The programme will also be extended to functional staff (support teams, administrative staff, etc.) between 2018 and 2020.

The benefits of the SafeStart® programme, which was launched in 2016, are apparent on a daily basis. The improvement in APRR's accident frequency rate is remarkable: 13.26 in 2015, 4.98 in 2016 and 5.37 in 2017. In addition, over 2,000 high-risk situations were reported between November 2016 and October 2017, meaning as many potential accidents were avoided. A new culture of safety is developing within Eiffage's two motorway operators. Employees are accepting that they all have a role to play in creating a safe environment for everyone.

Innovative and collaborative tools to win the safety battle

All the contracting divisions have introduced mobile applications to improve prevention, and equipped managerial staff with dedicated digital reporting tools to facilitate the upward flow of information following worksite visits and improve reporting of risk situations.

6
The number of awards the Safety Force® app has won

The Construction division began to roll out its "Final Safe" reporting tool in October 2017, which offers real-time prevention indicators. Prevention officers and local managers can use this digital application to record good practices, strengths and risk situations, thus improving communication and preventive management. Enhanced reality tools will also be tested shortly, as they could help craftsmen to gain a better understanding of good safety practices on worksites in real life situations. Completion of the testing phase and development of a dedicated tool are scheduled for June 2018.

The Safety Force® smartphone application created in 2016 by the Infrastructures division has been improved. This application can be used to assess safety performance on a real-time basis in all the division's worksites. It aims to identify deviations from safety standards so that the situation can be addressed as early as possible. The application uses an algorithm that continuously calculates the probability of an accident.

In 2016, Safety Force® won the "Trophées des TP" industry award, received first prize in the Eiffage Digital Challenge and earned a Silver award at the "Victoires de la prévention" organised by OPP-BTP to recognise prevention initiatives in the public works sector. In 2017, it received a "Digital Communication" award at the Fimbacte Festival, which promotes and recognises initiatives and actions by industry to improve well-being, a Special Jury Award at the "Grand Prix Data et Créativité" awards, and the Excellence SMA Award for safety and prevention in the construction industry.

The Energy Systems division has created an application called Easy®, which facilitates the organisation and management of safety inspections. Managers can immediately report good practices and problematic or dangerous situations, uploading comments and photographs, and can also use the app to follow up corrective action taken and prepare reports.

These applications will be further improved in 2018. The division intends to integrate the last-minute risk assessments and the 15-minute safety sessions organised on worksites into Easy®, and to roll out the application in all countries. The tablets used by maintenance staff will also be equipped with the "last-minute" risk assessment application, which will become mandatory before starting work. At the same time, 3D training sessions on prevention will be tested and a national safety week will be organised.

Tangible actions to combat physical strain and safeguard health

The Infrastructures division is one of the first structures in France to have taken part in the first ever global campaign to improve safety, health and well-being at work organised by the International Social Security Association (ISSA), which sits perfectly with Eiffage's "100% Safety" message. It has developed a specific programme on prevention [(6)], protection and the promotion of health at work, which focuses in particular on exposure to over 6,000 chemical agents. Its assessment of the health risks associated with products was continued in 2017, having led to one publication in 2016 of a series of articles on chemical risks in the trade journal *Revue générale des routes et de l'aménagement*. The objective is that Eiffage Route workers use chemical agents with the lowest possible impact on health and the environment.

This also has repercussions for the Metal and Civil Engineering businesses. Eiffage Rail is currently studying the impact of exposure to welding fumes, in conjunction with the SNCF. In 2017, Eiffage Génie Civil conducted the first ever study to determine the levels and consequences of exposure to contaminated soil by site workers, in partnership with Grenoble University Hospital's Toxicology department, with a view to verifying the effectiveness of protective measures in place. A measurement and assessment protocol has been drawn up. Results of this 2017 campaign should be published in the first quarter of 2018.

Eiffage Route recognised for successfully reducing employee exposure to bitumen fumes

In October 2017, Eiffage Route Méditerranée received a Gold Award at the "Victoires de la prévention" awards organised by OPP-BTP to recognise prevention initiatives in the public works sector, in recognition of its efforts to reduce workers' exposure to bitumen fumes, in conjunction with Société Marseillaise du Tunnel Prado-Carénage et Carsat Sud-Est. Measures including the introduction of protective windscreens on pavers, particulate filters and AdBlue® diesel additives to site trucks and machinery, and modifications made to redirect exhaust fumes, have reduced exposure by operators, and in particular by drivers. The tunnel's ventilation system has also been modified to remove bitumen fumes. These measures have improved working conditions and have also improved productivity, which goes to prove that safety and operational performance are intrinsically linked.

The division continued to roll out its 2015-2017 "arduous work" action plan and the results will be measured. As part

[(6)] Raising awareness of risks associated with alcohol and drug use

Eiffage Route Centre-Est and Eiffage Énergie Systèmes Centre-East have introduced an unusual prevention campaign to raise awareness among employees aged under 30 of the risks associated with new alcohol and drug consumption patterns. They worked with various prevention stakeholders (Fondation du BTP, Graphito Prévention and BTP Santé prévention) to adapt a module already in use in apprentice training centres. This partnership resulted in a preventive tool in «serious game' form and a series of short videos. Other entities, such as Eiffage Énergie Transport et Distribution, have also developed initiatives in conjunction with their health, safety and working conditions committees (CHSCT) and the occupational health teams, with the objective of setting up a group of internal prevention officers whom employees can contact for information and support.

of the "Live Life Safely" campaign organised by the division every year, 1,166 good practices were identified[7] and listed in a 70-page manual, many of which concern handling.

Very tangible improvements have already been made on worksites, with the introduction of equipment that should reduce physical strain. Eiffage Génie Civil Île-de-France has developed an assisted drill for horizontal drilling on the Grand Paris worksites. The drill absorbs vibrations and is equipped with a water fog spray device to suppress dust, thus reducing discomfort during repetitive drilling of diaphragm walls. It also eliminates the need to carry heavy loads, improves posture and reduces noise and projections. At the "Victoires de la Prévention" awards, the company received a Bronze Award in the Technical Innovations category. New machinery is also being introduced to move from manual to mechanical coated aggregate spreading, which is significantly less strenuous for operators.

In the same spirit, the division is also involved in cutting-edge research and development programmes. It has formed a partnership with a Swedish start-up, Bioservo, which has developed a connected glove, initially designed for astronauts. The Prevention department would like to adapt this glove for use in the public works sector, as it amplifies the strength of the human hand while reducing muscle fatigue. Initial testing of this technology, which combines performance and well-being at work, has focused on three specific job profiles: road workers, metalworkers installing metal boxes and civil engineers. Feedback from operators was very encouraging, and Bioservo is currently working on adapting its product. There are plans to create a version that would cover the entire arm, as the glove has the dual advantage of flexibility and an ability to function without a major power supply.

At the same time, the division renewed its research and partnership agreement with the Industrial Engineering Department of Florence University (Italy) in November 2017. This department specialises in research into medical prostheses. The agreement was first signed in 2016, and covers research into part-flexible, part-rigid exoskeletons for the public works and construction industries. An initial study has been completed on civil engineering work involving sprayed concrete, which is arduous for operators, in conjunction with the Don Carlo Gnocci Foundation and the ENSTA Engineering School (Brittany). A prototype has been developed and could be available as early as 2018.

Meanwhile, the Carsat Alsace Moselle social security fund has presented Eiffage Énergie Alsace Franche Comté with an award for its development of tools to improve material handling (vibrating cutter, hydraulic punch, cordless tying tool, etc.).

Training, a commitment to employees

Internal continuous professional development is essential given the speed at which technologies change, and the lack of qualified personnel in the building and public works sector. Eiffage aims to foster mobility within the Group and to support employees' professional development, thus ensuring that the skills of existing employees remain in line with the Group's needs. The development of co-opting and internal mobility schemes will also facilitate intra-group transfers.

An increasingly digitalised structured training offer through Eiffage University

The training portfolio proposed by Eiffage University has five objectives:

→ **improve the readability** and visibility of training in the Group, to enable employees to take control of their own training, professional development and career;

→ **prioritise internal training,** to propose courses specifically adapted to employee needs and to ensure proper transmission of skills and experience;

→ **pool the training offer** to promote shared methods across all divisions;

→ make training **a tool for internal mobility** and upskilling;

→ contribute to **developing new skills** (BIM, digital, sustainable cities, etc.).

For some divisions, beyond considerations of professional development goals, the aim is to keep employees in work by improving their skills and adapting them to the new needs: for example by reinforcing the management skills of Group managers, or by developing expertise in digital technology or in energy efficiency. Jobs need to adapt in response to the structural and economic changes within their sectors as a matter of priority; to achieve this, the divisions are committed to improving their employees' skills or helping them obtain new qualifications. They also encourage geographic and functional mobility, and the integration of young people into employment.

To propose a clear, common and streamlined offer, Eiffage University has published a catalogue of more than 500 training modules proposed within the divisions, on a website open to all employees and accessible from all digital devices. Common training platforms are dedicated to management at the Pierre-Berger Campus in Vélizy-Villacoublay and in Lyon. The divisions' human resources

[7] **Daily warm-up sessions**
Musculoskeletal disorder is the most common recognised occupational illness in France and in many other European countries. The risk remains high on industrial worksites, in particular for those workers who regularly need to lift heavy loads and adopt an awkward posture. Clemessy Services has introduced daily warm-up sessions on many of its worksites. The warm-up consists of a range of easy physical exercises that target all the muscles and joints that may undergo strain while working, and takes just a few minutes. The purpose of these exercises is to reduce accidents and improve employees' comfort both during and after work.

departments also organise their own training initiatives, which are also listed in the catalogue presented by Eiffage University.

Table 8: Training

Eiffage University's e-learning platform

In 2017, Eiffage University created a digital platform to make its general training modules available online. The first online module concerned a topic of strategic interest to all Group divisions: BIM. 150 employees attended each of the four courses organised in 2017. The great advantage of online courses is the flexible timeframe, meaning employees can logon and study whenever they want. The platform also offers "micro-learning" tutorials covering very specific "minor" problems that employees may encounter. The tutorials contain simple problem-solving exercises (BIM, finance, Office, etc.).

2.39%
of Eiffage's payroll is allocated to training in France

898,183
hours of training were provided in France in 2017

40%
of the training provided by APRR and AREA uses internal resources

[8] **The "Horizons" programme**
Eiffage Construction, with its Horizons programme, enables experienced, high-potential employees to receive an individual assessment and guidance over a two-year period to develop their management skills for the benefit of the Group and its businesses. Since its start in 2014, two Horizons Confirmés courses have been held for a total of 40 employees, and a third started in 2017.

Internal training for all levels, digital tools to manage career development

The Group has developed a training offer for its core businesses, covering all job profiles and levels of qualification. Annual guidance memos in the divisions define the priority actions to be addressed in training plans, based on the companies' strategic objectives and the needs expressed by employees and managers.

Training for blue-collar workers – "Masters Prod" – is primarily organised around job-specific expertise, with the exception of risk prevention and occupational health aspects. Some divisions, such as Eiffage Construction, organise training courses leading to certification for employees without formal qualifications. These initiatives help the company meet market requirements by expanding its capabilities and contribute to employees' professional development.

Generally speaking, strengthening basic occupational skills – called Foundational Masters at the University – is an essential prerequisite for career development, and the divisions accordingly organise appropriate training, including inter alia, language classes to improve employees' capability for international interaction.

The "Master Chef" courses, for local managers – team leaders, foremen, site supervisors and shop supervisors – are available throughout the Group. These courses constitute the Group's backbone, and are essential to its efforts to improve efficiency and consolidate expertise. Their aim is to offer training at every level of the Group that supports professional practices, team autonomy and worksite productivity. The primary objective is to develop leadership skills and expertise in new areas (environment, energy, digital technology) and to optimise production time management on the worksites.

In 2017, Eiffage University–Energy Systems added to its training offer for worksite managers (Master Chef Works Supervision and Site Manager courses) by launching a Master Chef course for team leaders. At the same time, Clemessy is training its works supervisors in the organisation and oversight of worksites, with some employees following a course which will give them a professional qualification (CQP).

The "Master Spé' Essentiels" specialised courses are intended for operational and support function managers and clerical, technical and supervisory staff. The Eiffage University also runs "Essentiels" training sessions for managers to give them an all-round view and a sense of the cross-cutting skills needed for all the businesses, such as "contract management", "studies and variants" and "work site budget management".

Specific courses, known as the Master Sup' courses, aim to improve the managerial skills of project management, operational management and site management executives and to prepare employees with high potential for promotion. The Eiffage University offers experienced managers with identified potential an opportunity[8] to hone their professional skills during two one-year courses. In partnership with Ponts Conseil Formation (the CPD arm of the Ecole Nationale des Ponts et Chaussées engineering school) and the Essec business school, the Eiffage University organises two courses every year for 24 students each, one on Project Management ("Turnkey Projects") and one on Contract Management (Profit Centre Management). Both courses focus on change management and performance, with the objective of enabling participants to take on more responsibility.

In 2017, Eiffage University introduced new CSR-related training

– A new "business and ethics" module: In 2017, Eiffage University redesigned its "business and ethics" training offer at the request of Benoît de Ruffray, for whom this is a priority, and in order to comply with the "Sapin 2" Act on transparency, anti-corruption and modernisation of business practices. The new short and decentralised course was designed internally, with the assistance of legal specialists. The objective was to create an operational tool to raise staff awareness of ethical issues and of the codes of conduct that they should follow in their business relations.
– A module on employee savings plans, which is a core part of the Group's profit-sharing policy. The objective of this module is to train up "employee savings advisors" within Group subsidiaries, who will then be able to provide staff with information on eligibility for and management of employee savings plans.
– A module on psychosocial risk prevention. Prior to the signature of a new Group-wide agreement on the prevention of psychosocial risks in 2017, a training module was created on how to identify these risks, and in particular on how to identify "weak signals". Employees will specifically learn how to handle tension within the workplace, and about the impact of potentially stressful internal restructuring operations. Eiffage Construction was the first to offer this module to 200 employees in 2017. A further 400 employees will receive training in 2018.

Digital tools allow employees to manager their career development

In 2017, the Energy Systems and Construction divisions continued their efforts to develop innovative tools with a shared goal: firstly, to map and describe job profiles and the necessary skills, and secondly, to identify appropriate training modules. Ultimately, all employees will be able to determine their own career path with their line managers, taking into account their needs and those of the company.

The (EC)² tool developed by the Construction division describes jobs, corresponding skills and training offers available within the division. Following on from the operational functions in 2016, all the support functions were mapped in 2017 and are available online. In addition, a new digital career management tool has been launched for managers and technical, clerical and supervisory staff, which can be used by staff to make their wishes known and by managers to gain a better understanding of their teams. This allows each individual to take control of their professional future.

In 2017, Eiffage Énergie Systèmes rolled out its e-PCE[9] digital platform in all regions. The platform facilitates the preparation and organisation of individual appraisals and job interviews, to improve career management. e-PCE gives each employee their own secure and confidential personal area, in which they can submit requests for training or transfers, and also access their appraisal reports and feedback on interviews.
The data stored in the e-PCE platform provides greater visibility and facilitates management of requests (for transfers, training, etc.). As a result, skills can be assessed with a greater degree of objectivity, quality of life in the workplace can be measured and the achievement of objectives can be monitored. Managers and staff can also use the platform to prepare for individual appraisal campaigns throughout the year. With e-PCE, Eiffage Energy Systems has taken a big step forward in the management of its employees' careers.

Supporting skills building, improving the employability of our staff

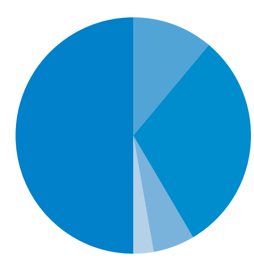
Eiffage is expanding its training on digital technology, with the joint aim of then integrating the technology into commercial offers and also of introducing new digitally-assisted project design tools.

With the integration of technology in mind, Clemessy has added BIM to its "toolbox" for project managers, designers and developers, offering training as and when necessary. Employees can complete two training modules, on "BIM Basics" and "Electrical BIM", via Eiffage University.

In 2017, Eiffage Construction began to offer e-training on BIM to all its staff, in the form of a SPOC (Special Private Open Course) on "BIM Basics". The course covers the basics of BIM, 3D models, BIM Management and the essential tools and technologies needed. Over 600 employees have completed the course to date.

The French plan to bring high speed internet access to the whole country (*Plan France Très haut Débit*) encourages the rollout of fibre optic networks for road infrastructure and buildings, as well as the emergence of the Internet of Things (IoT). This Government initiative aims to offer high speed access to all homes by 2022, and encourages operators and local authorities to use the services proposed by the Group. As a result, the number of contracts is steadily rising and is in turn increasing the need for qualified labour, which can be sourced internally.

[9] **e-PCE: Overall satisfaction rate**



E-PCE internal satisfaction survey (Survey conducted between 06/10 and 17/11/2017 of 7,041 employees and managers: 936 replies, including 339 replies from managers.)

In response, Eiffage Énergie Systèmes, has brought together all the Group's telecommunications activities within the newly created "Telecommunications Section". In terms of training, the Section has relied on existing experience within the division and has created bridge training schemes for employees who need to acquire new skills and technical know-how [10] in order to work with the new optical fibre technologies.

An active work-study and mentoring policy: a breeding ground for qualified staff

The Group has a dedicated work-study policy, which is an important pre-recruitment source. Given the current tight labour market, our work-study programmes and policy of encouraging internships are proving extremely valuable. In 2017, the Energy Systems division alone hired 36% of students on completion of their end-of-course internships. This is one of the Group's main sources of recruitment.

As part of their diversity and equal opportunity policy, APRR and AREA are committed to facilitating the integration of young people into the workplace, and offer an average of at least 40 work-study contracts each year. This policy is clearly bearing fruit, as the number of candidates aged under 30 hired on work-study and apprenticeship contracts totalled 56 in 2014, 69 in 2015 and 67 in 2016. In 2016, over 50% of external appointments involved candidates aged under 30, i.e. 34 new employees.

Lastly, the Group prioritises the integration of new employees [11]: induction handbooks, sponsors, mentors, training, rotations in the various departments, orientation days for new hires or young managers, forums for new executives, information sharing, an integration review, the systematic distribution of safety rules, etc. The divisions are continually improving their onboarding and integration practices [12] to ensure long-term retention.

Special orientation courses with support from networks of in-house trainers and trained mentors make it easier for new recruits to quickly acclimatise to the new work environment.

Equal opportunities and anti-discrimination policies

The Eiffage Charter of Values recognises diversity and equal opportunity, irrespective of gender, age, nationality, religious beliefs, social background or health, as fundamental principles of life and community within the Group.

The diversity and equal opportunity agreements and action plans implemented throughout the divisions in response to the Group's commitments and to changing regulations are regularly renewed and objectives are updated. The Group's diversity and equal opportunities policy is based on strictly professional criteria and objective processes, to guarantee genuine equality of treatment.

Employee training and awareness of diversity and equal opportunities

Changing attitudes and behaviours around diversity requires better communication and enhanced employee awareness of the social issues. A number of internal communication initiatives have been developed:

[10] The Eiffage Énergie Systèmes Telecom Section provides training and apprenticeships in the area of fibre optics

With the aim of becoming a leader in the installation of fibre optic networks in France, Eiffage Énergie Systèmes has teamed up with the Centre Est Region to oversee and organise a training and apprenticeship scheme. The main priority has been to provide training for young and older members of the public alike on technologies of which they have little or no knowledge, such as fibre optics. Eiffage has set up an ad hoc training platform for candidates with technical school diplomas or certificates (BEP/CAP) in electronics, who are geographically mobile and willing to move around to different worksites. 76 trainees have passed through the training centre, with a high percentage then being offered permanent employment contracts. This project relies on multi-stakeholder partnerships with the Chamber of Commerce, Pôle Emploi (the French job centre) technical colleges and apprentice training centres. Project managers, who will design and oversee fibre optic projects with clients, are also needed. Approximately 20 managers have been hired under permanent employment contracts. However, Eiffage is already planning ahead to the moment when the market will deflate, once the whole country has high speed internet access. Network maintenance activities and the large number of retiring baby boomers will, on the whole, ensure that we will be able to retain our younger employees in long-term employment.

[11] "Vivre chez Eiffage" (Life at Eiffage): a proactive approach by Eiffage Construction to welcome new recruits

In 2017, the division organised an internal working group with team managers, with the aim of designing an integration programme for new recruits. The group followed the example of the "Mentoring Pack" used in the Grand Est Region, which includes a well-designed induction programme, a number of clear stages to be completed during the trial period, information on the company's values and organisation, and key people to meet, as well as opportunities to talk with other employees during work site visits.

[12] The Energy Systems division conducted an apprenticeship satisfaction survey within Clemessy, with pleasing results

The integration of apprentices is a priority for Eiffage. Clemessy decided to conduct a survey among its teams and apprentices to find out what they thought about the quality of apprenticeships within the company. 112 replies were received, and 88% of mentors said that they wished to continue in this role. Apprentices gave an overall score of 3.4/4 for the quality of the onboarding programme, and 95% of them felt that Clemessy was a "good training centre".

charters, awareness leaflets, production and screening of films, personal accounts in internal magazines, and regular events organised at national or regional level in partnership with community organisations, other companies or local authorities.

For APPR and AREA, the diversity and equal opportunities policy [13] is a key component of their corporate strategy and identity. A proactive training policy is also deployed for management in the form of modules addressing diversity, equal opportunity, and overcoming risks of discrimination. These courses seek to integrate awareness of these topics into the company's usual processes such as employee annual reviews and management and labour relations, in order to create proactive leadership that fosters greater diversity in the Group.

APRR and AREA have distributed a booklet to all employees, which summarises the division's commitments and flagship initiatives to promote diversity and equal opportunities, both internally and with clients.

The Group and its partners actively seek to integrate marginalised unemployed populations

The Group organises partnerships and sponsorships to support the integration of disadvantaged populations. These initiatives are rolled out directly within the divisions (for example, when social integration clauses are included in worksite contracts) and through the Eiffage Foundation.

Since its creation in 2008, the Eiffage Foundation has provided financial support for projects that foster social and employment integration for disadvantaged individuals through training, employment and access to housing.

It has backed over 200 projects since 2008. The Foundation selects community projects proposed by Group employees or former employees and in which they work as volunteers, thus encouraging and recognising good citizenship. In 2017, the Foundation supported 25 integration projects with 29 sponsors; a total of more than 230 employees were involved.

At the same time, the Eiffage Foundation supports more ambitious multi-year projects with leading charities. Combating unemployment and poor housing, supporting training and facilitating employment integration requires long-term commitments.
Since 2015, employees can volunteer (outside of their working hours) to "mentor" promising students from disadvantaged backgrounds through the association Passeport Avenir all over France. Eleven multi-year projects have been supported since 2013, six of which are still ongoing, with a range of community organisations that seek to help disadvantaged populations in areas such as housing, education, mobility and employment integration: Association Solidarités Nouvelles face au Chomage, the Solidarauto network of garages, the Jardins de Cocagne network, ATD Quart Monde, Passeport Avenir and Fondation du BTP.
Looking forward to the 2018-2023 period, the Eiffage Foundation will develop initiatives with the support of the Group's regional delegates: partnerships with Solidarités Nouvelles face au Chomage and Positive Planet will encourage employee involvement in solidarity projects. In addition, a call for innovative projects was issued at the end of 2017, with the theme "Bien vivre ensemble dans tous les territoires" (living well together wherever we are) in partnership with the crowdfunding platform Ulule.

Companies and Neighbourhoods Charter

The integration of young people from disadvantaged neighbourhoods is addressed through a specific Group policy and supported by the French Government through the Companies and Neighbourhoods Charter. In 2016, the Group renewed its commitment to the Companies and Neighbourhoods Charter through its Foundation, which finances projects to improve access to employment or training in neighbourhoods recognised by the Government as priority areas, with contributions from the regional departments of the relevant Eiffage divisions.

Since 2016, six projects have been supported in priority areas with the involvement of the Group's regional departments and the local Crepi (clubs of companies supporting integration efforts), which monitor the projects in the field. Projects in 2017 included two projects aimed at disenfranchised young people in Vénissieux and Saint-Fons, near Lyon, supported by Eiffage Construction. This policy entails, inter alia, active partnerships between the Group, Pôle Emploi (the French job centre) and local employment integration agencies, which short-list candidates, after which the divisions determine the appro-

[13] **APRR and AREA have set up a network of 80 Diversity Ambassadors**
Thanks to a long-term, proactive action plan developed in 2008 and positioned at the heart of their human resources policy, APRR and AREA obtained the AFNOR diversity label in 2016 in recognition of their commitment. As well as recognising their achievements to date, the label is a sign of the companies' continuous improvement process and commitment to further progress. A new network of more than 80 "Diversity Ambassadors" was set up at the end of 2016. In 2017, the Ambassadors implemented actions to encourage diversity both internally and by clients, which included a network-wide poster campaign and the slogan "On voyage avec vous" (Moving forward together). The objective of this network of ambassadors is to involve a greater number of employees in local initiatives. In a very tangible way, alongside management, the network will be a driving force for diversity and equal opportunity within each APRR and AREA unit.

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priate training solutions with the candidates.

The divisions also provide financial and logistical assistance to the Crepi Federation, which brings together companies carrying out practical voluntary actions to support the integration of disadvantaged populations.

"Committed to integration"

The Infrastructures division's efforts often exceed the requirements of the "social integration" clauses in its worksite contracts, both in terms of the number of hours spent and of the support provided for the unemployed. For example, on the BioSAV site (Seine Val water treatment plant, in Greater Paris), the contractual number of "integration hours" (15,000) was increased to 29,000 and, in addition to the statutory clause, an employment integration initiative was put in place in conjunction with a local public agency. This resulted in:

– 17 twelve-month work-study contracts for formworkers;
– 82% of whom successfully completed their course with the Eiffage Île-de-France Centre School;
– 6,442 hours of training;
– 10 permanent employment contracts signed at the end of the work-study contract.

Achieving integration by improving basic educational skills

Some employees have difficulties with reading, writing, basic maths or basic digital skills. This is an important issue for the Company. Insufficient proficiency in basic educational skills is an obstacle to social integration and career progression, as well as a risk factor in jobs where understanding instructions is a crucial requirement, particularly when it comes to safety. This problem also concerns foreign workers, who do not always have a sufficient understanding of French. Specific courses are offered to employees on a voluntary basis. Eiffage Énergie Systèmes has integrated this sensitive topic into its "bridge training schemes", by offering each trainee an assessment of key skills (reading, writing, maths, etc.) and implementing support programmes where necessary. The assessment is conducted during interviews with an organisation specialised in illiteracy.

Measures to support gender equality

The construction and public works sectors have evolved and are increasingly open to women. Mechanisation and lighter materials and equipment mean that exercising these professions requires less physical strength. However, there is still progress to be made in terms of changing mentalities and integrating female employees.

Table 9: Employment of women

A number of actions are being carried out in what remains a predominantly male work environment, to increase the number of women in operational management positions and achieve parity in training, remuneration and promotion. The Group is also working on work-life balance (meeting times, part-time work options, etc.). However, such measures are easier to arrange for employees working in offices than those on worksites, where specific constraints need to be taken into consideration.

Agreements and action plans govern gender equality in the divisions. For example, within the Energy Systems division:

→ Clemessy signed a new gender equality agreement for the 2015-2017 period. A "Gender Equality" dashboard has been developed and the predetermined indicators are presented to the Professional Equality commission every year. A specific promotional budget has been assigned to these initiatives.

→ On 11 December 2017, Clemessy Services signed an agreement on workforce and skills planning, gender equality and intergenerational balance, which is indicative

In 2017
13.14%
of the total workforce in France and
10.44%
of the international workforce were women

of its ambition to promote gender equality. The agreement sets as a target a 5% increase in the number of women hired.

The objective is to increase the number of female employees and achieve parity in terms of training and salaries. At APRR and AREA, implementation of the remuneration policy has achieved parity between men and women with equivalent positions and experience. In 2016, 85 managers completed training on "How to effectively contribute to the remuneration process". Other watch points, such as career development, are covered by company-wide agreements, which were renewed in 2015.

An annual budget representing 1% of the payroll is allocated within the Infrastructures division to remedy salary inequalities affecting female employees. Some of the unused part of this budget has been specifically allocated to increase salaries paid to young employees aged under 30.

Initiatives to integrate and employ people with disabilities

The divisions' action plans integrate disability issues by:

→ raising management and employee awareness to change perceptions of disability;

→ recruiting people with disabilities for long-term positions, possibly on work-study programmes;

→ taking on interns and creating partnerships with vocational retraining centres;

→ maintaining people with disabilities in employment, in particular if the disability was caused by a workplace accident;

→ encouraging professional development and employability for people with disabilities;

→ creating partnerships with the sheltered sector to support specialised organisations via the purchasing policy;

→ initiatives to provide continued employment for any existing employee who becomes disabled.

The divisions conduct regular communication and awareness initiatives for employees, which aim to improve their knowledge of disabilities and improve the integration of people with disabilities in the workplace. For example, Clemessy distributed an educational booklet on disabilities in 2017, while Eiffage Énergie Systèmes began to deploy an employee awareness campaign on all its sites in 2016, in conjunction with the national disabilities awareness and integration programme. [14]

In 2017, Eiffage Construction continued to roll out its awareness campaign first launched in 2016, staging a Disability Forum at Eiffage Construction Rhône Loire in October 2017. It also signed an agreement with handiBTP, a professional association promoting employment for the disabled within the public works industry, in 2017. Lastly, the Construction division supports the "Le Jardin Pêcheur" restaurant through a skills partnership and financial backing. 80% of the restaurant's employees have a disability.

In addition to these necessary communication initiatives, specific actions also aim to facilitate the employment of people with disabilities in more practical ways. Eiffage Construction continues to work in partnership with retraining centres, and intends to award a study grant to a student with disabilities.

The Diversity plan implemented by APRR and AREA contains a number of initiatives in favour of people with disabilities, such as a system to help employees who need to declare a new disability or disabling illness in order to improve their working conditions and ensure they can remain in employment. Between 2014 and 2016, the number of employees with a disability rose from 146 to 177, which is a 20% increase. Both companies have a Disability commission, which examines all cases referred to it.

Lastly, some divisions form relationships with the sheltered sector, generally via

[14] **National disabilities awareness and integration programme**
The employee awareness initiative launched by Eiffage Énergie Systèmes is based on the national disabilities awareness and integration programme, and consists of a poster campaign, a film to raise awareness, and a hotline that employees can call in complete confidentiality if they have any questions on disability-related matters. The objective is to change the perception of disability, which is still all too often subject to prejudice, and to maintain in employment and better integrate disabled employees.

the human resources or purchasing departments, to develop their activities in the areas of outsourcing or delivery of supplies. Responsible purchasing initiatives include training and awareness for buyers to encourage them to include the sheltered organisations in their calls for tender.

APRR and AREA have doubled the amount of purchases made from sheltered organisations

APRR increasingly relies on sheltered organisations for outsourced technical/administrative tasks, maintenance of green spaces, and catering. In three years the amount of purchases made from this sector has doubled, rising from €82,000 in 2014 to €164,000 in 2016.

An initiative rolled out by AREA with the ESAT Hors Murs organisation for employment of people with disabilities provides workers with disabilities with jobs in the regular workplace, with a gradual integration process and targeted support in the company. More generally, AREA has confirmed that its efforts in favour of employment for people with disabilities have enabled the company to meet its employment obligation without paying any penalties.

Table 10: People with disabilities

Measures in support of older workers

The Group has implemented an active policy to maintain older workers in employment, in particular via training and the possible adaptation of workstations. The divisions have signed “generational” plans and agreements for the continued employment of older staff members, the sustainable employment integration of young people and the transmission of knowledge (*contrats de génération*), with a view to:

- keeping employees aged over 55 in employment;
- positioning seniors as trainee instructors and mentors;
- supporting their continued professional development and providing training;
- developing systems favourable to their recruitment;
- considering age and physical strain in the “arduous work” action plans, to tailor positions to their capabilities and better manage later career stages.

Where employees are equally competent, age is not considered to be a discriminatory criterion in terms of employment, promotion or career development. Clemessy has set itself the objective of taking on 5% of new hires aged 50 or over until 2019.

Table 11: Breakdown by age

“Generational action plan”

At the start of 2017, AREA renewed for a further three years its agreement on the continued employment of older staff members, as part of its diversity and equal opportunities policy. The objective is to keep older workers in employment and guarantee the transfer of knowledge and skills, by undertaking to maintain the percentage of employees aged 55 or over at least equal to the percentage at 31 December 2015, i.e. 19%. The teaming up of older, more experienced employees with younger employees within work teams is encouraged, and older employees are given priority when opportunities to act as mentors arise.

Reducing our environmental footprint

Eiffage's General Management has set out its commitment to reducing the environmental footprint of the Group's activities in widely-distributed policy documents; these include charters defining Eiffage's positions on sustainable development in general, and more specifically, on biodiversity protection and preserving water resources and aquatic environments.
These charters, published in the form of posters, were thoroughly updated in 2017 (see 3-1-2). Division Chairmen have also adopted action plans relating to CSR and environmental performance.

The Group's organisation enables us to address the principal environmental issues:
- preserving resources by managing our impacts, in particular by decreasing our resource consumption, and contributing to the circular economy;
- reducing our carbon energy footprint by controlling our energy consumption and rolling out our "Build differently" offering;
- pursuing a carefully targeted biodiversity conservation policy and adopting an "avoid, mitigate, offset" approach.

An organisation for addressing environmental issues

The environment network – Experts supporting the divisions

From an operational perspective, environmental matters are addressed by the Sustainable Development and Transversal Innovation department (SDTI) and by a network of environment coordinators and correspondents across the Group's divisions and entities.

Representatives from the Construction and Energy and Infrastructures businesses are regular contributors to the regional environmental expert networks serving the Group's operational entities, providing knowledge, coordinating initiatives, maintaining a high level of commitment and providing regulatory and technical support during business negotiations.

In 2017, the divisional networks were as follows:
- Infrastructures division: a Quality and Performance department, six coordinators covering the division's business lines, 34 regional quality, environment and sustainable development managers, and a dense network of local correspondents, making a total of around 180 employees;
- Construction division: 14 regional quality and environment managers, and around 50 employees with missions relating to quality and the environment;
- Energy Systems division: a Quality, Risk Prevention and Environment department, supported by 20 regional quality and en-

An in-house pool of around
15
training instructors

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vironment managers and a network of 160 local correspondents.

In 2017, the DDDIT organised a regional tour (dubbed "Envirotour") within the Construction and Energy Systems divisions. The aim of the Envirotour was to reach beyond QSE managers to provide sustainable development and innovation news to other functions at Group establishments.

Clemessy and APRR & AREA also operate networks:

→ Clemessy's Quality, Safety and Environment network meets five times a year;

→ APRR and AREA's network has around 15 members, who meet four times a year.

Additionally, an online directory was created, providing easy access to a network of more than 180 individuals able to provide valuable experience feedback. Using the directory, work site managers can easily identify colleagues who have experience with a particular environmental issue, outside the circle of dedicated QSE managers.

Tools and training relating to management of environmental issues

Geode operational management software for environmental issues

The Geode operational environmental management tool, which allows each establishment to meet regulatory monitoring requirements, assess regulatory compliance and follow risk management plans, has been updated with particular focus on flexibility and simplicity. The new software, available in the second half of 2018, will support the divisions' renewed ambitions in this area.

Digital tools for measuring CO_2 emissions

In addition to the tools already available to the Infrastructures division (SEVE, Oméga TP) and Construction division (CO_2 Calculator, Elodie©), a mobile phone application called SercO_2 has been developed by the French association of electrical engineering companies (SERCE) in close collaboration with the Énergie Systèmes division, to allow environment managers, site supervisors and business managers to estimate greenhouse gas emissions easily and accurately. SercO_2 is designed for use by public lighting businesses in particular.

Environmental and sustainable development training to support changing businesses and practices

The sustainable development training programme has been radically overhauled and standardised. The new training offering has been operational since 1 January 2018. A pool of around 15 training instructors has been set up within the SDTI.

Three new "Essentials" guides promoting sustainable development issues

Three new "Essentials" courses on applying sustainable development considerations to projects and work sites have been added to the Eiffage University training catalogue:

– The **"Work sites and the Environment"** Essentials course, intended for all work site managers, revises basic regulatory and technical concepts relating to the environment;

– The **"High environmental-value work sites"** Essentials course is aimed more specifically at work site managers whose customers have demanding environmental requirements, and for managers at work sites that are particularly complex and/or located in highly sensitive environments;

– The **"Sustainable development as a differentiating factor"** Essentials course is designed for analysts seeking to better understand sustainable development challenges and opportunities during contract bidding processes, anticipate environment-related administrative procedures and familiarise themselves with ecodesign and innovation tools.

Furthermore, two webinars were organised on the topic of biosourced materials. No fewer than 65 participants benefited from these online training sessions over the course of the year. A bespoke carbon strategy training session has also been designed. The Eiffage University will be providing this training to design office personnel and works supervisors in 2018.

Bioterre (Biodiversity, Territory, Environment) is a second-year Masters degree course,[15] developed jointly by Eiffage and Paris 1 Panthéon-Sorbonne University for the "biodiversity, environment and large infrastructures" corporate chair (the first corporate chair specialising in biodiversity issues relating to large infrastructure projects). The Bioterre degree course is offered each year, for initial and continuing education. An Eiffage Energie Systems employee graduated in 2017, raising the total number of Eiffage employees to 30 since the course was introduced in 2010.

Special training in the management of certification application procedures was provided as part of the rollout of the ISO 50001 standard at the Infrastructures division's industrial facilities and among Energy Systems division personnel. Energy coordinators were appointed to lead the ISO 50001 effort in the Infrastructures division.

Similarly, the Energy Systems division provided dedicated training in energy audits, energy management methods and the support available to all entities implementing energy efficiency offerings (and in particular, the Uptimum offering, featuring a comprehensive range of energy

A network of
over 180
people accessible
via an online directory

[15] **Recognition for the Bioterre Masters course**
In 2017, the course ranked second in France in the "Sustainable development and environmental management" category, and was no. 46 worldwide in the overall Eduniversal ratings.

innovation services). Nearly 20 "Energy Experts" and "Energy Managers" across all regional divisions support the operational and commercial implementation of energy efficiency measures.

Renewed environmental protection awareness campaign

Promoting environmental protection awareness among tradesmen and other personnel at work sites and industrial facilities is essential, to ensure that they uphold the Group's commitments. Accordingly, the SDTI launched an awareness campaign in 2017, which is continuing in 2018.

The "Sustainable Development", "Biodiversity" and "Water & Aquatic habitats" charters setting out the Group's commitments were completely reworked and simplified to facilitate their use, and a poster campaign was run to promote them.

For the campaign, posters with eye-catching graphics and striking messages were created, covering a wide range of operational topics including protecting water resources and the impact of pollution, noise and vibrations. Works supervisors and site foremen can use them in their daily "environmental briefings", as they help to keep workers focussed. These posters may be accompanied by entertaining activities such as quizzes or audio content.

To support energy saving initiatives and promote awareness among industrial personnel, a series of quiz sheets were created and distributed to all industrial facility managers. The aim is to explain, in a simple, lighthearted way, how workers can save energy in their core businesses.

Environmental certification policy for structured environmental management

The Group's strategy is underpinned by a set of fundamental commitments and by dedicated resources provided to or used by the various companies. Consideration for environmental issues is officially included in the Group's businesses via the divisions' action plans, which include implementing and maintaining environmental management (ISO 14001 certification) and energy management (ISO 50001) systems.

Table 1: Certification

In the interest of consistency, efficiency and cost-effectiveness, certain divisions have migrated their management systems to a centralised, integrated quality and environmental management system. The aim is to:

- ➔ facilitate employee mobility and induction in entities sharing the same management system;
- ➔ enhance the organisation's cohesion and performance;
- ➔ make the organisation and its activities more visible to customers and partners;
- ➔ foster synergies;
- ➔ develop a shared risk management culture.

ISO 50001 certification for the management of building energy and fuel consumption in the Energy Systems division

In France, the entire Energy Systems division earned ISO 50001 (energy efficiency) certification for its property assets and fuel consumption in 2017. Significant reductions in energy consumption have been achieved since 2015 (see the Energy/Carbon chapter).

This certification confirms the company's expertise in the area of energy consumption and continuous energy performance improvement. It is a major milestone, further enhancing the division's credibility among customers as it seeks to expand its share of the operation and maintenance market and win contracts in the energy efficiency field.

The division's Clemessy subsidiary is also ISO 50001 certified, for a scope comprising the three buildings (Mulhouse C3, Mulhouse C2, Strasbourg and Feyzin) as well as the vehicle fleet operated by Clemessy SA and Secauto. In 2018, the ISO 50001 certificate will be added to the calendar in Clemessy's integrated management system (IMS), a management solution covering quality, health, safety, environmental issues, radiation protection, Apsad and Qualifoudre requirements and the information security system. The IMS is reviewed annually by general management, to ensure that it remains fit for purpose and efficient.

ISO 50001 certification for Eiffage Route binder and coated aggregate plants is already bearing fruit

The energy saving strategies implemented in 2015 across all 62 binder and coated aggregate plants owned or operated by Eiffage Route are now beginning to pay off, in the form of annual savings totalling 1500 MWh at binder plants (almost 10%), and more than 2700 MWh at coated aggregate plants (slightly over 0.7%). The initial target of a 10% annual energy saving has been revised upwards for binder plants to 20% by 2020.

The Infrastructures division strengthens its environment and quality management system

The Infrastructures division's ISO 9001- and ISO 14001-certified environment and quality management system has been completely overhauled. The process, initiated in 2015, has been considerably refined to fully leverage the very business-oriented strategic changes introduced in the 2015 version of the ISO 9001 and ISO 14001 standards.

The first challenge was to enhance the uniformity and effectiveness of the division's environment management (ISO 14001 certification) and quality management (ISO 9001 certification), and to optimise and share processes by moving to a single nationwide certification covering the whole division. The terms of reference created as a result is the largest common denominator for all of the division's businesses. Looking forward, this unification will also facilitate reporting by quality and environment correspondents. The second challenge is to integrate recent changes to standards favouring a risk-and-opportunity management approach that notably includes environmental issues.

In practice, more than 250 descriptive blocks based on structured authoring principles have been written and approved for use in contract proposals, enabling the organisational framework of the environmental protection plan and the waste disposal organisation and management framework to be adjusted on a case-by-case basis to reflect a facility's sensitivity and/or specific project characteristics and customer requirements.

An exhaustive list of "managed environmental requirements" has been compiled for use at work sites. This database will enable quality and environment managers to access a host of practical operational responses to environmental issues in a few clicks, providing them with proven solutions to the various environmental challenges encountered at work sites.

The database also includes detailed analyses of environmental risks and opportunities at work sites (relating to the quality of materials, river crossings, wildlife crossings, etc.) as well as notes on applicable regulations, enabling any regulatory changes to be taken into account more effectively.

Across the full scope of the Infrastructures division, all operational entities have been certified under a combined ISO 9001-14001 certificate since April 2015. The road industries and international subsidiaries have their own management system but use the same quality and environmental management system as the Infrastructures division.

APRR and AREA earned combined certification covering all aspects of their motorway operation activities in October 2017.
The Construction division's land and property development activities are covered by an integrated Quality and Environment management system that includes risk management and responsible purchasing measures. Eiffage Aménagement and the regional subsidiaries of Eiffage Construction and Eiffage Immobilier are in most cases ISO 9001- and ISO 14001-certified.

Provisions and guarantees relating to environmental risks

Each year, establishments invest in measures to limit their activities' environmental impacts, including impact prevention equipment, lower-impact facilities and decontamination equipment. Operational spending on preventive measures such as environmental assessments and equipment purchasing has also been approved. Such investments are made and followed up via ISO 14001 procedures.

More specifically, the Group has been investing in its own property and industrial facilities for several years, to reduce energy costs and cut greenhouse gas emissions.
Table 2: Provisions and guarantees relating to environmental risks

Protecting water resources along the motorway network
On the motorway network operated by APRR and AREA, protecting water resources is a top priority. Regular multi-year capital investments have been made to equip the most sensitive or vulnerable areas with stormwater collection and treatment facilities, to protect against chronic and accidental pollution [in tap water catchment areas, nature areas and waterways subject to particular water quality requirements]. More than 1,900 stormwater basins are now in operation. The Group pursues its efforts, and in 2017 invested a total of €13,953,000 in water-related measures, and spent €2,847,000 on maintenance of the installed base of drainage and protection installations, not counting the time spent directly by motorway employees.

Preserving resources and contributing to the circular economy

The goal of the Group's environmental policy is to decrease the ecological footprint of its activities, to conserve resources and limit emissions. Eiffage has launched multiple initiatives to limit the impacts of its activities on the soil and atmosphere.
It is important to control our consumption of raw materials and non-renewable energy, giving preference to more sustainable solutions such as the circular economy. The Group participates in the circular economy by seeking - either within the company or in partnership with local third-party organisations - outlets enabling existing materials to be reused, recycled or transformed in production processes. The aim is to roll out projects in the areas in which we operate, based on local opportunities and affordability criteria.

Action to preserve resources and limit impacts on the environment

Divisions formalise their impact management commitments in various environmental policy documents or quality and environment charters. In addition, the implementation of environmental management systems, within the ISO 14001 framework in particular, allows environmental impacts to be controlled.

Preserving water resources
The "Water & Aquatic habitats Charter" sets out the Group's environmental and water policy. After being updated in 2016, the charter was the centrepiece of a new environmental awareness campaign led by the SDTI in 2017.

The new charter aims to:

- measure, monitor and relieve pressure on water resources, in terms of water extraction, use and discharge;
- avoid impacts on wetlands and take precautions to prevent water pollution risks;
- generalise best practices;
- factor in and adapt to local constraints.

Water-efficient quarries

In order to fulfil their regulatory obligations to the fullest possible extent, quarry operators have invested in numerous processes and facilities such as settling ponds and clarifiers to treat, recycle and re-use process water. Currently, an estimated 95% of process water is recycled. Performance indicators are currently being developed to refine this count and improve how this water is treated.

At certain quarries, sludge presses are used to extract residual water, and commercial outlets are sometimes available for the dried sludge, as at the Grands Caous quarry in Saint-Raphaël, for example, where the impermeable properties of this material make it suitable for use as a sealant for retaining ponds and landfill sites.

Table 3: Water consumption

The aims of the charter are addressed in the various businesses, and the ISO 14001 processes operated by subsidiaries also reflect this issue.

The Construction and Infrastructures divisions issue their operational teams with guides and tools relating to water supplies at facilities and work sites, temporary work site drainage, stormwater collection and temporary drainage guides, to optimise the technical response to regulatory obligations and make systematic use of best practices.

In 2017, APRR and AREA continued to implement the multi-year water resource protection programmes specified in the 2014-2018 management contracts. Work to create eight multipurpose ponds and a ninth pond designed to collect water from beyond the motorway was completed at the Beaune intersection on the A6 motorway in Côte d'Or. This development prevents polluted water from being released into the natural environment; the ponds perform a settling and oil removal function, as well as regulating flow rates in the event of flooding. Ground was broken on works near the Farges catchment area, on the A6 motorway in Saône-et-Loire. Furthermore, employees strive every day to limit the risk of spillage-related water pollution and keep drainage facilities in good working order.

Preventing pollution at work sites

Treatment before discharge of water used to wash concrete-soiled equipment is a key factor in preventing pollution at work sites. The use of dry ice to treat water used to wash concrete-soiled tools is being rolled out at Group work sites.

After being trialled during construction of the Pierre-Mauroy stadium in Villeneuve-d'Ascq and the Bretagne–Pays de la Loire high-speed rail link, the technique has been applied at several Eiffage Construction work sites since 2016. Dry ice is used to decrease the pH of waste water from concreting sites from 12.5 to 7 in order to comply with regulatory requirements relating to discharges into the drainage system or natural environment, helping to uphold the commitments in Eiffage's "Water and Aquatic habitats" charter. This new, dry ice-based system to make concrete washing water compliant with applicable standards was rolled out more widely in 2017.

Clemessy processes volatile organohalogens (VOX) in a combined filtration pumping and venting process

Fulfilling its regulatory obligation, Clemessy Motors, a Clemessy subsidiary, engaged a specialist contractor, GRS Valtech, to clean up historic soil pollution by volatile organohalogens at its Mulhouse plant. Filtration pumping – a technique consisting in pumping ground water through two shafts and treating it by passing it through activated carbon filters before discharging it back into the natural environment – has been used to purify 286,240 m^3 of water over a six-year period since October 2010, recovering and processing 5,213 g of tetrachloroethylene and 28 g of trichlorethylene. A companion venting system enhances the VOX pollutant sequestration capability, enabling a total of 20.4 kg of contaminants (VOX) to be removed from the soil between July 2014 and the date of publication.

Management of air and soil pollution risks and work site noise

Air pollution

In addition to compliance with defined air pollution regulations[16] for hazardous facilities, efforts to combat air pollution are expressed in commitments leading to the implementation of prevention procedures (such as instructing earthworks teams and carriers to damp down work site tracks, to prevent or mitigate dust-raising by passing machinery) and the development of less polluting processes.

Coated aggregate plants are an example of facilities that have been significantly upgraded over the years, through overhauled material drying processes, lower energy consumption, a drive to innovate in the area of gaseous waste treatment (including the installation of carbon filters) and initiatives to manage the health risks associated with their atmospheric emissions. Bitumen store "vents" are now systematically processed via closed-circuit operation and by scrubbing any excess vapour.

[16] **Updated refrigerant management documents, booklets and forms**
The Energy Systems division is striving to reduce greenhouse gases released by the activities of its HVAC subsidiaries, and refrigerants in particular, which must be recovered and properly traced. The corresponding forms and documents issued to operational personnel have been comprehensively updated.

Concerning motorway operation, teams from APRR and AREA work daily to keep traffic flowing smoothly and safely, thereby limiting congestion, which would otherwise be a source of increased atmospheric pollution. Dynamic speed control measures have been introduced along certain sensitive sections, and infrastructure developments to improve flow capacity are currently being built on the A6 and A71 motorways, and are planned on the A75, A41 and A480.

Limiting noise and unpleasant odours
As part of the 2014-2018 management contracts with the French State, APRR is committed to multi-year programmes to protect nearby residents from noise pollution, and has now completed the work begun in 2016 to improve living conditions for the local population near the A40-A42 motorway interchange in the Ain department.

The Eiffage Group also favours innovative technologies (reduction of pollutant emissions and odours at coating plants, use of noise-abating coated aggregate such as Nanophone® or Microphone®), combined with streamlined project planning (reduced travel, efficient equipment delivery logistics, etc.) for smoother, more efficient work site management.

More effective soil preservation
The risk of soil pollution as a consequence of the divisions' activities is addressed not only by providing protective and emergency response equipment (17) (spill retaining tanks, absorbent material kits, washing stations, etc.) and installing monitoring and detection systems, but also by applying dedicated procedures to ensure appropriate behaviour by personnel.

The measures implemented along motorways to protect water resources also help to protect the soil. The initial aim is to prevent accidents involving spillages of pollutants. In the event of a spill, ad hoc measures are adopted to limit the spread of any contamination, and to confine and process it. APRR and AREA have for several years operated a policy of rational use of plant health products, to avoid pollution, in keeping with the Ecophyto 2018 national plan.

More generally, the Infrastructures division marshals most of the Group's expertise in demolition, decontamination and asbestos removal, with many of the acknowledged specialists in this sector such as Gauthey, Boutté, Forézienne d'Entreprise and Budillon-Rabatel.

Streamlining chemicals purchasing by APRR and AREA

The chemicals purchasing process at APRR and AREA has been completely redesigned. Each business consumes multiple products, including de-icing agents, mechanical oils, lubricants, silicone and cleaning agents. The best products and practices have been selected and the number of approved products reduced from 3,000 to 700. An online catalogue has been created; before being listed, products must undergo a systematic approval process, covering health and environmental risk prevention in particular.

Biological remediation of polluted soil

Gauthey, a soil decontamination specialist certified for restoration engineering and works, designs and applies biological remediation treatments for soil polluted with hydrocarbons. This limits both the need to remove earth to offsite processing facilities, and the volume of materials to be brought in. Gauthey is conducting research to reduce processing times, in particular by enhancing the bioavailability of contaminants.

A waste and resource management strategy focussed on reduction at source and the circular economy

Eiffage strives to use natural resources sparingly, to minimise extraction of raw materials, which are by nature rare and limited. This effort is part of a broader drive to develop a circular economy-based strategy and to invest in reversibility techniques and expertise, by:
- limiting extraction from natural habitats;
- professionalising demolition and on-site recycling;
- developing decontamination techniques, including solutions suitable for occupied sites, to facilitate brownfield urban regeneration;
- decreasing waste production at source (18), recovering waste and incorporating it into construction and renovation processes.

In 2017, the Group processed around 4 million tonnes of waste. Managing waste held at Group facilities is, therefore, a major environmental and economic

(17) **Anti-pollution kits for work sites**
Anti-pollution kits are available at Eiffage work sites, to absorb hydrocarbons in the event of a leak. More permanently, spill collection tanks to protect auxiliary tanks on electrical transformers, generators and heating units are being rolled out across Eiffage Energie Systèmes activities.

(18) **Creative waste reduction solutions by Clemessy**
- As proclaimed at the European Week for Waste Reduction (November 18th to 26th 2017), the best waste is the waste that never gets produced. Clemessy has introduced an integrated policy to optimise waste management by decreasing quantities and increasing the share of waste that is recovered.
- Best practices are rolled out across the company and its subsidiaries, reflecting genuine creative flair and inventiveness. Tabelec and Clemessy Maine Normandie reuse packaging materials when shipping equipment to customers; Clemessy Maroc repurposes cable drums as flower pots and OAT Rennes turned a hospital bed into a tilting work surface, resulting in a more ergonomic workstation.

challenge. This figure includes inert waste managed by Eiffage for the Group's customers.

A new waste management framework agreement, accompanied by stringent requirements relating to reporting, traceability, and recovery and recycling rates was drawn up in 2017, in a joint effort by the Purchasing and SDTI departments. On-site audits were also conducted, to validate the list of approved contractors and ensure high performance in this area. To facilitate the work of field personnel, the Purchasing department produced a map that provides an at-a-glance view of the approved waste contractors near a particular location.

Table 4: Waste

Reducing waste at source and improving recovery solutions

A few initiatives across the Group have led to ongoing development:

→ waste inventories (covering waste types, quantities, hazardousness and management costs) are conducted in some divisions to identify the main sources, possible improvements and best practices. Employee awareness campaigns are conducted regularly, to limit waste and encourage waste sorting in the workplace;

→ a quarry management optimisation programme is being implemented, to minimise the percentage of waste[19] while developing products that address changing market expectations. Operating plans are produced to extract materials differently according to their quality and intended use;

→ at work sites, waste management is systematic and takes advantage of the recycling facilities available in the area (departmental plans in France) and any scope for reuse on-site or at other work sites, in an approach consistent with the circular economy;

→ at motorway areas, customers are encouraged to sort their waste "like they do at home", depositing glass, packaging and mixed household waste in separate containers. APRR and AREA organise regular awareness initiatives, focussing on keeping areas clean and sorting waste properly. All operational facilities are equipped and organised for selective sorting of waste[20] from commercial activities, mechanical workshops, etc.

Managing material use in the manufacturing cycle

As recycled inert waste represents a significant source of raw materials, Eiffage develops technical and industrial solutions to increase the share of such materials included in the Group's products:

→ demolition concrete and inert waste from road deconstruction is processed at crushing and grinding plants to produce reusable aggregate and reclaimed asphalt pavement (RAP);

→ coated aggregate plants are now equipped to incorporate RAP into the high-temperature coated aggregate manufacturing process. As a result, it is now possible to produce coated aggregate to formulas containing between 10 and 50% recycled materials;

→ onsite road surface recycling preserves the existing right of way as well as recovering and recycling all materials, generating savings on new materials and transportation.

APRR and AREA implement a roadway materials recycling policy

This policy aims to standardise the drafting process for calls for tender. The annual recycling rate has increased from 17% in 2012 to 21.7% in 2016, even reaching a high point of 25.21% in 2015.

Eiffage Construction Confluences – Setting an example in the recycling of rubble

In order to make better use of its rubble and inert waste, in March 2017, Eiffage Construction Confluences signed a partnership with Verdolini, an Infrastructures division company based in the Lyon area, specialised in recycling construction waste and marketing recycled and natural materials. Inert waste and rubble are now transported directly to the Verdolini Saint-Priest quarry. This operation, which fully complies with new circular economy requirements, ensures better recycling and monitoring. Verdolini then uses the aggregate produced to create sub-layers for roads or site installation platforms.

This process is particularly relevant for renovation works that generate large volumes of rubble.

Eiffage Route considers protecting the environment to be a matter of strategic importance. As well as optimising economic costs, the division's strategic research efforts are aligned with the Group's sustainable development commitments in terms of conserving non-renewable resources, cutting greenhouse gas emissions, decreasing overall energy consumption, reducing noise and preventing road traffic risks. Multi-criteria optimisation of materials, structures and working methods is a crucial focus of the drive to develop lean, cost-effective sustainable solutions.

[19] **Gauthey is developing a mobile sludge treatment unit that reduces waste at source**
Gauthey has created a mobile treatment unit for use in oil separator maintenance operations. The system uses a sludge dehydration process to decrease the volume of waste produced. As less waste is transported, transport-related nuisances and processing costs are reduced, and materials and energy can be recovered from the waste. The new process has been part-funded by the Group's innovation support fund, Seed'Innov.

[20] **New waste collection routes at APRR and AREA**
APRR and AREA has optimised the collection of operational and customer waste via new agreements with contractors, based on redesigned collection routes. The new routes mean fewer greenhouse gas emissions, less customer inconvenience and lower waste management costs. Furthermore, to reduce collection frequencies along major routes, capacity at certain collection points has been doubled, optimising on-site storage.

The roads business, which extended its sustainable development action plan for the 2016-2020 period, is committed to pursuing its material and process-related efforts, with a particular focus on:

→ steadily increasing the proportion of RAP;

→ rolling out road surface reprocessing solutions, and the Recyclean® process in particular, across all regions;

→ optimising the recovery of materials produced in quarries, by seeking new outlets (in particular, aggregate for concrete) and recovering marketable surplus stocks as variants.

The company is making steady progress in terms of the quantity of RAP incorporated into its materials; from 7.2% in 2010, the figure for company-owned plants increased to 19.9% in 2017, with a target of 20% by 2020.

Accordingly, Eiffage Route's Engineering department launched new research programmes in 2017, to further increase the proportion of recycled materials used in bituminous wearing courses, and roll out recycling across a greater number of product formulas.

Teams are also developing and deploying R&D solutions for reusing and upcycling materials at work sites.

Eiffage Route, which pioneered the development of special techniques for reprocessing road surfaces at work sites, is now stepping up its research in this area. As well as saving materials and transport, onsite reprocessing delivers benefits for people and the environment alike.

The Recyclean® process developed by Eiffage Route to reprocess contaminated road surfaces (by encapsulation with wet protection, enabling polycyclic aromatic hydrocarbons (PAHs) to be reprocessed onsite) received a joint award in 2015 from the French roads institute (Idrrim) and public works federation (FNTP). In August 2017, a test session was conducted using a test strip on the RD262 secondary road for the General Council of Seine-et-Marne, under the aegis of the Cerema research centre. This test session validated the innovation, both from a technical perspective and with regard to the environmental and health aspects. Preventive protection for employees and local residents was duly provided during the works phase.

By reusing materials, this solution does not generate waste, and avoids the related landfill costs. The potential market is huge, as all road surfaces previously maintained using tar are potentially concerned.

In a similar vein, Eiffage Route is trialling the same techniques for processing road surfaces that contain naturally occurring asbestos. The workshop developed by Eiffage Route uses a water mist spray to isolate potentially asbestos-laden dust from planed road surfaces, thereby trapping any fibres. The materials from such road surfaces can then be processed and reused without posing a risk to workers or the environment.

As scaling back fossil energy use becomes essential, teams at Eiffage Route are seeking to use plant-based materials as a substitute for bitumen, and to regenerate materials using plant-based binders that do not consume oil. Such techniques are particularly green, inasmuch as they enable the use of local resources and spur the development of the circular economy.

Recytal-ARM® – A cost-effective, environmentally friendly technique

For example, Eiffage Route has developed Recytal-ARM®, a process that uses a biosourced plant-based binder made from co-products of the forestry and papermaking industries in combination with a low-temperature onsite reprocessing technique. The resulting RAP is manufactured and placed at ambient temperature, helping to reduce the environmental footprint of road maintenance works. A very convincing trial of this process was carried out using a mobile reprocessing unit in July 2017, on a test section in Aumont. This technique, developed with funding from the Group's carbon arbitrage fund, E-face, is environmentally friendly, fast and cost-effective. This innovation won an award following the national call for projects issued by the Idrrim roads institute's Roads and Streets innovation committee, with leadership from France's Directorate-General for Infrastructure, Transport and the Sea (DGITM), a department of the Ministry for an Ecological and Inclusive Transition, and a "biosourced materials" certification process is in progress.

In 2017, Eiffage Route, which operates its own research facilities in Ciry-Salsogne and Corbas, also launched a research programme in partnership with the University of Nantes. The joint initiative centres on an algae-based bitumen production process known as Algoroute.

Furthermore, in the context of the Infravation European call for projects, for which Eiffage received an award in 2015 with its Biorepavation project to recycle road surfaces using biomass-based binders, Eiffage Route has approved the use of a plant-based bitumen made from pine derivatives as a replacement bitumen for road surface recycling operations. This "bio-binder" mixes readily with recycled bitumen. It can even totally replace recycled bitumen, while reducing aggregate consumption. This experimentation, conducted in Nantes at the road structure fatigue testing facility operated by the French institute of science and technology for transport, development and networks (Ifsttar), is scheduled to wind down in 2018.

Table 5: Raw materials

Making green design a competitive advantage

Eiffage Construction applies an eco-design approach based on streamlining the design and industrialisation of its products, and has implemented a range of solutions including optimising work site procurement phases, including a minimum volume of FSC- or PEFC-certified wood, biosourced materials and considering factors such as building adaptability and the ease of dismantling and subsequent separation of end-of-life materials.

In the autumn of 2017, Eiffage and a co-operative named Karibati renewed their partnership aimed at developing the use of biosourced materials at work sites while ensuring that the right choices are made when considering these new solutions. Biosourced materials such as recycled cotton, wood wool, natural linoleum and hempcrete are gaining a solid foothold in construction processes.

On request, Karibati assists Eiffage Construction personnel with sourcing these new materials, conducts studies, sets up contacts with producers and provides a list of possible solutions in an increasingly rich and well-documented catalogue. Eiffage is a member of the technical committee on certification approval for biosourced products, established by the French Ministry for an Ecological and Inclusive Transition.

When purchasing products and equipment, Eiffage Énergie Systèmes gives priority to products and services that are energy-efficient and satisfy eco-design requirements. Purchases of energy and energy services, products and equipment are therefore assessed according to their performance and energy efficiency over their service life.

Furthermore, Eiffage Énergie Systèmes contributes to eco-design research being conducted by Serce and Fieec in the area of environmental and energy performance of buildings, with a view to adopting the best technologies.

Encouraging initiatives to support the circular economy
The Group encourages initiatives that strengthen its contribution to the circular economy [21]. A "circular economy challenge" was launched in January 2018, to highlight best practices and feedback and share them throughout the Group.

Several initiatives have already come to the fore. The "work site exchange" digital portal created by Eiffage in Île-de-France's civil engineering teams puts work sites with surplus equipment in contact with others that need such equipment. As well as promoting equipment reuse, this online platform helps to maximise its use and optimise the related costs for both the sending and receiving work sites. Other benefits include demobilising equipment that is no longer needed, which helps to improve safety at sites approaching completion, and facilitating the sharing of equipment-related feedback.

In a similar vein, Réavie - a non-profit organisation created in the Paris region by a group of works supervisors from Eiffage and other building contractors - maximises the potential for reusing hundreds of products, equipment items and materials that were previously scrapped at work sites. Réavie encourages contracting authorities to include the processing of such items when issuing their schedules of requirements, and takes charge of their methodical demolition and removal. In addition to reducing and reclaiming materials and equipment, Réavie helps disadvantaged people return to work.

Community-oriented and industrial ecology initiatives
Upholding the commitments made as a member of the French association of large companies (Afep), relating to the use of all available levers to support the emergence of a circular economy, Eiffage has developed a pioneering facility named Noé (Noah) in Bordeaux. This city is currently the focus of one of France's largest-ever urban development operations, as part of the Bordeaux-Euratlantique strategic national project (involving the construction of 2.5 million m^2 of space in a 738 ha area near the city centre, over a 20-year period). The development work poses severe traffic congestion risks and generates significant carbon emissions.

Officially opened in October 2017, then inaugurated in February 2018, the highly innovative and comprehensive Noé multi-work site shared services facility not only offers site accommodation, co-working spaces, meeting rooms, parking facilities and a shuttle service but also provides solutions to recover and recycle waste, reclaim excavated spoil and sell materials, as well as logistics, catering, equipment hire and human resources management services. Testifying to its avant-garde, exemplary nature, Noé is qualified as a "sustainable city demonstrator" for projects sponsored by the Bordeaux-Euratlantique development corporation.

The Noé facility generally supports projects that aim to build a low-carbon community, and is backed by the introduction of a climate currency to reward quantifiable carbon gains. The centre, which could be reproduced for other city development programmes, intends to introduce a shared logistics service in the near future, including last-mile logistics.

Land use, and maintenance and conservation of Group assets

The Group is aware of the impact on the ground of infrastructure construction and the risk of pollution during works and raw material extraction. Effective

[21] **AREA is using salt fines for wintertime road salting**
AREA has maintained its partnership with a metalworking factory close to one of its facilities in Savoie, using salt fines, a natural residue of the industrial brine production process, for wintertime road salting. This partnership has eliminated delivery truck movements totalling 19,000 km, thereby saving 17 tonnes of greenhouse gas emissions.

management of these impacts requires exemplary compliance with ecological offset regulations, pollution risk prevention initiatives and an optimised quarry management programme.

Along their 2,300 km of motorways, APRR and AREA manage a natural and semi-natural heritage extending over more than 10,000 ha of verges, embankments, central reservations and motorway areas, covered by a specific operating policy. This policy embraces an extensive approach to vegetation management that reconciles regulatory compliance and the safety of employees, local residents and customers. During motorway development projects, the ground area allocated for the work is minimised and land is temporarily occupied only if it is possible to restore it to its original state. For the A89-A6 link road north of Lyon, commissioned in early March 2018, the decision was made to redevelop nearly 4 km of main road on-site, out of the total 5.5 km length of the project, thereby limiting the developed surface area in this already dense urban fabric.

The Group's businesses, particularly in Roads and Construction, have a very direct connection with quarry activity. As part of the drive to manage performance at all quarries, many best practices have been shared since 2014, particularly in terms of end-of-life management and landscape restoration.

Quarries are monitored using key performance indicators, including environmental KPIs, enabling the Infrastructures division to optimise the management of its network.

Reducing our carbon energy footprint

The Eiffage carbon energy reduction strategy addresses long-term goals through the Group's everyday operation:

→ reducing the carbon footprint of the Group's own activities by rolling out a proactive and exemplary energy management policy;

→ enhancing our technical and business offering by applying our expertise and capacity for innovation to the task of "building differently".

Moving forward, the Group intends to position itself as a key player in the low-carbon construction market.

16,600 tonnes of equivalent carbon dioxide emissions avoided as a result of Eiffage's use of a carbon arbitrage fund for the Bretagne–Pays de la Loire high-speed rail project

Well aware of its responsibilities regarding climate change, Eiffage designed the "carbon arbitrage fund", the first combined technical and economic tool of its kind in France. This fund was used for the Bretagne–Pays de la Loire high-speed rail project (BPL LGV). The aims of this fund – which received early praise in 2014 in a publication by the French environment and energy management agency (Ademe) – were to:

– identify and define alternative technical construction methods and materials with lower greenhouse emissions than conventional solutions and techniques;

– and fund any cost difference between the two options, so as to absorb the excess cost of avoiding carbon emissions.

To align this approach with the economic realities of the market, Eiffage invested a budget of €6 million into this fund, included in the cost of building the BPL rail link. Although not a contractual requirement, use of the carbon arbitrage fund was supported via the 2013 voluntary sustainable development agreement between Eiffage Rail Express and SNCF Réseau.

The rail link was handed over in June 2017, and the end result of this initiative is very satisfactory: the 21 solutions funded between 2012 and 2016 avoided 16,600 tonnes of equivalent carbon dioxide emissions, representing the construction of more than 2.5 km of line. Furthermore, the emissions thus avoided account for nearly a third of the effort to decrease the carbon expenditure associated with the rail construction project.

Global commitments and targeted programmes

Since 2011, the Group has been identifying and measuring its activities' greenhouse gas emissions, a prerequisite for effective change management in this area. Each year, the Group reports its emissions to CDP (formerly the Carbon Disclosure Project), an international non-profit organisation managing the world's largest environmental reporting platform for businesses and municipalities.

The goal is to cut greenhouse gas emissions by 5% over the period 2015-2018. Eiffage is convinced that its proactive approach to these issues gives the Group a competitive advantage as it supports its clients with their energy and environmental transition.

The very ambitious energy performance and greenhouse gas emissions reduction targets encourage projects to exceed existing construction standards, for example by applying the HQVie® ("high quality of life") sustainable construction methodology. This approach is based on the use of renewable energy, developing a sustainable energy mix and creating energy-efficient passive or positive-energy buildings and city blocks.

The E-Face carbon energy arbitrage fund – a corporate fund that makes it economically competitive to implement low-carbon solutions (see below) – was deployed in 2017. The development of the dry process serves the same goals.
The Group, via the SDTI, also formed part-

nerships with start-ups addressing the need to decrease carbon emissions and make better use of energy resources. For example, services by Stimergy, which reclaims heat from data centres, were included when bidding for the contract to build an aquatic play centre. Similarly, some Eiffage Énergie Thermie proposals include services by Agronergy, which processes farm waste biomass.

The E-Face fund facilitates the adoption of low-carbon solutions by all Eiffage Group works businesses

After successfully trialling the carbon arbitrage fund on the Bretagne–Pays de la Loire high-speed rail project, the Group decided to repeat the experience and roll out the initiative across all of its works businesses by introducing a carbon energy arbitrage fund named "E-Face". This "corporate" fund, with an annual budget allocation of €2 million, is used to overcome the financial hurdle to innovative low-carbon solutions by making them competitive with traditional solutions and techniques that are sometimes less costly.

E-Face offers many benefits:
– essential leverage for funding a decrease in a project's carbon footprint;
– support for research and development by suppliers committed to the transition to a low-carbon economy, giving an economic boost to low-emission solutions;
– easier Group-wide resource sharing and arbitrage;
– a steadily-expanding pool of low-carbon technical solutions with a beneficial impact on construction activities;
– the foundations of a "carbon accounting" system, making it possible to calculate the emissions avoided per euro spent on any given construction or public works project.

Eiffage employees can easily apply to this fund via a collaborative tool that compares the carbon dioxide emissions relating to the life cycle specifically developed, with a view to adopting innovative alternative solutions.

The key commitments defined by the Group are addressed by action plans within its constituent businesses and regional entities.

Eiffage Énergie Systèmes energy policy

Eiffage Énergie Systèmes activities are powerful levers for the energy and environmental transition. The division obtained ISO 50001 certification in 2017, after demonstrating its ability to control its consumption, resulting in a 10% reduction in energy consumption at its buildings and a 2% consumption cut by its vehicles over three years. This initial certification cycle has enabled the division to measure and verify consumption, support the provision of energy services for its own buildings, commit to purchasing energy-efficient products and services and develop energy engineering in its customer offering for both new-build and renovation projects.

Clemessy

As part of the continuous improvement process associated with its environment and energy integrated management system, based on the requirements of ISO 14001 and ISO 50001, Clemessy set a target of a 3% reduction in greenhouse gas emissions (scopes 1 and 2) for the period 2015-2018. Goals include optimising consumption by buildings and other facilities, streamlining travel, giving preference to renewable energy and raising employee awareness to encourage them to contribute to the effort.

APRR

APRR-AREA's greenhouse gas emissions reduction action plan for the 2016-2018 period defined nine key focus areas, with designated coordinators tasked with implementing practical initiatives. For example:

→ streamline the vehicle fleet by modernising it, optimising vehicle-mission matching and trialling new, lower-emission engines;

→ encourage employees to save energy in their everyday activities; this was one of the themes addressed in a new monthly newsletter on sorting at work, launched in November 2017;

→ use proven techniques to cool plant room buildings along the motorway network;

→ implement the multi-year programme to replace existing motorway operating facilities with energy-efficient solutions.

Infrastructures division Roads Plan

The carbon energy component of the Infrastructures division's Roads Plan sets out new objectives to be achieved by 2020:

→ cut carbon dioxide emissions by 10%;

→ improve energy performance by more effectively monitoring consumption by industrial facilities and the construction site machinery fleet, in particular by promoting eco-driving;

→ increase the proportion of low-temperature coated aggregate in order to raise cool-process coated aggregate as a share of total production tonnage from 15.1% in 2016 to 29% by 2020.

Exemplary, proactive energy management initiatives

The Group is committed to sustained action to reduce carbon emissions across its internal scope.

In 2017, scope 1 and 2 greenhouse gas emissions totalled slightly more than 400,000 teqCO_2 for France, and 150,000 teqCO_2 outside France.

Table 6: Energy

Table 7: Greenhouse gas emissions assessment

Eiffage focuses its efforts in four main areas:

→ encouraging commitment by employees, achieved through a sustained training and awareness-raising policy;

→ streamlining travel;

→ optimising energy consumption by buildings and other facilities;

→ promoting renewable energy-related techniques.

Fostering an energy efficiency culture within the Group

The training and awareness initiatives implemented in recent years have enhanced our expertise and built a shared energy performance culture. The divisions have networks of energy specialists operating via the regional departments. Some have plans to roll out ISO 50001 certification across their property assets (Energy Systems division) or industrial sites.

Eiffage Route, which has been engaged in an ISO 50001 energy certification process since October 2015, introduced an action plan to enhance energy performance at its 52 aggregate coating plants and 10 binder plants.[22]

Staff training, particularly for energy coordinators, is essential in order to reduce energy consumption. Optimised machine operation and industrial management are two sources of potential savings. Although they do have some impact, investments in equipment renewal (for example, installing thermal lagging on pipes) are not decisive. Data now being collected via the Internet of Things will enable plants to identify vectors for optimising their processes.

Determined to amplify these savings and reduce its annual energy bill by €1 million at equivalent production by 2020, the company has made a series of commitments as part of the division's strategic plan. These include promoting energy-efficient behaviour, ascertaining and managing energy consumption, operating facilities for maximum energy efficiency, improving equipment and processes, and purchasing energy-efficient products and services.

The economic implications are significant, inasmuch as manufacturing nearly 4.5 million tonnes of coated aggregate generates energy costs of almost €7.5 million per year – corresponding to an average annual consumption of 370 gigawatt hours (i.e. 82 kWh per tonne of coated aggregate). The ISO 50001 strategy has already shaved 4.3 GWh off this 396 GWh annual consumption figure.

To achieve this result, management teams introduced a programme based on "connected plants" and the Internet of Things, in order to obtain real-time feedback about performance at all industrial facilities and optimise the coated aggregate and binder production processes step by step. This project – the first to receive backing from Seed'Innov, the Group's innovation support fund, in the form of a 35% subsidy – will connect the 52 coated aggregate plants and 10 binder plants by the summer of 2018.

Developed in synergy with Eiffage's Information Systems department and the team at the Eiffage Énergie Systèmes office in Coignières, which specialises in automatic controls, the online management tool soon to be deployed will enable activity to be monitored on a plant by plant basis, or even tank by tank, as the system supports sensors installed on all equipment and facilities. It will be possible to monitor plants at a fine level of detail, once their specificities have been duly identified and measured, and the corresponding values weighted.

There are already plans to include quarries and overseas plants, and the goal is for the system to eventually cover all Eiffage Route industrial activities. This will facilitate decision-making and a shift towards more energy-efficient practices.

Plans to roll out ISO 50001 certification to around 15 quarries

Managing performance at individual quarries is an extremely important issue for the Group. Key performance indicators have been used at each site since 2015, covering items such as electricity consumption and fuel consumption per tonne of aggregate produced. A system to monitor electricity consumption per tonne produced is now in place. The aim is to monitor this performance indicator for the largest quarries, which together account for 62% of total production. The division, which has obtained ISO 50001 certification for one of its quarries, is seeking to roll out this certification to around 15 quarries, which requires a precise analysis of their energy consumption. This analysis

[22] **Port la Vie – An environmentally-responsible binder plant**
The road surfacing binder plant in Port La Vie, near La Roche-sur-Yon, is particularly environmentally responsible. The plant's energy consumption is only half the average for Eiffage Route's binder plants (25-30 kWh, compared with an average of 50-60 kWh at the other facilities). This strong performance is largely attributable to good practices by the management team. These best practices will be rolled out, to enable energy consumption to be decreased at all other plants.

is important, as the cost of the energy consumed by all quarries managed by Eiffage Route is estimated at €4.4 million for fuel, and €3.7 million for electricity.

Managing employee travel

In the light of the energy audits conducted in 2016, which notably covered travel and use of construction site machinery (fuel consumption), several actions to manage consumption more effectively were identified. In response to the wide variety of operating contexts across the Group, the decision was made in 2016 to implement a unified system to track fuel consumption by equipment and construction site machinery[23], and to review the commercial vehicle management policy.

Certain Energy Systems division locations have developed their own company travel plan, focussing on car pooling, low-impact travel by bicycle[24], for example, and ride sharing, such as at the Verquin office, where employees travel to sometimes remote work sites aboard the same truck.

The Energy Systems division has continued to invest in electric-powered commercial vehicles, to help reduce atmospheric emissions, and employees are encouraged to limit their travel. The division continues to monitor travel by geolocated employees.

APRR-AREA opens its first employee car pooling route, between Dijon and Lyon

APRR-AREA began operating its first employee car pooling route in September 2017. The new service, introduced in partnership with IDVroom, concerns travel between APRR's head office in Saint-Apollinaire and the AREA headquarters in Bron. Like traditional public transport, this daily car pooling service features five pre-defined intermediate stops along the route between Dijon and Lyon. Employees use the Pop & Vroom app to make contact. This is an outstanding initiative, from a carbon dioxide emissions reduction perspective.

Optimising energy consumption by buildings and other facilities

Solutions to improve the energy performance of buildings and processes are a feature of the divisions' energy action plans. For example:

→ In 2017, APRR and AREA extended their inclusion of a "consumption and energy savings" criterion in purchasing decisions relating to network operation equipment such as traffic management and toll barrier systems. Other studies and improvements have been carried out with the goal of saving 10% on electricity costs at the Maurice-Lemaire tunnel in Sainte-Marie aux Mines. The unified power purchase agreement now features 20% of renewably-sourced electricity.

→ The Infrastructures division continues to roll out initiatives to improve energy performance at its industrial facilities, in particular as part of the ISO 50001 certification effort. Measures include systematically covering exposed materials, insulating binder tanks, optimising power consumption by training plant operators in eco-driving and installing variable-frequency drives.

Herbosch-Kiere's efforts yielded a 6% reduction in carbon dioxide emissions between 2013 and 2017

Herbosch-Kiere, a subsidiary of Eiffage Benelux specialising in offshore and river works, has made an effort to reduce its carbon dioxide emissions, resulting in a 6% decrease between 2013 and 2017. A variety of measures have been taken since 2015, including installing LED lighting systems, using renewably-sourced electric power at work sites and in offices, purchasing energy-efficient computer monitors, replacing ageing combustion systems at plants and installing anti-fouling systems on boats. Other measures include optimising vehicle tyre pressures, switching to energy-efficient vehicles and supplying power to work sites via static connections rather than diesel generators. As a result of its efforts, vehicle emissions have been decreased from 130 g/km in 2013 to 118 g/km in 2017, a 9.23% improvement.

The use of hybrid generators or connections to a low-carbon power network is now being considered as a means of further reducing greenhouse gas emissions.

Promoting renewable energy-related techniques

Eiffage boasts wide-ranging expertise in the area of renewable energy (see below). Complementing the Group's sales strategy, establishments regularly promote innovative systems.

(23) eMAT – A unified solution for optimised management of Group equipment and construction site machinery
This solution, named «eMAT», was imagined and custom-designed by and for the managers and specialists who manage the wide range of equipment operated by the Eiffage Group. eMAT will be used to optimise the maintenance, management and use of 150,000 construction machines and equipment items, as well as 20,000 vehicles used by all Eiffage divisions in France and Senegal. Specifically, the solution is undergoing real-life trials at several pilot facilities: the Stinkal quarry operated by Eiffage Route Nord-Est, Eiffage Construction Matériels Nord-Ouest, Eiffage Route Aquitaine and Clemessy Services.

(24) Clemessy employees encouraged to adopt eco-driving and low-impact modes of travel
Clemessy's vehicle fleet accounts for a full 60% of the company's energy consumption. All users are therefore encouraged to adopt an energy-efficient driving attitude, as eco-driving can reduce fuel consumption by as much as 40%, with a corresponding decrease in carbon dioxide emissions. A new fuel consumption analysis tool that cross-references Clemessy's vehicle data bases with fuel invoice data was developed in 2017. Vehicle consumption monitoring, previously performed entirely manually, is now an automated process able to provide fuel consumption data on demand for any vehicle in the Clemessy fleet. The Mulhouse branch continued to implement environmental initiatives, including creating a new bicycle shed offering an additional 48 spaces, relaying asphalt, installing covered bicycle racks and setting up a bicycle rack by the entrance to the dock canteen. The aim is to promote low-impact travel and encourage employees to cycle to work.

Clemessy runs on digester gas and renewable energy

In Germany, more than 200 facilities exist to inject digester gas into the natural gas transmission networks. France, which has only around 30 injection points, has decided to make up for time. Teams from Clemessy specialising in digester gas injection into transmission networks, recently designed, manufactured and integrated three injection skids for an October 2016 contract with the operator GRT Gaz. These miniature gas plants (in containers measuring 2.5 x 5 m and weighing 7 tonnes) were handed over to the customer on a turnkey basis in the summer of 2017.

A joint team of around 15 employees from Clemessy and Meci, a Clemessy subsidiary specialising in gas metering and analysis, were assigned full-time to the design, development and commissioning of these skids. The environmental and economic benefits of digester gas injection units are such that the French environment and energy management agency (Ademe) forecasts that more than a thousand will be installed by 2030. Clemessy intends to expand its teams in order to continue supplying several injection units per year.

Building differently to reduce the carbon energy footprint of cities and communities

As well as reducing its own greenhouse gas emissions, the Group is positioned as an all-rounder in city facilities, infrastructures and sustainable urban development, providing appropriate, contextualised solutions to address the challenges associated with adapting to the consequences of climate change and ongoing sociological change.

The Group's strategy combines:

- promoting systemic analysis of requirements and seeking solutions that transcend barriers between urban themes (mobility, energy, new-build and renovation, urban ecosystem services, etc.), informed in particular by the HQVie methodology and life cycle analyses;
- developing proven solutions and orienting R&D towards products and services that consume fewer natural resources, require less energy and decrease greenhouse gas emissions;
- forward-looking analysis that considers the impacts on businesses of the digital age, including in particular, research into the roads of the future and sustainable road construction more generally. The aim is to imagine an intelligent road - or indeed a connected network - that is ultimately able to store, generate and transmit energy and information.

The underlying purpose of this strategy is to reduce greenhouse gas emissions generated by the use of products and services provided by the Group. Due to the diversity of these goods and services, the quantification methods for the broader scope have not yet been stabilised, complicating the task of publishing scope 3 carbon dioxide emissions values. However, APRR-AREA applies the Asfa methodology and has assessed the carbon dioxide emissions generated by motorway traffic on its network at 6,859,138 tCO_2 for 2017. Looking ahead, the Group intends to publish scope 3 quantitative data for each activity segment as the methodologies are consolidated.

Solutions for sustainable urban planning

Sustainable cities are one of the levers for the strategic plan devised by the Construction division, which is committed to alternative production methods and expanding the circular economy and develops and builds entire green neighbourhoods.

The division continues to expand its offering in this area. It has appointed an Urban Innovation director, to orchestrate and promote best practices relating to sustainable city projects in provincial France and countries in which the division has established operations. The innovations developed for the Smartseille green neighbourhood will be adapted and reused in other regions [25], and the company will be ever more receptive to new ideas relating to sustainable cities and their rollout.

The HQVie® "high quality of life" design methodology created in 2009 based on the work of the Phosphore research programme reflects a systemic approach to sustainable development issues in Eiffage development projects. It provides fertile ground for urban innovation through synergies between Eiffage Group businesses, in particular in areas such as the development of local and renewable energy mixes, ecomobility solutions, new digital and non-digital use cases, incorporating nature into cities and urban farming.

As well as factoring in technical aspects of environmental innovation, it promotes the development of innovation in terms of uses that benefit social cohesion and support new lifestyles and work habits. It is based on a creative, multidisciplinary operating procedure, and fosters an ecosystem of proactive urban innovation partners (including large enterprises and SMEs, startup incubators, non-profit organisations and research organisa-

[25] **Innovative initiatives in the Châtenay-Malabry green neighbourhood**
Demolition work has begun at the site of the Ecole Centrale engineering academy, setting in motion a project to create a beacon green neighbourhood near the Parc de Sceaux gardens in Châtenay-Malabry. Smartseille was an outrider for the Eiffage Group's desire to pursue a global approach to sustainable urban development. This new green neighbourhood will be a far more ambitious project. A 20-ha neighbourhood is to be transformed into a harmonious community featuring a crèche, primary and secondary schools, a sports hall and even an urban farm to address the needs of residents of the 2,200 homes and users of the 40,000 m² of office space. The Sustainable Development and Transversal Innovation department (SDTI) is playing a major role. Working closely with Eiffage Aménagement, it is involved in the numerous innovative sustainable development initiatives underpinning this project, scheduled for completion in 2024. These innovations focus on the circular economy, the low-carbon neighbourhood, urban farming and new uses.

tions). Eiffage Construction and Eiffage Énergie Systèmes have incorporated the methodology in a range of tenders, including development projects under the Écocité banner, sports facilities, hospitals, schools and university campuses, as well as housing, office and service-sector developments.

Design choices informed by life-cycle analysis

Eiffage includes the carbon criterion in its sales offering, both by systematically proposing life cycle analyses for buildings and by developing a comprehensive eco-design offering [26]. The Group has been using life-cycle analysis tools for several years on projects with environmental implications. Examples include the SEVE ecocomparison tool used in the Public Works division, the Elodie© software solution developed by CSTB, or the Ademe carbon assessment method; they are used to ensure that projects minimise their impacts over the full life cycle. Such tools are also useful for proposing green variants where contracting processes permit.

In 2016 and 2017, Eiffage Construction took part in the working group that tested the initial version of the E+C- label for positive-energy, carbon-negative buildings). This new government certification, based on a life-cycle analysis, is a forerunner to the incoming RT 2018 thermal regulation applicable to new buildings. Also in 2017, the renovation of the Nouveau Wavrin housing development in Lille was one of the pilot projects managed under the incoming HQE Performance environmental rating scheme for renovated buildings.

As contracting authorities increasingly shift to total cost-based approaches, building life cycle analyses are in growing demand. The rollout of building information modelling (BIM) has proved instrumental to a more systematic use of the life cycle approach. The twin goals of building green neighbourhoods and laying the foundations for sustainable cities encourage developers to consider not just buildings, but also the uses and well-being of their occupants and users of e-concierge and other online services, in particular energy coaching, which gives residents real control over their energy use, are no longer a luxury.

Clemessy has set up a working group to address the new requirement for a life-cycle perspective in the 2015 version of the ISO 14001 standard. A dedicated form (“PRO-323: The life cycle analysis approach”) has been produced and around 15 analyses performed. The aim is to provide customers with a variant offer that features a comprehensive and appropriate environmental approach and is genuinely differentiated from conventional offers. Such solutions are eligible for support from the E-Face fund.

Expanding the role of environmental certification in construction offering

The Construction division has consolidated its organisation and expertise in the area of environmental certification in the building sector. Furthermore, Eiffage Immobilier is entitled to use the NF habitat mark and the NF habitat HQETM mark at “maturity 3” (the highest level recognised by the certifying organisation, Cerqual); the company aims to achieve one of these certifications for all of its housing developments across France. This standard covers the company’s internal operation as well as its monitoring of property development and in particular, the success rate of its applications for environmental certifications and energy efficiency labels; activities relating to this standard are coordinated by a dedicated Quality and Environment department.

Eiffage Immobilier also strives to obtain environmental certification, such as NF Bâtiments Tertiaires-Démarche HQE or BREEAM, for all of its office and hotel construction projects. This organisational foundation has given Eiffage Aménagement a springboard for more ambitious processes such as HQE Aménagement™ certification or the Écoquartier green neighbourhood label. The aim of these initiatives is to promote development projects that integrate seamlessly into their host environments, with carefully-controlled environmental impacts (assessed over the full life cycle) while encouraging economic and social development and improving quality of life. Two projects by Eiffage Aménagement have applied for HQE Aménagement certification: the “Cours des marchandises” neighbourhood in Pontoise and “Plaine Sud” in Clamart, for which phase 5 of the certification process was approved in 2017. Eiffage Aménagement is aiming to qualify for the Écoquartier label for two mixed-use development areas: the “Parc d’Affaires” in Asnières and “Parc Centrale” in Châtenay-Malabry.

Lean products and processes

Low-emission road surfacing products

Research and innovation are in Eiffage Route’s blood. Focussing on customers and anticipating their needs provides valuable inputs to multiple research and development projects in areas such as energy savings, controlling greenhouse gas emissions, minimising use of non-renewable raw materials and improving safety.

This innovation culture has driven the development of most of the company’s products and processes. Bituminous binders and high-performance emulsions, special-purpose coated aggregate such as GB5®, BB5® and EBT®, as well as special processes for in situ road surface reprocessing are among the fruits of Eiffage Route’s capacity for innovation.

[26] **Low-carbon concrete for the Gaité Montparnasse property development**
The Gaité Scène Montparnasse property development in Paris, led by Eiffage Construction, is the company’s largest mixed-use development to be built with low-carbon concrete. For the 20,000 m³ of concrete required for the project, the division is aiming for a 20% reduction in greenhouse gas emissions, compared with alternative concreting solutions (excluding foundations), representing a saving of approximately 700 tonnes of carbon dioxide.

As part of its plan for 2016-2020, Eiffage Route - a signatory to the voluntary "green growth" charter of the French road industry association USIRF - favours coated aggregate heated to 130°C rather than the traditional 160°C, on account of the lower greenhouse gas emissions. The company intends to increase the share of cool-process coated aggregate from 15.1% of its output in 2016 to 29% by 2020.

Already able to produce cool-process coated aggregate at temperatures below 100°C, the company's R&D teams are now conducting development projects to further reduce the temperature, and intend to begin trials this year with the aim of reporting to the market by the end of 2018. The long-term goal is to be capable of producing coated aggregate at ambient temperature that is as hard-wearing as conventional coated aggregate.

Developing wood-based construction processes

Eiffage Construction continues to extend its offerings to satisfy customers' emerging expectations, and is investing in the means to supply a range of alternatives to conventional materials. Its teams propose and develop new design, construction and working methods with the aim of optimising building performance and user comfort. Creating a new position, the division has appointed an Energy Transition Director with a mission to further improve the carbon performance of built assets. The leitmotiv is "build differently", which means satisfying the needs of customers seeking low-carbon construction processes. This emerging market is set to expand significantly, aided by the forthcoming E+C- certification programme for positive-energy, carbon-negative buildings. By subsidising low-carbon variants in projects, the E-Face fund has been a powerful driver for this movement.

The division has developed and widely experimented with its own dry-process alternative construction solutions: using wood or metal in structural and cladding applications; industrial prefabrication processes such as HVA Concept bathroom modules; 2D and 3D construction approaches. Flagship reference projects include France's largest solid-wood housing complex, in Ris-Orangis, as well as the planned Hypérion wood-framed apartment tower in Bordeaux (Gironde); the design of this 56 m-tall tower has been finalised and planning permission is pending.

Through projects such as these, Eiffage Construction continues to develop its dry-process expertise (covering all aspects of low-carbon buildings) with a particular focus on wood-based construction. A pilot organisation, Eiffage Construction Bois, was set up in the Paris region in 2017, with two goals:

→ offer customers optimised techniques that supplement traditional processes in order to address specific issues relating to schedule constraints, work at occupied sites, or restrictions relating to a building's structure or surroundings;

→ enhance the environmental performance of projects, in particular by using wood to decrease noise-related nuisance and pollution at the work site and by leveraging the excellent carbon storage capacity of such structures.

Eiffage Construction Bois aims to take on both new-build and renovation projects, across all market segments, including housing, commercial premises and public facilities. The new entity, a general contractor for wood-based projects, backed by the expertise of Eiffage Construction's integrated engineering department, will also handle design-and-build projects.

Eiffage Construction's engineering department and the SDTI department have implemented a wood traceability system suitable both for structural wood products and wood used in more traditional forms (such as windows, parquet and other flooring) throughout the Group. Following a successful preliminary test phase and a presentation of the process at the WoodRise Congress fair (the world's first convention for wood-built mid- and high-rise buildings) in September 2017 in Bordeaux, the next step is proof of concept testing and a systematic rollout. The first wood project certifications will be finalised during the first half of 2018.

Eiffage traces wood from forest to work site

Wood is a renewable natural material, and one of the world's most precious resources. Contracting authorities and end customers alike are increasingly aware of and attentive to the methods used to manage forests from which wood is sourced.

Accordingly, Eiffage commissioned Product DNA, a Swiss consulting firm specialising in raw material traceability, to integrate traceability processes into the Group's purchasing workflow and relationships with suppliers and subcontractors. All Eiffage divisions took part in mapping the origins and uses of wood, and all direct and indirect purchases were analysed.

The study results are already very encouraging. Some 55% of the volume of traced wood used by the Group is sourced from forests in the European Union - and this percentage rises to 100% for structural wood. Furthermore, 66% of structural wood and 93% of paper is certified, and wood for heating is locally-sourced. Certain categories of wood, such as wooden flooring and formwork, have proved hard to trace, however, as the constituent wood is in many cases reclaimed and reprocessed.

Forest-of-origin certification – A first for France

Based on this large-scale mapping data, Eiffage has committed to uphold an environmentally responsible forest management code and to trace wood used in its structures from the forest to the work site. Consequently, Eiffage Construction aims to unveil the very first forest-of-origin label at the Mipim international property market held in March 2018. This label states the origin of the wood used for the Hypérion composite concrete-and-wood tower building currently under construction in Bordeaux. A label will also be introduced for four other wood-based construction projects currently in progress. More generally, traceability processes will henceforth be included in standard purchasing contracts and framework agreements with suppliers and subcontractors.

Developing renewable energy use for a more balanced energy mix

With renewable energy in the ascendency worldwide, and with the European Union's renewable energy and climate change package set to increase the share of EU energy consumption covered by renewable energy to 20% the Group divisions specialising in energy production and maintenance provide their expertise to promote renewable energy, designing and building state-of-the-art technical solutions [27] such as wind farms, photovoltaic power plants, co- and tri-generation plants, or biomass and waste-to-energy power plants.

In 2017, several projects illustrated the Group's leadership in the development of fossil energy alternatives, both in France and internationally: the Ten Merina solar plant, with a production capacity of 30 MWp (enough to cover consumption by 200,000 people), was built in Senegal and officially opened on January 17th 2018. Eiffage designed, built and financed the facility, and will operate it for a 25-year period, selling the generated power to Senelec, the national electricity distributor. With this development, Senegal has broken the 100 MW barrier for solar power, and 20% of the country's electricity is now produced from zero-carbon sources.

Elsewhere, Eiffage Génie Civil is building two wind farms, in Guadeloupe and Martinique. The first order, for Valorem Caraïbes, concerns external works for the Sainte-Rose wind farm in Guadeloupe. The work consists in building 6 km of access roads suitable for convoys of long vehicles, creating 12,000 m^2 of platforms on which to assemble the LR1400 crawler crane, and excavating 26 m diameter pits for the concrete foundations.

This wind farm will feature eight 2 MW wind turbines standing 125 m tall at the blade tip, together with two delivery substations. The second project, located in Grand-Rivière (Martinique), is being built for Grand-Rivière Éolien Stockage Services. The Group has been tasked with the earthworks, roads and platforms, electrical connection works and the foundations for the seven 2 MW wind turbines. Both wind farms are scheduled to begin operating in mid-2018.

Energy performance management offering

Eiffage Énergie Systèmes introduced the Uptimum energy management system offering in 2016. In 2017, Uptimum was presented to sales managers from the Energy Systems and Construction divisions as well as Eiffage Services. This comprehensive range of pro-energy innovation services enable asset managers and owners of facilities with energy-intensive processes to reduce their consumption.

Uptimum covers five phases:
- energy audits;
- system control with support for local or remote monitoring;
- employee awareness initiatives;
- multi-year works programmes to enhance asset values;
- support with applications for financing.

Uptimum is contributing to the increased use of renewable energy and corresponding reduction in greenhouse gas emissions. The division trained new "energy experts" in 2017, to support the rollout of this offering to provincial France in business proposals, by performing energy audits and providing expertise relating to solutions and proposed improvements. Several contracts have been won, including the (pending) energy performance contract for the Toulouse underground railway.

Translating the Uptimum methodology into practice, an energy coaching application was created for the Smartseille green neighbourhood project in 2017.

As part of the Smartseille project, Eiffage Energie Systèmes has designed and will operate an energy coaching application to provide effective advice to residents and employees regarding energy best practices.

In order to operate buildings efficiently and address economic, health, security and energy performance considerations in asset management activities, building occupants are also involved in the process. Awareness initiatives can yield consumption savings of approximately 10%.

Features of the energy coaching application include:
- sending energy and utility consumption-related information,
- displaying personalised messages and recommendations,
- organising podium-based comparisons and user challenges.

An Eiffage Énergie Systèmes energy expert analyses data via the application's interface and keeps in touch with occupants, sending them pre-recorded messages.

[27] **An offshore sub-station for Eiffage Métal**

The consortium comprising lemants and Eiffage Métal has been awarded the engineering, procurement, construction and installation (EPCI) contract for a turnkey offshore sub-station for the German Deutsche Bucht wind farm.This contract is the first of its kind for Eiffage. The order is the result of an integrated joint venture by the offshore teams of Eiffage Métal and Smulders, which are also strengthening their capabilities in the area of turnkey offshore projects with support from Eiffage Énergie Systèmes.

A systemic vision of our roads

As experts in sustainable roads, Eiffage Route and Eiffage Énergie Systèmes, supported by the Sustainable Development department, help to drive research and innovation aimed at accelerating the emergence of connected, intelligent next-generation roads able to perform new functions such as generating power, collecting data and interacting with users and infrastructure operators, or even combating urban pollution.

Eiffage's I-Street project, devoted to systemic innovation in support of ecological and energy transitions in road transport infrastructures, was in November 2017 announced as a winner of the "Roads of the Future" call for projects issued by the French environment and energy management agency, Ademe. As such, I-Street was granted funding totalling more than €15 million over four years (including €10 million under the "Future Investment Programme").

This project, which includes building demonstrators at various locations across France – in Nantes, Toulouse, Lyon and Champs-sur-Marne – takes a systemic approach: six technology bricks will be developed, covering the development of a greener road industry, intelligent, instrumented and connected roads, as well as the development of prefabricated/removable roads and innovative, safer road markings.
The project is being conducted in an exclusive partnership with Total, the French institute of science and technology for transport, development and networks (Ifsttar), renowned industrial firms and scientific experts, and OliKrom, a start-up specialising in smart pigments. It will be the backbone of a significant portion of the Group's research and innovation effort over the coming four years.

More generally, Eiffage now views roads as a system. As well as building and modernising infrastructures, the Group now also provides predictive maintenance services, via service agreements that are increasingly being negotiated on a multi-year basis. Using sensors to monitor road surfaces will enable maintenance costs to be reduced by 20-25%, by carrying out work at the most appropriate time.

The I-Street programme ushers in four years of intense research, combining projects with varying levels of return on investment, from emerging innovations to industrialised processes ready for commercial rollout.

The first mature concepts progressed to the deployment phase in late 2017, including the Luciole process, which combines the optimised photometric properties of a new coated aggregate with an intelligent, interactive street lighting solution. Luciole® caught the eye of Idrrim's Road Innovation Committee, leading to a prize at the 2017 CIRR awards. The process will be used at several work sites in 2018, with Cerema carrying out technical monitoring to verify the concept's effectiveness.

Luciole® should offer municipal authorities savings of around 50% on their street-lighting costs, compared with the previous generation of "conventional" streetlights.

Cablecars for a differentiating offering in urban public transport

Eiffage is also heavily involved in creating new low-impact mobility solutions, including public transport by cablecar, tramway, bicycle and underground, conventional and high-speed rail. Eiffage is leading a consortium of eight partners comprising the cablecar specialist Poma, the Paris public transport corporation RATP, the travel consulting and metrics company CDVia, a design start-up named The Vibrant Project, and three academic institutions: École Centrale Lyon, ENSTA Paris Tech and the University of Paris I-Sorbonne. This consortium has developed a differentiating urban transport offering centred on cablecar transportation. Whereas existing cablecar transportation lines are all "straight-line" infrastructures, the "public transport interconnections and cable technologies" project (I2TC), backed by the Regional Councils of Île-de-France and Rhône-Alpes Auvergne, BPI and Ville de Paris, has overcome five major technological obstacles to enable routes to follow curving urban topology. This new means of transport will provide the same level of comfort as a tramway but without the constraints of ground-based transport. It will make it easy to (re)discover towns and will play a role in regenerating certain urban neighbourhoods. I2TC will open up a new perspective on cities, both literally and metaphorically.

Extreme weather events

Extreme weather events are becoming increasingly frequent, prompting APRR and AREA to address their consequences in designing, building and operating their motorway network, for example by tripling storm-water basin capacities or including larger flood plains in planning. The two operators have also strengthened their partnerships with weather forecasting specialists in order to better prepare for high-impact events, and with the Red Cross, to organise assistance for motorists in the event of an emergency. It is also essential to improve incident alerts for regular and occasional users. For example, special measures (based on emails, text messages and tweets) triggered in the event of heavy snow have been in place in the Annecy region for the past year.

Proactive policy to preserve biodiversity

Eiffage biodiversity policy

Tackling biodiversity erosion ranks among the major challenges for the 21st century. Eiffage is conscious of the impact of its activities in this area, and constantly develops new expertise, introduces innovative design and construction techniques and shares its experience with the environmental community.

Reflecting this, Eiffage has been committed to a very proactive biodiversity protection policy[28] since 2009, structured by the founding Biodiversity Charter, supplemented in 2011 by a "sister" charter devoted to water and aquatic habitats. These two charters, combined with company rules, constitute a formal commitment by the Group, both internally and to the outside world. They underwent in-depth review in 2017.

Issues relating to the living world are addressed at every step in the activity chain. Protecting water resources and biodiversity is not only a prerequisite for obtaining administrative permits for works, but increasingly, also a competitive advantage, particularly for high environmental-value projects.

The Group consolidates its biodiversity expertise. The Sustainable Development and Transversal Innovation department (SDTI) strives to ensure that biodiversity is given proper consideration across all Group businesses and functions. A guide setting out 10 core principles governing ecological offsetting has been produced. The guide opens by stating that not everything can be offset, and it may therefore sometimes be necessary to rethink a project. Operators are encouraged to think ahead in this area, in order to implement appropriate offset measures at the earliest possible stage.

A new approach initiated in 2016 was consolidated in 2017: the "avoid, mitigate, offset" sequence that in some cases results in significant offset measures is now applied not only to large infrastructures but also to the construction sector, including land and property development projects. This sequence henceforth forms the baseline for Eiffage's environmental integration method. In practice, the Group is already managing or has outsourced management of 3,000 ha of natural spaces as offset areas in metropolitan France, including 500 ha for the APRR network and 900 ha relating to the Bretagne–Pays de la Loire high-speed rail project.

Furthermore, APRR and AREA operate differentiated management strategies for more than 10,000 ha[29] of banks and verges on their motorways and motorway areas. The Group's policy aims to preserve biodiversity without compromising the safety of customers, local residents and motorway operators. Extensive management is applied to nearly half of the total area. Diagnostic surveys conducted between 2015 and 2017 at certain rest areas as part of the commitment to France's national biodiversity strategy, confirmed that the management approach applied by APRR for more than 20 years preserves ecological stock and diversity, even when the surrounding countryside is depleted. With effect from 2017, motorists stopping at the Rossignol area (on the A6 motorway) and the Bois des Potets area (A36) have been able to take a closer look at this biodiversity, thanks to a series of informative display boards and games developed in partnership with a regional conservation charity, CEN Bourgogne.

After joining the International Biodiversity and Property Council (IBPC) in 2016, the Group intends to step up its promotion of urban biodiversity within the construction and property development sector, but also among the general public, in particular by embracing the Biodivercity® label.

Smartseille obtains BiodiverCity® certification and welcomes its first residents

On September 25th 2017, the Smartseille green neighbourhood project, spearheading Eiffage's broader urban development policy, was awarded the

[28] Eiffage backs conservation initiatives to protect lynxes and tortoises
In 2017, the Group entered into two environment-related corporate philanthropy agreements, with two non-profit organisations working to protect threatened species: the Athénas wildlife protection centre, the only non-profit organisation officially approved by the French Ministry for an Ecological and Inclusive Transition to care for wild lynxes and European wildcats, which are protected species in Europe; and Soptom, focused on the observation and protection of tortoises and their habitats.
Eiffage's support for the Athénas centre comprises a financial gift and technical assistance for works. This contribution will help to upgrade the centre's capacity and implement the project on which Athénas has been working for several years.

Elsewhere, Eiffage Route Méditerranée's Brignoles office carried out work to improve access to the brand-new «Tortoise Village» centre. These works, in part donated, provide safe public access to this animal centre, which opened recently in Carnoules. This contribution marks a long-term commitment by Eiffage to the conservation of tortoises, and in particular Hermann's tortoise, the most severely threatened species in France.

[29] APRR and AREA conduct eco-grazing trials
APRR and AREA are experimenting with eco-grazing at many different types of site. This proactive, alternative approach is an effective supplement to mechanical maintenance. The many benefits of this practice include limiting the use of chemicals and machinery, and more effectively maintaining steeply sloping and/or hard-to-reach banks while reducing the risk of accidental injury among maintenance personnel. One of the sites at which trials are being conducted contains invasive plant species (common ragweed and Japanese knotweed); the initial results of this natural countermeasure are encouraging. The grazing animals – which are cared for by specialist companies responsible for their flocks, welfare and health inspections – are from long-established, rugged breeds with limited populations, such as Solognote sheep and Chèvre des Fossés goats. Flock sizes are managed according to the lay of the land and the plant cover.

BiodiverCity® label, the first international label certifying consideration for biodiversity in construction and renovation projects. To be eligible for this certification, projects must uphold four essential principles: commitment to a biodiversity strategy by the contracting authority; a project management approach reflecting an appropriate environmental attitude; optimisation of the site's ecological potential; and development of services to encourage user participation. Projects are assessed by an independent firm and rated on a scale of A to E for each principle, with D and E resulting in disqualification. Smartseille emerged from this process with a "CCAC" rating. This certification vindicates the R&D efforts of the Phosphore research programme, which coordinated Eiffage's role in the operation.

Sharing mature know-how

The Group is actively developing expertise in protecting and promoting biodiversity, through its partnership (extended until the end of 2018) with the non-profit organisation Humanité et Biodiversité and its contribution to progress circles such as the biodiversity working groups set up by FNTP and the HQE association, the linear infrastructures and biodiversity club (CILB), the Business & Biodiversity Offset Programme (BBOP), the Inspire Institute, the International Biodiversity and Property Council (IBPC), the B4B+ club (Business for biodiversity positive) organised by CDC Biodiversité and the European Centre for Excellence in Biomimicry (Ceebios).[30]

Shared expertise for more effective biodiversity solutions

Through its membership of CILB, alongside the principal operators of large linear infrastructures (VNF, RTE, SNCF Réseau, GRTgaz, etc.), Eiffage is committed to Ittecop, a research programme set up in 2008 as part of France's first National Biodiversity Strategy, with a mission to study land transport infrastructures, ecosystems and landscapes.

The Group is participating in the major call for projects issued in 2017, representing a joint investment of €700,000 by the various member companies. A conference held in late October 2017 was attended by all of these operators, together with teams from the French Ministry for an Ecological and Inclusive Transition, the environment and energy management agency (Ademe), and the Foundation for Research on Biodiversity (FRB). The aim was for participants to share their knowledge and energy in order to more effectively address biodiversity issues and in particular, to improve relations between infrastructures, biodiversity and landscapes; another goal was to assess the impacts and opportunities associated with land transport infrastructures when seeking to develop communities and enhance their accessibility while preserving nature to the fullest extent possible.

In its capacity as an IBPC member, the Group appeared before the French Senate in 2017, in the context of a parliamentary commission investigating the effective implementation of biodiversity offset measures agreed for large infrastructure projects. Eiffage contributed to the inquiry on three occasions, respectively representing the IBPC, the French association of motorway companies (Asfa), via APRR, and the A65 Pau to Langon motorway, where the Group implemented the first ecological offset measures.

Eiffage is also the joint leader of a research incubator project named Tilt-AE, which focuses on communities near linear infrastructures that are leading the agroecological transition. The goal is to explain how a linear infrastructure development project necessitating ecological offset measures can provide a springboard for developing agroecology and promoting agricultural and environmental best practices.

Eiffage is also represented on the Board of Directors and the Technical Committee of the IBPC, which manages the BiodiverCity® label and is playing a driving role in creating a second label that will be applicable from the land development stage and will enable private and public spaces to be included.

The Group recently joined CDC Biodiversité's B4B+ club (Business for biodiversity positive), which aims to introduce a rating system for the biodiversity footprint of business activities. B4B+ intends to define how businesses can help to stem the loss of biodiversity and become biodiversity-positive companies despite the lack of genuinely universal consolidated metrics in this area.

Widely-acknowledged ecological offset expertise

Eiffage has widely-acknowledged expertise in the area of ecological offset, and feedback from initiatives relating to the Group's projects is regularly reported to national and international experts. This helps to share best practices and gauge the Group's approach.

For example, Eiffage, representing the French national public works' federation (FNTP), co-chaired a biodiversity research foundation (FRB) working group on ecological offset-related research topics between 2015 and 2017.

The Group is also deeply committed to the Business and Biodiversity Offsets Programme (BBOP), an international programme led by Forest Trends, an environmental NGO formed by more than 80 public and private-sector stakeholders (businesses, governments, financial institutions, non-profit organisations, scientists, etc.) with the aim of developing best practices in the area of biodiversity preservation and ecological offsets. Eiffage joined

[30] **A constructive partnership with Ceebios**
The partnership with the European Centre for Excellence in Biomimicry (Ceebios) in Senlis continued throughout 2017, with Eiffage taking part in the "Biomim'expo ville durable" sustainable cities event, and in two working groups (the "bio-inspired materials" and "bio-inspired housing" strategic innovation groups).

this scheme in 2013 and is, to date, the only French construction and development company among its members.

240 ecological offset sites created and developed along the BPL corridor

In 2017, Eiffage handed over the €3 billion Bretagne–Pays de la Loire high-speed rail line, the largest project ever managed by the Group. The standard of environmental and biodiversity protection requirements defined by the Group for this project was also the highest in its history. Eiffage Rail Express, the contracting authority, sought to minimise the railway line's direct impacts on the surrounding landscapes, communities, waterways and biodiversity, often going well beyond a strict interpretation of regulatory guidelines. This was quite a challenge in view of the scale of the project, which extended along a 214 km route.

A total of 240 offset sites were created and developed, representing 1,061 ha of offset, occupying an optimised land area of only 816 ha as a result of the fungible nature of offset measures. This fungibility enabled farmers to reclaim 188 ha of land.

No biodiversity "hot spots" were impacted by the works, thanks to the avoidance, mitigation and ecological offset measures implemented; this is certified in the regulatory files produced by the French national nature protection council (CNPN) in accordance with the French Water Act. Environmental management-related non-conformities were minimal.

Some 214 ha of woodland, representing 500,000 trees, were replanted between 2013 and 2016, as required under the Forest Code. Eight kilometres of waterways have been restored, as were 280 ha of wetlands in application of the Water Act. A total of 120 waterways were diverted and crossings built, and nature restoration work carried out along 108 of these. 480 ha of natural habitats were created or restored for wildlife as required by the CNPN. 275 hydraulic structures were built along the line, all equipped with ledges for small wildlife. 27 corridors were created, including eight viaducts, to enable large wildlife to cross the line more easily. Nearly 700 environmental rural leases have already been agreed between Eiffage Rail Express and farmers and local authorities or will be agreed by 2036 (when the partnership agreement ends); these leases, covering management of the offset sites, will be monitored by "Dervenn Compensation", a consortium specialising in environmental engineering.

This project has burnished Eiffage's reputation throughout Europe and further afield. In November 2017, the Group attended an international conference organised by BBOP in Edinburgh, Scotland, where it presented its assessment of the ecological offset programme for the BPL rail project, based on the relevant international standards. This case study showed that the BPL biodiversity offset programme was established in accordance with international best practices. In time, the project may be able to claim that it has "repaid its ecological debt", with no net loss of biodiversity.

Lastly, this offset programme was chosen for use as a case study for ongoing doctoral theses comparing a range of international projects, at AgroParisTech/université Paris Sud Saclay in France, and RMIT university in Melbourne, Australia.

Commitments assessed by independent third parties

Eiffage sought to deepen its practical commitment to biodiversity protection by renewing its programme of initiatives within the framework of France's national biodiversity strategy (SNB). After signing up to the 2011-2020 SNB in 2011, Eiffage and its divisions received official recognition for their initial commitment from the French Ministry of Ecology, Sustainable Development and Energy in 2012, and again in 2015 when the Group extended and expanded its commitments. Eiffage is one of only a handful of economic stakeholders to have published (on its website) full details of its commitments under France's national biodiversity strategy (SNB), and to have the results of 23 related initiatives assessed by a trusted third party, the non-profit organisation Humanité et Biodiversité.

The new action plan presented by Eiffage for the period 2015-2018 aims to enhance the proportional, cumulative and innovative dimension of Eiffage's commitments to the National Biodiversity Strategy.

This move underscores the operational focus of Eiffage's initiatives, in order to more effectively address biodiversity issues in all Group businesses. Eiffage's efforts concern not only the Group's internal management and operational activities, but also its customers and outside partners:

→ increase average skill levels and foster broad awareness of biodiversity;

→ take part in fundamental and applied science relating to biodiversity;

→ take an innovative approach to biodiversity issues in core businesses;

→ share biodiversity-related knowledge and collaborate with progress circles.

A biodiversity-oriented sharing initiative by AREA recognised as a "promising approach"

In November 2017, a "sharing initiative for biodiversity and a community", led by AREA in partnership with Voiron district council (CAPV), Biotec Biologie Appliquée and the Isère department was singled out for praise as a "promising approach" by the panel judging the "Infrastructures for Mobility, Biodiversity and the Landscape award" hosted by the French roads institute (Idrrim).

To improve access to a business park in the Voiron district, AREA opened an interchange on the A48 Lyon-to-Grenoble motorway in 2014. Over the course of the design phase, AREA had optimised the engineering project for the interchange, in particular by applying the "avoid, mitigate, offset" sequence to address the environmental impacts. However, attempts to secure suitable land on which to implement offset measures systematically came to an impasse.

The CAPV and AREA then compared their visions for the future of the area and introduced a blueprint for the hydraulic, ecological and offset development measures, which were all entrusted to a single project manager. A five-hectare area of land straddling the A48 was allocated to accommodate not only the offset measures relating to the interchange project but also other, clearly identified developments by AREA and the CAPV. Through this approach, the two contracting authorities combined their resources to implement the measures more effectively, whether in terms of land availability, economies of scale, or greater coherence between engineering and works when designing and implementing the renaturalisation effort at this large site with long-term ecological value. The bulk of the environmental engineering work was carried out in 2013 and 2014, across an area of 3.6 ha. The positive feedback from this sharing initiative has prompted AREA to roll out the approach to other developments along its motorway network.

Sustained employee awareness effort

Eiffage and its divisions inform and motivate their employees [31], acquire new expertise, develop methods to address biodiversity-related challenges, rethink their design and construction approaches, and share their experience with the environmental community. The Sustainable Development and Transversal Innovation department creates and regularly updates operational and awareness tools in partnership with the divisions, including the biodiversity risk prevention and management kit, the biodiversity archive and a website devoted to “the butterfly effect in Eiffage businesses”, which enables employees to learn about biodiversity risks and integrate the prevention and management of such risks into all aspects of their everyday work, from designing offerings to operating structures.

The biodiversity kit, created in 2011, has recently been radically overhauled and expanded. The new version, published in late 2017, is more field-oriented and wider-ranging. All Eiffage Group businesses now feature in the kit, and the “avoid, mitigate, offset” sequence has been fully incorporated. This tool, designed with the aim of making employees throughout the workforce more aware of biodiversity issues in their everyday activities [32] and encouraging good practices, consists of around 30 sheets describing new operational examples as well as recent legal changes arising, in particular, out of the 2016 Biodiversity Act and the creation of the French agency for biodiversity (AFB).

Each sheet contains the key information in a concise format. This kit rapidly guides the reader to the desired information, whether it be the basics (legal considerations, stakeholders, tools, etc.), best practices (relating to design, construction or operation) or wildlife classifications. The 130 pages are accessible via field-oriented queries. A growing volume of feedback is incorporated.

[31] Participatory vegetable garden at the Pierre-Berger campus
The Eiffage Group headquarters at the Pierre Berger campus sets an example for others to follow. Following on from the campus’s nature garden, which was handed over in 2015 (with a series of nature activities organised for employees working at the site in 2016), a participatory vegetable garden opened in 2017. A green spaces manager and their assistant were hired at the Campus to directly oversee the garden’s ecological management. They may also be tasked with fine-tuning relevant aspects of responses to calls for tenders, demonstrating Eiffage’s expertise in this area.

[32] Wildlife conservation near high-voltage pylons
Energy Systems personnel strive to preserve plants and animals. Rare and endangered plant species that grow near the sites of high-voltage pylons, such as angelica heterocarpa, are properly protected, as pylons are sometimes located inside designated Natura 2000 areas. Conversely, precautions are taken to prevent the spread of invasive plants such as ragweed. In a similar approach, lagging and brush clearance operations are scheduled to avoid bird breeding seasons and any nests built on pylons by hawks are relocated if necessary.

Enlarging our social footprint

Eiffage actively contributes to the social and economic vitality of regions via its many work sites and projects, the variety of its constructions, its strong commitment to training and integration into employment and ongoing dialogue with external partners.

As a builder of cities and a territorial stakeholder, the Group seeks to set the example through its development and support choices, its respect for the environment and each individual's surroundings, and through all-round involvement by means of initiatives for dialogue.

Impact on territorial development

Impacts	Investments Development of infrastructures including in emerging countries	Heritage enhancement	Purchasing	Employment Integration Training
Resources	Customer focus Industrial partnerships	Partnerships Sponsorship Knowledge sharing	CSR assessment/Audits Local development Certification support Support for innovation Partnerships/Interaction	Partnerships Sponsorship Job creation Skills development In-house training
Stakeholders	Government Local authorities Customers	Government Local authorities NGOs, Public	Suppliers Subcontractors	Local authorities Integration players Working population Young people

Impact on local population

Impacts	Risks for users	Works in residential areas Noise, view, odour pollution	Impact on property	Investments Development of infrastructure
Resources	Stakeholder Focus, Prevention, Management	Planning Consultation Stakeholder Contact, Focus	Consultation Stakeholder Contact Stakeholder Focus	Availability of infrastructure/services
Stakeholders	Users	Residents Users	Residents	Users

The Group's social footprint includes the impacts of its activities on territorial development (investments, infrastructure development, heritage enhancement, and contribution to employment and integration policies) as well as the risks that need to be managed (user safety, work in occupied environments, noise and odour nuisance, impacts on ownership for new infrastructures). The Group takes action to reduce the potentially negative impacts of its activities, particularly by developing consultation in the field.

Eiffage also runs multiple corporate philanthropy programmes, via the corporate foundation or based on local initiatives. Most of these initiatives relate to matters of integration into employment and society, which are priorities for the Group, but some focus on culture, sport and biodiversity protection.

Eiffage always aims to operate in harmony with local ecosystems, remaining a committed and responsible stakeholder at all times.

The Group strives to set a good example and demonstrate its commitment to:
→ contribute to regional territorial and economic development in France and internationally, and enhance local heritage;
→ boost the local economic fabric through multi-partner employment and integration policies;
→ maintain a policy of dialogue and consultation with local residents in order to develop communities harmoniously and limit impacts on health and the environment;
→ maintain relationships based on dialogue and consultation with partners;
→ develop sponsorships to support vulnerable sections of society and boost activities and employment;
→ use the Group's purchasing policy to integrate environmental and sustainability criteria into decision processes;
→ apply practices that are fair and respectful of customers.

Contributing to regional economic development and enhancing local heritage

Committed to territorial development in France and internationally

The Eiffage Group is a key player in sustainable territorial development via its many and diverse work sites and projects, whether to expand the motorway network, build or renovate infrastructures and buildings, develop sustainable energy grids, or design the city as a dynamic network for interaction and expansion.

Both in France and further afield, the Group is careful to address environmental and social issues at the earliest possible stage when bidding for contracts. The aim is to make a positive contribution to the operational implementation of projects that give proper consideration to climate and biodiversity issues, as well as the general concept of "living well together".

In 2017, in France, Eiffage launched or continued several major projects arising out of decisions by public authorities. These include a motorway regeneration plan, projects relating to the Grand Paris programme and the official opening of the Bretagne–Pays de la Loire high-speed rail line.

Elsewhere, the Group developed new infrastructures, especially in Africa and Latin America, facilitating mobility, access to energy and local development, with positive impacts for local communities and economic development. For projects such as these that durably shape their host regions, the Group always strives to propose sustainable solutions.

Monitoring the socio-economic benefits of the BPL high-speed rail line

The new high-speed rail link between Le Mans (Sarthe) and Rennes (Ille-et-Vilaine), commissioned in 2017, plays a key role in opening up Western France.Within the framework of its partnership with SNCF Réseau for the construction of the BPL high-speed rail link, ERE (Eiffage Rail Express) set up an observatory involving the French government and the high-speed link's other financial backers, representatives of corridor regions, economic stakeholders, urban planning agencies and associations, for a ten-year period (2012-2022). In addition to mandatory regulatory monitoring, the observatory aims to analyse the issues and opportunities associated with the arrival of the rail link, including in terms of regional development, job opportunities and local economic dynamics. It also aims to advance scientific knowledge of the behaviour of certain species and the rail link's ecological footprint.

Fostering access to fast, safe transport networks

Motorways play their part in the efficient transportation of goods and people, cutting journey times and enhancing road safety. Motorways also contribute to regional tourism and economic development by facilitating access to a rapid and flexible transportation network. Emblematic of this approach are the regeneration plan projects entrusted to motorway concession operators by the French government in 2015 following approval by the European Commission, which will make user mobility easier.

A number of major projects were initiated or continued in 2017:
→ development of the A36/RN 1019 interchange near Montbéliard, to enhance safety and enable traffic to flow more smoothly in northern Franche-Comté. The Group worked closely with local authorities to develop this project, which is another springboard for this border region's ambitions, alongside the Belfort-Montbéliard high-speed rail station, the Nord Franche-Comté hospital and the booming Jonxion business park. The environment and biodiversity protection are key priorities for this development, reflected in the budget allocation of €4 million;

→ widening works to upgrade the A406–N79 section south of Mâcon to two-lane dual carriageway; the Varennes viaduct is being doubled for this project concerning a link in the Centre-Europe-Atlantique motorway corridor. Built at a total cost of €39 million, fully funded by APRR, this development aims to enhance user safety by upgrading the Mâcon–Charnay-Lès-Mâcon section to motorway standards;

→ widening works on the southbound A6 motorway near Auxerre. An approximately 12 km section of this motorway is to be widened, to enable traffic to flow more smoothly and make overtaking safer. Accompanying these works, APRR will create nine anti-pollution ponds to filter runoff water from both sides of the motorway. Landscaping works will also be carried out, to more harmoniously blend the infrastructure into its surroundings.

Eiffage contributes to the development of France's wood industry

The Hypérion tower block in Bordeaux, due for completion in 2019, uses mostly PEFC-certified wood from the Nouvelle-Aquitaine region. This showcase project should help the local wood industry to expand in the construction sector. Lastly, work done by multi-disciplinary teams to develop assembly solutions for buildings taller than ten storeys, particularly for prefabricated insulated wall systems, will consolidate the expertise of this industry's professionals.

Quarry management creates direct and indirect employment in France

Solid rock quarries tend to be worked for decades or even centuries, and as such have a profound influence on local employment. Often located in rural areas, far from large employment basins, they are significant stakeholders in the local economic fabric. It is not uncommon for individuals to join the quarry as an apprentice and remain there until they retire. In operation for tens or sometimes hundreds of years, solid rock quarries have a significant impact on the local employment market. Often located in rural areas that are some distance from major employment centres, they are an important player in the fabric of the local economy. It is not uncommon for a site worker to begin their career working at a quarry as an apprentice and stay there until retirement.

The French quarry union (Unicem) estimates that for activities related to the construction industry, one job in a quarry generates two or three jobs in the processing industry, one job in the transport sector, one job at a quarry supplier, and enables 90 workers in the construction industry to continue their activity. The Stinkal quarry in the Pas-de-Calais area, estimates that the site has around 60 local suppliers. Eiffage manages a network of 100 quarries in mainland France.

International projects - Eiffage supports local economic development and upskilling

Issues relating to access to water and energy are high priorities from a health and economic development perspective, in Africa in particular. The development of sustainable means of transport is also a major challenge, especially in rapidly-densifying urban areas. Against this backdrop, Eiffage's goal is to become both a local partner, cooperating with domestic companies and supporting local upskilling, and a global player, leveraging the Group's ability to address complex challenges and targeting large, multi-business civil engineering projects.

Several large projects illustrating this approach materialised over the course of the year:

→ ground was broken on the Dakar regional rail project, in a consortium featuring Eiffage Génie Civil, Eiffage Rail and Eiffage Sénégal alongside the Turkish contractor Yapi Merkezi and a Senegalese partner, Compagnie Sahélienne d'Entreprise (CSE);

→ RMT, a Clemessy subsidiary, built pumping stations to distribute water in the capital of Benin as part of an emergency programme, for the water utility Soneb (*Société nationale des eaux du Bénin*);

→ several solar power plants in Morocco, Senegal and Mauritania were handed over by RMT, which has a policy of recruiting local workers, to whom they offer technical training ahead of the project, as well as supplemental or on-the-job training. For example, in Morocco, Clemessy Maroc is a rapidly growing subsidiary that employs 300 people (200 temporary workers and 100 on permanent contracts), all of whom are Moroccan; the workforce receives training both onsite and through exchanges with Clemessy's Trades Academy in France;

→ port expansion works were carried out for the Bolloré group in Ghana and Liberia. The Infrastructures division is handling the civil engineering aspect and RMT is installing energy networks;

→ West Africa's first engineered landfill facility was built, and a new lake created, in Togo, in partnership with Coved and GER, a Togolese construction contractor.

Dynamic CSR policy by Eiffage Energía in Chile

Eiffage Energía Chile works with its customers to apply project-specific "environmental qualification resolution".

The various projects developed with this approach have enabled Eiffage Energia to:
– replant almost 15,000 units of various species of locally native shrub in the Atacama desert;
– extend the football stadium in the city of Colina, in the Santiago Metropolitan region;
– resurface one third of the streets in Colina;
– invest in the creation of a renewable energy training classroom at the University of Lquique, in the Tarapacá region;
– invest in a project to relocate and preserve the Huellas Troperas, which are important archaeological remains in the Tarapacá region (Atacama desert);
– invest to improve and preserve the Tambos, an important archaeological site in the Atacama desert.

Eiffage Energía Chile is also committed to training and hiring local personnel from the various communities in which it is developing its activities. The workforce currently includes nearly 30 workers from various communities in the Tarapacá region. The company aims to double this figure over the coming years.

Construction projects to meet the emerging needs of residents and users

The Group handles construction and urban development projects that contribute to local development while striving to more effectively combine housing supply with the creation of economic and social activities. The Group must also anticipate changes in society, with a view to combating social isolation, reducing energy insecurity and shortening commuting times, for example. Eiffage's sales offering seeks to encourage social diversity, intergenerational balance and local solidarity initiatives.

Eiffage Immobilier's "Cocoon'Ages" intergenerational housing offering is a resounding success

In anticipation of demographic changes and people's needs, Eiffage Immobilier and Récipro-Cité, a social engineering firm specialised in intergenerational balance, teamed up to develop Cocoon'Ages, an intergenerational family accommodation programme featuring appropriate architecture and a range of services and activities. Contracts were signed for 11 projects in 2017, four of which are now under construction. Although launched only three years ago, Cocoon'Ages is already a great success, proving that the concept addresses a clearly identified social need.

For example, in the Vallon des Gavots area of Aubagne, an intergenerational residence with a floor area of 4,800 m² is being built. This development will feature 79 apartments, a 32-cot crèche, a retirement home, a large shared patio and community vegetable gardens. Ground has already been broken on two other projects, respectively featuring 94 homes in the Smartseille neighbourhood in Marseille, and 84 in the Maillet neighbourhood of Guyancourt.

The considerable interest shown in this concept by housing associations is also due in part to Eiffage and Recipro-Cité's commitment to create and fund services such as activity centres, community gardens, crèche management services and a shared computer room. The partners agree to operate these services for two years. The aim during the initial two-year period is to begin forging relationships centred on shared activities, so that residents, supported by the housing association, can then take over and maintain these services over the long term.

Another exemplary project is the Brazza renovation programme, one of Bordeaux's flagship urban regeneration projects. Eiffage Immobilier is to deploy the Cocoon'Ages concept, including among other things a participatory concierge service, to encourage community spirit via the exchange of goods and free services, together with additional paid-for services depending on residents' needs and requests. Lastly, a secure, easy-to-use "digital resource library" will provide extensive IT and digital functionality to residents of all ages.

The first residents moved into the Smartseille green neighbourhood in October 2017, following the handover of the first 60 apartments for first-time buyers and 49 apartments for the Erilia housing association. The new residents arrived to find gift vouchers for neighbourhood concierge services and a car-sharing scheme.

Construction projects benefiting neighbourhood regeneration

New construction projects must give careful consideration not only to protecting the local heritage and designing environmentally friendly, energy-efficient buildings and homes, but also to the means of fostering sustainable neighbourhood dynamics (in terms of new forms of mobility and accessibility, diversified economic activities and housing, and the creation of new services). The exemplary projects [33] developed by Eiffage in 2017 are all guided by this triple focus.

11
The number of projects signed in a strong debut for Cocoon'Ages intergernerational living

[33] **The Grand Hôtel-Dieu conversion project in Lyon wins the 2017 "Silver Pyramid" award from the Lyon region property developer's association (FPI-Lyon)**
The "Silver Pyramid for the FPI Regional Grand Prize" was awarded to the Grand Hôtel-Dieu project, which was France's largest-ever private project to convert a listed building.

From the outset, the project was run by Eiffage and its partners.

This award – the competition's most prestigious – was presented in recognition of the project's strengths:
- complex conversion of a unique heritage site;
- former hospital listed as a historic monument;
- project featuring innovative and aesthetic equipment and uses;
- functionality that supports social inclusion and the city's development;
- diversified activities sharing a location;
- development in which shared and private spaces co-exist harmoniously and are consistent with the environmental, social and economic principles of sustainable development;
- project open to the public and the city, via seven entrances leading to 8,000 m² of courtyards, gardens and arcades;
- Breeam Bespoke environmental certification, rated "Very Good".

The site of the RATP's "Ateliers Jourdan-Corentin-Issoire" bus depot in Montrouge is being redeveloped to create 191 social housing apartments, a 365-room student residence, a 66-cot crèche, a 33-place kindergarten, a 200 m² retail store and 108 apartments for first-time buyers, while also maintaining the bustling economic activity at the modernised 180-bus maintenance depot.

Eiffage Aménagement and Eiffage Immobilier are building the International Gastronomy Centre in Dijon, one of the largest projects in France, combining heritage conservation with economic and cultural development. The 70,000 m² International Gastronomy and Wine Exhibition Centre is being built on a 6.5-ha site in the city centre. The architectural project will reflect the centre's status as a heritage site featuring various listed buildings. The existing 16th-, 17th-, 18th- and 19th-century buildings will be renovated and a number of contemporary structures built. The project has been designed with a view to qualifying for HQE Aménagement certification, which focuses on core sustainable development goals: ensuring that the project integrates seamlessly with the host urban fabric and at other territorial scales; preserving natural resources and enhancing the development's quality from an environmental and health perspective; promoting social life in the vicinity and consolidating economic dynamics.

New services for new forms of mobility: APRR and AREA support day-to-day car-pooling

APRR and AREA are actively encouraging collaborative mobility through experimentation and innovative partnerships, in particular with IDVroom. The aim is to make this new way of travelling appealing, particularly for routine trips, by providing users with a simple-to-use service that enables car-poolers to contact each other easily, and by providing car-pooling parking facilities and a dedicated toll subscription package.

The test phase initiated in November 2016 on the A43 motorway in Nord-Isère concluded in September 2017. This Pop & Vroom car-pooling route was extended and supplemented with other routes in Rhône-Alpes, on the A41, A42, A48, A49 and A51 motorways. The resulting network covers Chambéry, Annecy, Grenoble and Valence. The first in-house route intended for business travel by APRR and AREA employees was launched on September 18th 2017; this route operates between the two head offices, in Saint-Apollinaire and Bron.

APRR is a partner in an innovative project to enhance mobility and increase community appeal

In the context of its partnership with Tubà, the "urban experimentation tube", APRR took part in the Mobup challenge issued in 2017, alongside another private-sector partner, Veolia, three public-sector organisations (Regional Council of Auvergne-Rhône-Alpes, the Apidae centre and Chambéry Métropole), and two expert stakeholders (the Imaginove competitive cluster and Cluster Montagne). Each of these stakeholders has its own specific digital data, expertise and areas for experimentation.

The primary goal of this innovation-oriented initiative was to identify how new technologies can lead to solutions to enhance the appeal and harness the tourist potential of the Auvergne-Rhône-Alpes region, in particular by facilitating the development of new digital solutions in the areas of green tourism and mobility in mountainous areas.

By making innovative companies more visible and providing them with personalised support (including access to exclusive data) and enabling practical experimentation in the field, this project is helping to develop new forms of mobility that will in turn generate new tourist flows.

Boosting the local economic fabric with action for employment and integration

The projects executed by Eiffage Group companies are significant local job creators, both in France and internationally. The construction sector has always been a powerful "integrator" offering scope for employment and self-fulfilment to people with highly diverse profiles, particularly people with few qualifications, who find real opportunities to enter the world of work.

Beyond compliance with the labour clauses included in some contracts reserving a specific volume of work hours for unemployed individuals, Eiffage's internal policies encourage active collaboration by the divisions with local integration partners. This approach is common for major projects.

For example, on the A6 motorway work site, APRR entered into an agreement with a local employment and training organisation, Maison de l'emploi et de la formation de l'Auxerrois. Companies subcontracting from the consortium agreed to comply with this agreement, which ringfences 10,000 hours of work for people on integration programmes. After one year of work at the site, that target has already been beaten, with 12,000 hours worked. More than 30 people on integration programmes (representing seven full-time equivalent positions) are working at the site, some on vocational training contracts. Some positions, such as controlling access to storage areas, require only limited qualifications, giving people isolated from the workplace a leg-up into work.

On Reunion Island, over a period of three years, the construction of the Grande Chaloupe viaduct on the new Littoral coastal road delivered a real boost to local integration efforts in an area facing very severe employment challenges. Almost all site work was subcontracted to local companies with a goal of integrating people experiencing difficulty finding work. The initial target of 11,550 hours via integration programmes was smashed, with the final count reaching 47,600 hours. During the work, seven individuals were hired on project contracts at the end of their temporary employment period.

The Construction division is also a major contributor to local employment and work integration dynamics, as illustrated at the work site for the new Robert Schuman conference centre in Metz. This project, for which the structural work was completed in 2017, with handover scheduled for late 2018, has generated work for numerous local small businesses as well as providing work integration opportunities.

The contract includes a commitment to provide 30,000 hours of work (representing 18 full-time equivalents) to people on work integration programmes. By April 30th 2017, 74% of the 30,000 hours had already been allocated to people on work integration placements, of whom 10% were women and 30% under 26 years old. The contract also includes a commitment to entrust 30% of the works, by cost, to small businesses. halfway through the project, this target has been far surpassed, with 50% of the work performed by local SMEs.

Eiffage and Crepi clubs join forces for work integration

Firmly rooted in the local economic landscape, the Crepi clubs of companies provide pragmatic solutions for jobseekers. Eiffage's regional departments are active members of these clubs. The Crepi clubs are locally-known "gateway organisations" able to put people struggling to find work in contact with local businesses and the public employment service. In 2017, the Crepi clubs organised "Odyssée 2017", a meet-up attended by more than 2,000 people in France, including 1,445 jobseekers and 447 company representatives.

The Crepi clubs are helping Eiffage to address integration issues even more effectively [34], in many cases going beyond contractual clauses – whether quantitative (number of hours worked) or qualitative (long-term integration and qualification solutions) – as the Crepi organisations have strong roots in the local economic and social ecosystem, which helps them to operate efficiently.

As it works to establish a long-term presence in Africa, the Infrastructures division cultivates trust-based relationships and long-term partnerships with local public and private-sector stakeholders. Most suppliers are African, aiding local economic development. Similarly, 95% of employees are local workers, which also helps to anchor the Group in the country. Eiffage has also set up occupational training programmes, with a particular focus on risk prevention and safety issues. Note that the safety standards, methods and targets applied in Africa are exactly the same as in France.

Encouraging dialogue and consultation with local residents to develop territories harmoniously

Proper execution of projects entails taking into account their impacts on local residents [35] at every stage. Consultations are systematically carried out in advance, to facilitate land purchase procedures. While work is underway, the Group implements technical solutions and consults with local residents to reduce any nuisances caused by the work.

Encouraging dialogue and consultation with local residents to develop territories harmoniously

Land transactions are a key element of motorway construction; APRR and AREA take a very active consultative approach with all stakeholders, holding regular public and one-to-one meetings to address economic, agricultural and habitat-related issues, and adopting appropriate measures on a case-by-case basis. A dedicated, permanent information system is in place, with priority always given to voluntary agreements, whether for acquisitions subject to eminent domain or to determine compensation. Concerning the new offset measures aimed at consolidating local farming economies, APRR commissioned a study from the Puy-de-Dôme Chamber of Agriculture in 2017, relating to the A75 motorway widening project.

Minimising nuisances to communities through better communication

During standard projects, external communication is conducted directly by the project director and his or her team. For some larger projects, a dedicated communication department is set up to initiate and coordinate non-corporate communi-

[34] The Île-de-France Crepi club selected to oversee the "businesses & neighbourhoods" charter
The General Council of Yvelines has selected the Île-de-France Crepi club to monitor and uphold the "businesses & neighbourhoods" charter in the Yvelines department. This charter, to which Eiffage is a signatory, defines numerous field initiatives to spur local integration (such as the work-study fair organised in Mantes-la-Jolie, a town identified as a priority for the department).

[35] Noé logistics platform for more peaceful projects
Noé is a shared services platform designed to improve management of project impacts on local populations and citizens (traffic disruptions, temporary deviations, work site supply operations, respect for environmental constraints). The goal is also to rationalise land use in time and space (management of site accommodation, temporary car parks, excavated earth, materials storage and transport, food truck, etc.). The services will be available for current or future projects on the territory of the Bordeaux-Euratlantique public authority.

cation with stakeholders (residents, local and regional authorities, community organisations, etc.). Projects like the Géant Casino shopping centre restructuring in Saint-Étienne, the T4-T5-T6 projects to install roofs over railway tracks near Saint-Lazare station in Paris, and the Luma Foundation in Arles continue to demonstrate Eiffage's focus on communication with residents and local and regional authorities during active projects. For T4-T5-T6, social media information campaigns and traffic restriction notifications on Waze were successfully deployed. The Infrastructures division now proposes this type of offering spontaneously.

Creating wildlife corridors when redeveloping quarries

Quarry redevelopment plans have seen significant changes in recent years. Designed in partnership with local councils and non-profit organisations, and approved at department level, these plans sometimes call for backfill or re-shaping to create areas conducive to biodiversity, or create tap water and fire-fighting water reservoirs. Plans generally rely on a multi-faceted solution that addresses the various local challenges, including protecting biodiversity.

Accordingly, the Stinkal quarry in Ferques is helping to implement a redevelopment plan overseen by the Caps et Marais d'Opale regional nature park. The plan aims to recreate spaces conducive to biodiversity in areas that have already been redeveloped. Wildlife corridors, tree planting and eco-grazing areas and ponds all feature in the plan. Eco-grazing agreements with local sheep farmers have been put in place. Ponds for amphibians and bat roosts have been created.
All wildlife-oriented developments at quarries are regularly monitored by local non-profit organisations that come to observe such species and their development. This monitoring is maintained throughout the quarry's operating period and even after it has been redeveloped.

Careful attention is also paid to the overall integration of facilities into their surroundings, and tree-planted earth banks are often created nearby, to help the quarry blend into the landscape.

To enhance the dialogue between industrial facilities and local residents, more and more quarries are creating observation trails and ledges, where people can observe the site and quarrying operations from a safe distance, and learn more about the business. Such facilities may be found at the Stinkal and Grands Caous quarries, for example.

Relationships with stakeholders: listening, consultation and dialogue

Knowing and taking account of the needs and expectations of stakeholders, controlling the impacts of activities on civil society, and preventing risks arising from reciprocal misunderstandings are key issues for the Group's businesses, which by nature are carried out close to local populations. Social acceptance of Eiffage's activities is crucial to development that can be sustained over the long term.

Relationships with the public based on consultation, information and quality of service

Consulting and communicating with the general public [36] is standard practice in the divisions, and a crucial factor in the acceptability of projects and activities of all types: linear infrastructure, construction, renovation in occupied sites or quarry operations.

All APRR and AREA motorway projects involve an extensive information programme across multiple media aimed at a broad audience: posters, specific construction signage, printed newsletters, dedicated websites and email addresses, etc.

In 2017, APRR continued to roll out the Smart website, providing temporary mobility support during the A89-A6 motorway project north of Lyon, which was handed over in late February 2018. The site presented and regularly updated the project goals, construction schedule, deviations, key phases and progress updates. Registered Smart users were also able to receive personalised information about traffic disruptions and deviations in the area.

Customer satisfaction surveys are also being conducted in the divisions, particularly in the context of ISO 9001 certification efforts. The "environment" section of Clemessy's 2017 customer survey included a question relating to eco-design, to assess customer awareness about this topic: some 45% of customers declared that eco-design criteria were already or were becoming decisive factors in their choices.

APRR regularly conducts surveys concerning motorway operation to assess customer perceptions of service. However, points requiring improvement or corrective measures are mainly detected through written complaints or verbal requests received. In 2017, the number of customer service tickets declined from 41,000 to 36,000, with a significant fall in vehicle class errors at AREA. In 2017 as in previous years, over 98% of customer complaints and requests

[36] **The Infrastructures division rethinks its customer focus policy**
Following its reorganisation and the unification of the environmental and quality management system, the Infrastructures division conducted a review of its customer focus methods, as the growing number of tools and media had made it difficult to compare the efficiency of the different means used to collect information. The division therefore created a smartphone application to collect and centralise information in a single file, including questions on environmental topics in particular. The application can be used to efficiently and objectively log customers' comments and expectations on topics such as execution quality, preservation of natural habitats and employee safety.

were processed within ten days. Data flows are monitored throughout the year, and any increases in volume are investigated.

The Group and its subsidiaries are regularly assessed by their customers and investors. Responding to CSR questionnaires is an opportunity for dialogue and review with the requesting party.

Work in occupied areas - Active dialogue throughout projects to minimise disruption to occupants' activity

Working at occupied sites requires special consideration for the needs and restrictions of the customer or occupants, excellent responsiveness and flawless organisation. Such activities lead to particularly active dialogue.

At Eiffage Construction in particular, as energy renovation projects grow more common, direct interaction is increasingly becoming a prerequisite for carrying out work in homes. The division deploys dedicated consultation systems to gather feedback and questions from residents and local populations. At work sites in residential areas, for example, stakeholders greatly appreciate direct contact above and beyond poster campaigns and brochures. The division can provide a full-time public relations manager to respond to inquiries from residents. This individual runs meetings and pilots communication relating to the project (website, posters, communication in the daily regional press), thus serving as a project facilitator.

The Géant Casino hypermarket in Monthieu – A huge project carried out with the site open to traffic and business

In 2017, as part of the project to restructure the Géant Casino hypermarket in Saint-Etienne de Monthieu, the consortium formed by Forézienne d'entreprises and Eiffage Route completed the work to fully redevelop the car parks and approaches to the retail buildings.

The multi-storey outdoor car park was expanded by 500 spaces and the upper level was planted to create a promenade for local residents.

The project to expand the retail arcade at the Géant Monthieu centre also included renovating the two-lane dual carriageway roads linking to the RN88 main road.

Particular attention was paid to this gateway to the city: the site was planted and transformed into an urban boulevard, to encourage motorists from the Gier valley to shop in central Saint-Etienne.

One of the difficulties involved with this exceptional project (which required the removal of 30,000 tonnes of road surface and 15,000 m² of base course materials) concerned the need to maintain traffic and work with the site occupied, to avoid hampering economic activity at the city's largest shopping centre.

Two people were mobilised almost round the clock, including certain weekends, depending on the work phase. Signs and road markings were put in place, and were checked on regularly. Numerous meetings on this particular topic were organized between the client and the project manager, with managerial staff (works engineer and foreman) present.

Listening to road users to facilitate mobility

Protecting users, informing them [37] and offering them quality services are the three goals pursued by APRR and AREA via their network of accessible and responsive employees. Particular attention is paid to integrating and using digital tools in customer relationship management, to provide personalised support before and during customers' journeys (e.g. the Smart website on the A89-A6 link mentioned above). The quality programme for motorway service areas is also continuing, for example with new improved sheltered and outdoor spaces at rest areas to favour relaxation.

In 2017, APRR and AREA rolled out two new quality of service reference documents, intended for all employees liable to interact with customers. The first reference document, entitled "Greeting customers at motorway areas" sets out six commitments and highlights a number of "unacceptable" situations (rest areas must be available every 30 km, two consecutive areas must never be closed at the same time, etc.).

An equivalent charter of commitments was created relating to the customer assistance strategy in response to a breakdown on the APRR-AREA network. This charter lists seven commitments and, as before, identifies unacceptable situations (such as two consecutive roadside emergency telephones out of service, or any failure to process calls, for example).

Booklets distributed to employees focus mainly on best practices. APPR and AREA strive to uphold these commitments, providing support to managers but also performing unannounced inspections, including with "mystery customers" and addressing issues arising out of the almost 40,000 customer inquiries received annually.

[37] **APRR-AREA's new customer newsletter celebrates its first year in print**
In mid-2016, APRR and AREA completely rethought their newsletter, adopting a new editorial line more focussed on customers' centres of interest. "Changez d'aire" (roughly translated as "Fresh Area") now includes more articles on cultural and tourist excursions within easy reach of the network. The newsletter still contains information on works and winter motoring, but with less emphasis. APRR and AREA are also developing a more personalised information service. Geolocatable customers can now be sent "editor's suggestions" relevant to their location. The new newsletter is helping to redefine APRR-AREA's image as a mobility partner.

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electric vehicle fast-charging stations installed on the APRR AREA network between 2016 and 2017

Service areas are also undergoing renovation and offer a range of spaces and facilities for easier mobility. Alongside a larger number of charging stations for electric vehicles and car-pooling car parks, dedicated sales offerings are being rolled out to encourage new forms of mobility.

To support the development of electric mobility, electric charging stations have been deployed via an agreement with Sodetrel. These fast-charging stations operate using either prepaid cards or on a subscription basis on preferential terms with volume discounts. Other operators, such as Tesla, are providing systems suited to their electric vehicles. Lastly, APRR and AREA have committed to waive the security deposit and electronic toll badge management fees for the first two years when customers subscribe to a Balade Electrici-t package.

Within the framework of their certified Diversity initiative, APRR and AREA provide a special service for deaf and hearing-impaired customers. Access to information is facilitated by means of a translation platform developed by the specialised company Acceo. The platform puts customers in contact with a helpdesk agent trained in sign language or in direct speech transcription. This new channel means a hearing-impaired person can now obtain information like any other customer.

Bespoke partnerships with NGOs and community organisations

The divisions and entities of Eiffage build partnerships with NGOs on a local or broader scale to support local or Group social initiatives (for instance for employment integration with La Cravate solidaire, or for housing with Habitat et Humanisme) and environmental action (LPO, Humanité et Biodiversité, etc.).

Eiffage Sénégal – Longstanding community service

Eiffage Sénégal is a 2012 signatory to the Charter for CSR and sustainable development of Senegalese companies. In 2017, Eiffage Sénégal's CSR policy was assessed by Afnor, with contributions by the various stakeholders identified by the company. Following this assessment, based on the seven pillars underpinning the ISO 26000 standard, Eiffage Sénégal was awarded a score of 647 out of 1,000, confirming the maturity of its CSR commitment.

Eiffage Sénégal has been assisting employees and local populations for many years, in particular by providing logistics support to NGOs. This held true in 2017, with the company supporting the community of Bargny with a project to use a canoe as a vector for community development and the integration of women and young people. The project entailed building a canoe and related fishing equipment, as well as a community centre featuring a library, cyber-centre and community school (providing pre-school and after-school activities). These two projects were carried out as "teaching projects", training young workers from the local neighbourhood.

Eiffage Sénégal also stands out for its regular initiatives since 2003 to raise awareness of the risk of AIDS among employees, subcontractors and populations near its project sites, in partnership with public and private-sector organisations. It also operates programmes to provide suitable academic infrastructures, school supplies, signage, etc., to populations in disadvantaged regions, in synergy with employees, who are partners in this community action.

In 2017, Eiffage Sénégal took part in cooperative projects involving French and Senegalese partners, building and renovating maternity facilities (in Toubacouta and Ouakam) to provide quality healthcare for women and families.

Separately, the Infrastructures division teamed up with an NGO associated with the Centrale-Supélec engineering academy for a project to build two classrooms in Togo. Eiffage contributed the cost of the materials, and the work was coordinated by the NGO with the active participation of the villagers, who helped to extend their school.

Eiffage Construction partners with the Abbé Pierre Foundation to assist emergency accommodation providers in France

The partnership between Eiffage Construction and the Abbé Pierre Foundation dates back to 2005. This partnership originally concerned a number of property developers, including Eiffage Immobilier, which made a joint commitment to make a donation linked to the number of homes sold. In 2010, Eiffage Construction and the Foundation jointly decided to inject new impetus and changed their approach, to better address the needs of emergency accommodation providers. Another aim was to involve Eiffage employees more closely in a project that would move beyond purely financial support.

Each year since 2010, the Abbé Pierre Foundation has identified one or more locations in need of major renovation work, with Eiffage Construction carrying out the necessary construction and/or refurbishment works at its expense. Once selected, Eiffage Construction's local subsidiaries work with the emergency accommodation providers to define the required work.

Also since 2013, Eiffage Construction has organised benefit concerts for the Abbé Pierre Foundation, in partnership with the charity "Saison Solidarité".

Eiffage active in industry associations

Eiffage is a member of numerous national and local industry associations (FNTP, FRTP, EGF BTP, Serce, Usirf, Unicem, UNPG, AFGC, CNCT, CIAN, Cetim, Construir'Acier, etc.) and also holds offices to represent the profession, in particular in the Medef and the Medef International group.

In particular, Eiffage representatives make an active contribution to the work of the technical, risk prevention and sustainable development commissions. The Usirf Environment commission is, for example, currently chaired by the CEO of Eiffage Route.

Partnerships with SMEs to support innovation

In line with its responsible purchasing policy, the Group is committed to taking the local and regional workforce into account, notably by including SMEs in its sourcing activities.

Furthermore, to accelerate innovation, Eiffage is increasingly open to the research community and start-ups [38]. The Sustainable Development and Transversal Innovation department works closely with key business incubators such as Paris&Co and Impulse Partners, which support such innovative start-ups.

Considerable potential exists for interfaceable, reproducible solutions in multiple areas, including urban farming, new and renewable energy mixes, resource optimisation in maintenance businesses, real-time energy measurement and adjustment, the urban Internet of things, or intelligent and shared parking solutions.

In keeping with this “open innovation” attitude, the Group submits and responds to requests from suppliers and large customers participating in a joint innovation approach, in particular to select and test new materials and processes.

The development of the Smartseille eco-neighbourhood serves as a laboratory where shared parking and urban farming solutions developed by two start-ups have been deployed.

Eiffage Group entities regularly implement a variety of innovative solutions via partnerships with start-ups (such as the car-pooling offer by APRR). APRR is also a partner in Tuba, a collaborative urban laboratory in Lyon, sharing data with other service companies in order to create value in the smart city.

Developing partnerships and sponsorship initiatives to root projects in communities

As well as being recognised local economic stakeholders, Eiffage group companies take part in cultural and social partnerships and philanthropy initiatives. These initiatives are often supported by the Eiffage Foundation, in close coordination with the entities in the field. Other, one-off initiatives emerge from the close relationships the entities have with their local ecosystem.
Under the 2015 agreement with the French Ministry for Communication and Culture, whereby the division agreed to host an artwork in each newly completed property, Eiffage Immobilier organised a novel event in 2017, at the opening ceremony for an office development in Chambéry: guests were able watch Robert di Credico, an artist from Aix-les-Bains, create a work of art in public.

APPR supports a variety of events and organisations at locations served by its network, strengthening its roots in host territories and communities. For example, in 2017, APRR became a sponsor of the National Centre for Stage Costume in Moulins. This institution, located in central France and accessible via the A71 motorway, received a contribution toward the cost of organising its annual exhibition. In a similar vein, APRR offered its support to the Jeanne-d’Arc Vichy-Clermont Métropole basketball club (A71 and A719 motorways), and to the archaeology village set up by the National Institute of Preventive Archaeological Research (Inrap) at the Gallo-Roman museum in Lyon. Likewise, AREA backed the festival of baroque music in Valloire.

Eiffage Immobilier and the Pavillon de l’Arsenal continued their partnership initiated in 2016, co-funding exhibition and publishing projects on sustainable construction and urban planning. The Pavillon de l’Arsenal in Paris contributes to outreach and public dissemination of knowledge of urban planning and architectural heritage in Paris and the surrounding region. This unique institution celebrates construction and architecture via an information centre devoted to recent history and current affairs in urban planning and architecture in and around Paris.

In Africa, the Infrastructures division regularly develops relationships with NGOs to support construction projects. For example, in Togo in 2017, the company, in partnership with the École des Ponts Paris Tech engineering academy and an NGO named Dévelop’Ponts, supplied all the necessary materials for the construction of classrooms in Kpalimé, a city with a population of 100,000. This project has enabled children under six to attend school, which they were previously unable to do, or at least not safely. The project was run by Asof Togo, a local NGO. The work was carried out by local tradesmen, residents and the Togolese and French NGOs.

[38] I-Street pilot project: partnership with start-up OliKrom

As part of the I-Street pilot project aiming to create «systemic Innovation in support of ecological and energy transitions in road transport infrastructures» led by the Group, Eiffage Route signed a strategic partnership agreement in April 2017 with OliKrom, a start-up specialising in smart pigments based in the Bordeaux area, France.

This partnership will allow Eiffage Route and its subsidiary AER, specialised in road equipment, to test innovative road markings visible in all situations and contributing to road safety. In November 2017, I-Street was announced as the winner of the “Roads of the future” call for projects issued by the French environment and energy management agency (Ademe).

Special mobilisation by Eiffage Énergie Systèmes for the relief effort on Saint Martin in the Caribbean

Local teams from Eiffage Énergie Systèmes were immediately mobilised in the wake of hurricane Irma, which devastated the island of Saint Martin on 5 and 6 September 2017. By 11 September, six employees from Guadeloupe and Martinique had been sent to the island by helicopter for a six-week operation on behalf of the Caribbean operator Digicel, to return antennas to service at temporary sites, an operation that was completed in November 2017.

At the same time, an employee from the electrical engineering department was dispatched on 14 September to assist with reopening Grand Case airport and the island's sub-prefecture. Three company employees remained on site until the end of February 2018, restoring electricity, telephone and air conditioning facilities.

As early as 16 September, as part of its "storms" agreement with EDF, adapted for the circumstances, Eiffage Énergie Systèmes Guadeloupe mandated by prefectural order seven employees from its island networks service to straighten EDF power lines. As of 5 October, this was increased to ten. Extensive material resources were mobilised for this operation (including two tonnes of plant and equipment, two repair vans, two cradles, a mobile crane and a digger, as well as 2,000 bottles of water, mobile stoves and inflatable beds, etc.). At the end of February 2018, three company employees were still working alongside EDF to complete the operation.

Eiffage Sénégal participates in numerous community initiatives in sports and education, through equipment donations, business creation assistance or financial support for social and environmental projects. Recent examples of such projects include renovating classrooms at schools in Guédiawaye, or the social worker training centre in Saint-Louis. In 2017, two maternity units were built and/or overhauled by Eiffage Sénégal, with additional French funding, giving women and families access to effective healthcare facilities.

The Eiffage Foundation supports community projects in the area of social and work integration for people in difficulty. It develops multi-year partnerships to support these actions, for example with Solidarités nouvelles face au chômage, which provides support to almost 4,000 jobseekers in France; with the Jardins de Cocagne network, which employs 4,000 people on integration programmes centred on organic market gardening activities; with ATD Quart-Monde, which is conducting trials with companies that exclusively employ the previously long-term unemployed; and with Passeport Avenir, which provides volunteer mentors (Eiffage employees) to help underprivileged youths pursue promising careers. All these actions strengthen the Group's local roots and relations with host communities.

Since 2016, a new socially-oriented partnership has also been in place, via a "Fondation Insa Lyon – Eiffage - Institut Gaston Berger" sponsorship agreement devoted to social responsibility among engineers. Under this agreement, Eiffage is funding a sociology PhD thesis on "CSR and professional practices helping to transform work activities".

Including sustainable development in selection criteria via the Group's purchasing policy

The Group's purchasing is widely varied and breaks down as follows:

→ subcontracting, contracted services and labour accounted for 52% of total 2017 expenditure;

→ The other half of expenditure consisted of:
- supplies, equipment and materials (37%);
- overheads, utilities, property costs, IT and telecommunications (approx. 10%).

Within the framework of Eiffage's 2020 strategic plan, the Purchasing department defined its roadmap based on the following main focuses:

→ strengthen supplier relationship management:
- identify the businesses' strategic suppliers and build special relationships;
- include suppliers in supplier relationship management (SRM) programmes;
- involve sponsors from the operational departments in the relationship;

→ involve suppliers and purchasing in innovation:
- define a shared open-innovation management system with the sustainable development department;
- foster collaboration with start-ups;
- capture and disseminate supplier innovations implemented in the field;
- organise supplier challenges on innovation-related themes;

→ foster employee development:
- improve visibility and provide a framework for job descriptions and advancements for the whole purchasing organisation;
- train all operators in the "basics of purchasing";
- encourage buyer involvement in cross-company projects and mentoring;
- continue training and induction for new buyers: a new buyer induction module was introduced in 2017, as well as a module on securing supplier relationships as part of the Eiffage University specialised master's course in purchasing;

→ facilitate the work of operational staff by introducing purchasing communication tools (access to framework agreements, directory of buyers by category and region, etc.).

Responsible purchasing

The responsible purchasing policy developed in collaboration with the Group's environment managers is applied to product categories such as office supplies, telephony, waste, site accommodation and work clothes.

Paper printing and consumption

In 2015, the purchasing department ran a specific campaign on paper printing and consumption. Its goal of reducing the

Group's volume of printed matter by 44% is designed to get employees to rethink their daily habits in this area, which can seem insignificant whereas in fact it represents an important source of savings. Clemessy and APRR have been hitting their target of saving 44% on printing since 2016.

Carbon emissions

Reducing carbon emissions from employee travel remains another key focus of corporate and division-level greenhouse gas emissions reduction plans. Purchasing functions are helping to achieve this goal, by taking part in the eMat project and by regularly updating a table of cars and commercial vehicles with information on average carbon dioxide emissions. Furthermore, the fleet now includes 70 electric vehicles.

Waste management

New waste-related contracts were agreed for the period 2017-2018. The Purchasing department provides the whole Group with a list of approved suppliers by waste category, while also introducing stricter traceability and reporting requirements.

An online dynamic map enables all employees concerned by such matters to view service provider locations by waste type, thereby making it easier for field personnel to choose appropriate partners.

Including supplier and subcontractor social and environmental responsibility in supplier relations

Purchasing Charter of Commitment

The Purchasing Charter of Commitment supersedes the Purchasing Code of Conduct, which has been overhauled and issued to all Eiffage Group buyers, who are asked to acknowledge that they have familiarised themselves with it. It highlights specific aspects of the purchasing function's practices, behavioural rules and ethical standards, as well as Eiffage's expectations of its suppliers and subcontractors.

Contract coverage

The Group's Purchasing department maintains its target of 50% coverage of suppliers under framework contracts, in particular via deployment of its new Group strategy.

Sheltered work organisations

Buyers also seek to support the recourse to workers with disabilities, in particular from the sheltered sector. Eiffage outsources a portion of building and green space maintenance and cleaning services to nearly 100 sheltered work organisations.

CSR

All contracts signed by our suppliers include CSR clauses reminding them that Eiffage has joined the Global Compact and requiring suppliers to uphold its principles.

Fraud alert

To inform suppliers of the risks of fraud and identity theft in purchase orders, a warning message has been posted on the Eiffage website.

Regarding the prevention of illegal work, Eiffage supports the initiatives adopted by the profession in France; specifically, the Group upholds the "Code of best practice in the construction sector" relating to subcontracting and the fight against illegal work. Furthermore the Eiffage University's "Introduction to Subcontracting" course addresses the legal formalities and provides practical recommendations for avoiding the risk of illegal work-related problems.

Our commitments to fair and responsible business practices

Anti-corruption initiatives

For many years, the Eiffage Group has upheld internal and third-party ethics guidelines applicable to all relevant stakeholders, which notably include the Group's employees. Through these commitments, the Group aims to foster integrity and statutory compliance across all entities and in all regions in which it operates. They also reflect the desire to build trust and loyalty among customers and partners.

In an environment that is increasingly demanding in terms of transparency and precision, the aims of the Code of Conduct include defining and giving examples of the various types of behaviour that must be prohibited, due to their potentially serious repercussions on the Group's activities, with a view to preventing their occurrence and complying with applicable legislation.

The main aim of the guidelines set out in the Code of Conduct is to prevent and prohibit anti-competitive behaviour, favouritism, corruption and influence-peddling. They also cover money laundering and conflicts of interest.

Eiffage also operates a whistleblowing system that enables any employee aware of anticompetitive practices, acts of corruption or abuse of confidence to report them to management bodies. The procedures introduced by the Group provide concrete tools for managing the risk of irregular practices that might otherwise pose a genuine threat to the company's image and reputation. This procedure has a limited scope and is subject to strict implementation conditions that ensure respect for employees' freedom and basic rights and prevent anonymous accusations.

Due Diligence Plan

In accordance with recently-introduced French legislation requiring parent companies to exercise due diligence with regard to their constituent entities, the Group has implemented a series of initiatives aimed at producing a coherent due diligence plan applicable Groupwide:

→ A "Compliance governance" committee chaired by the Group's Chief Financial Officer, covering various directly impacted corporate functions and representing all divisions was set up in late 2017;

→ An updated version of the Code of Conduct was drafted in 2017 and is currently being reviewed by employee representation bodies prior to distribution throughout the Group. The whistleblowing system has been revised. These aspects were, initially, updated within the scope of the Sapin 2 legislation, and henceforth enable us to comply with certain statutory obligations regarding the duty of due diligence by parent companies. If necessary, the plan may be reviewed again in 2018;

→ The supplier and subcontractor assessment process has also been reworked, enabling a flexible approach depending on the type of purchasing concerned;

→ Lastly, a Groupwide materiality assessment was initiated in the second half of 2017, with the first actionable results expected in June 2018. Thus far, the assessment has not revealed any issues not already identified by the Group and mentioned in the CSR report or the "Risk Management" section of the Directors' report.

Measures in favour of consumer health and safety

The Group's activities can have two types of impact on consumer health and safety: direct for APRR and AREA, which manage user safety on their road network, and more indirect for the other divisions in energy, construction and infrastructures.

Protecting users is therefore a core policy focus for APRR and AREA [39]. They pursue this major goal via actions to contribute to shared risk management: road safety features, attractive activities at motorway areas to encourage drivers to stop more often and for longer periods; prevention of drowsiness with rest rooms or partnerships with hotels for naps; and safety events organised with the national police.

Similarly, the section of the A75 motorway for which the concession was recently awarded to APRR is another example. Safety equipment, including six monitoring cameras, five traffic counting systems and two variable message signs, is already in place. This equipment is checked to ensure that it works correctly when operation is taken over and it will be supplemented with new provisions, including technical parking areas created every 500 metres for response team safety, special marking for "reduced" hard shoulders and specific road markings with additional signage to prevent wrong-way driving.

Detection of wrong-way driving

Every year in France, nearly 400 cases of wrong-way driving on the motorways are reported, representing a genuine safety concern. APRR and AREA have initiated a shared information system in partnership with Asfa and Autoroute Info to alert the authorities and users as quickly as possible (via information signs, radio and digital apps).

The motorway operators are also continuing to test tools to detect wrong-way driving. On the AREA network, an additional site (A43/A432 fork in the Rhône department) began operating 2017; an additional three sites have been equipped and will enter service in February 2018; the seventh and final site in the AREA programme will be equipped and operational by the end of 2018. For APRR, rollout will begin in 2018, with a total of 21 sites to be equipped over the coming years.

APRR and AREA also apply a continuous improvement approach to managing road risks. Traffic management and emergency services are coordinated by central control centres that can be contacted 24/7 via roadside call stations or the SOS Autoroute smartphone app. Tunnels are the subject of particular efforts [40], with the implementation of specific safety systems and procedures.

As the APRR-AREA network is located in areas exposed to inclement weather, the two companies deploy a winter road clearance programme every year to ensure quality of service and user safety in all weather conditions. As reliable forecasting is crucial for

[39] An effective road safety campaign on the APRR-AREA network
In 2017, APRR and AREA continued the intensive customer awareness campaign launched in 2015 to improve road safety. The concept behind the communication strategy is the message «Motorways are the safest roads». Across multiple media (including radio, booklets, flyers and table mats), the campaign regularly highlights good behaviour and best practices, and makes the link with road safety. The aim is to make motorway driving as pleasant as possible, and to communicate positively about the ways we can all help to make travel safer. This campaign addresses several themes: good behaviour in winter, careless driving and dangerous distractions, drowsiness and seatbelt use.

[40] An unprecedented fire exercise at the Mont-Sion tunnel to assess the accessibility of emergency evacuation infrastructures to people with impaired mobility
On the A41 Annecy–Geneva motorway, an unprecedented drill was conducted in the Mont-Sion tunnel, during which people with disabilities played the role of fire incident victims. The effectiveness of the operational measures in the tunnel was enhanced as result of this exercise, which was carried out with the assistance of Association des Paralysés de France. A total of 110 people took part in the simulation, including victims played by local residents, firefighters, police and AREA personnel. Another partner, the French Red Cross organisation, set up an inflatable field hospital. The exercise proved that the tunnel's evacuation infrastructures are suitable for use by mobility-impaired people.

planning purposes, APRR and AREA operate a network of meteorological stations and sensors embedded in road surfaces. Data collected by this system is combined with direct observations by motorway personnel and forecasts from key partners such as Météo France.

The two companies have invested in new information technologies to improve and facilitate communication with motorway users. A heavy snowfall alert system was deployed on the network around Annecy in 2017. This system uses a combination of email, text messages and tweets. Email alerts are sent to 45,000 remote toll subscribers the day before heavy snowfall is expected. The system also sends real-time information regarding traffic and weather conditions or accidents. A "road service text" system is also available on the APRR network, to inform users directly and easily while incidents are managed. The partnership formed with the Red Cross to support and care for users in case of extreme weather conditions is a final component of the user safety and protection policy.

Reliable structures and safe facilities

For the other Group businesses, consumers ultimately benefit from the reliability of structures and the safety of facilities that they frequent, even if they were not the commissioning client. Eiffage is committed to enhancing safety at its own locations, work sites and the facilities it builds, via the use of more responsible materials, its divisions' eco-design processes, and the reduction of impacts and nuisance arising from its activities - including industrial activities.

More broadly, through the French sustainable city offer embodied by the Astainable® project, the Smartseille work site and the Brazza development in Bordeaux, Eiffage focuses on usage and quality of life, and using new technologies to serve residents. Sustainable cities are centred on residents' quality of life, rather than promoting technical solutions for their own sake. The urban response to the challenges of sustainable development must necessarily include the behavioural dimension and solutions that foster social cohesion.

Appendices

Cross-reference table comparing the principles of the Global Compact and Eiffage data

Principles of the Global Compact			Eiffage response	Pages
Human Rights	**1**	Support and respect the protection of internationally proclaimed human rights	**Strategy, values and organisation** / A common charter and shared values / A CSR approach that meets international standards	**147**
			Developing human capital / Employment—Labour relations—Health and safety—Training—Equal opportunities	**149**
			Ethics & Commitments Guide	**Internet**
	2	Ensure that the company is not complicit in human rights abuses	**Strategy, values and organisation** / A common charter and shared values	**147**
			Ethics & Commitments Guide	**Internet**
Labour standards	**3**	Uphold the freedom of association and the effective recognition of the right to collective bargaining	**Strategy, values and organisation** / A common charter and shared values	**147**
			Developing human capital / Labour relations	**149**
			Ethics & Commitments Guide	**Internet**
	4	Support the elimination of all forms of forced and compulsory labour	**Strategy, values and organisation** / A common charter and shared values	**147**
			Ethics & Commitments Guide	**Internet**
	5	Support the effective abolition of child labour	**Strategy, values and organisation /** A common charter and shared values	**147**
			Ethics & Commitments Guide	**Internet**
	6	Eliminate discrimination in respect of employment and occupation	**Strategy, values and organisation /** A common charter and shared values	**147**
			Developing human capital / Employment—Equal opportunities	**160**
			Ethics & Commitments Guide	**Internet**
Environment	**7**	Support a precautionary approach to environmental challenges	**Strategy, values and organisation** / The Group's sustainable development strategy	**146**
			Reducing the environmental impact / Organisation—Protecting resources and contributing to the circular economy—Reducing the carbon footprint—Protecting biodiversity	**165**
			Ethics & Commitments Guide	**Internet**
	8	Undertake initiatives to promote greater environmental responsibility	**Reducing the environmental impact /** Organisation—Protecting resources and contributing to the circular economy—Reducing the carbon footprint—Protecting biodiversity	**165**
			Enlarging our social footprint / Including sustainable development in selection criteria via the purchasing policy	**197**
			Ethics & Commitments Guide	**Internet**
	9	Encourage the development and diffusion of environmentally friendly technologies	**Reducing the environmental impact** / Organisation—Protecting resources and contributing to the circular economy—Reducing the carbon footprint—Protecting biodiversity	**165**
			Ethics & Commitments Guide	**Internet**
Anti-corruption	**10**	Work against corruption in all its forms, including extortion and bribery	**Enlarging our social footprint** / Fair business practices	**198**
			Ethics & Commitments Guide	**Internet**

Quantitative employment reporting

Table no. 1:
Workforce at 12/31/2017

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Total managers	2015	2,499	2,715	3,518	538	81	276	**9,627**
	2016	2,513	2,685	3,512	531	81	345	**9,667**
	2017	**2,618**	**2,828**	**3,661**	**520**	**76**	**347**	**10,050**
Total technical, clerical and supervisory staff	2015	1,755	4,691	8,063	1,848	134	99	**16,590**
	2016	1,629	4,558	8,002	1,826	161	191	**16,367**
	2017	**1,653**	**4,541**	**8,207**	**1,808**	**165**	**216**	**16,590**
Total blue-collar workers	2015	5,106	9,716	8,421	1,394	0	0	**24,637**
	2016	4,701	9,272	8,041	1,343	48	0	**23,405**
	2017	**4,398**	**8,988**	**7,847**	**1,279**	**51**	**0**	**22,563**
Total workforce	2015	9,360	17,122	20,002	3,780	215	375	**50,854**
	2016	8,843	16,515	19,555	3,700	290	536	**49,439**
	2017	**8,669**	**16,357**	**19,715**	**3,607**	**292**	**563**	**49,203**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Total managers	2015	407	131	846
	2016	405	126	850
	2017	**399**	**121**	**904**
Total technical, clerical and supervisory staff	2015	1,458	390	1,906
	2016	1,445	381	1,966
	2017	**1,439**	**369**	**2,063**
Total blue-collar workers	2015	833	561	854
	2016	807	536	797
	2017	**770**	**509**	**812**
Total workforce	2015	2,698	1,082	3,606
	2016	2,657	1,043	3,613
	2017	**2,608**	**999**	**3,779**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Total workforce	2015	3,515	3,383	2,386	826	914	1,185	703
	2016	3,724	3,196	2,296	800	736	975	389
	2017	**3,994**	**3,393**	**3,090**	**822**	**637**	**1,764**	**462**

Others Europe = United Kingdom, Italy, Portugal, Romania, Slovakia, Switzerland. Others International = Canada, Colombia, India.
93% of the workforce outside France is included in the reporting scope.

Table no. 2:
Hires and dismissals

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Hires of fixed-term + permanent managers	**2015**	219	195	301	5	6	9	**735**
	2016	287	281	359	10	8	35	**980**
	2017	**379**	**422**	**486**	**7**	**3**	**35**	**1,332**
Ratio of female fixed-term and permanent managers hired	**2015**	26.03%	19.49%	14.95%	0.00%	16.67%	44.44%	**19.73%**
	2016	28.22%	18.51%	16.71%	50.00%	25.00%	40.00%	**21.84%**
	2017	**31.13%**	**22.04%**	**16.26%**	**57.14%**	**0.00%**	**42.86%**	**23.20%**
Hires of fixed-term + permanent technical, clerical and supervisory staff	**2015**	185	356	597	71	25	3	**1,237**
	2016	208	512	765	75	42	36	**1,638**
	2017	**294**	**640**	**1 089**	**99**	**27**	**34**	**2,183**
Ratio of female fixed-term + permanent technical, clerical and supervisory staff hired	**2015**	45.95%	30.90%	20.60%	38.03%	16.00%	66.67%	**28.38%**
	2016	41.35%	29.49%	17.12%	36.00%	26.19%	44.44%	**25.76%**
	2017	**35.37%**	**28.91%**	**17.26%**	**45.45%**	**25.93%**	**32.35%**	**24.74%**
Hires of fixed-term + permanent blue-collar workers	**2015**	62	432	521	72	0	0	**1,087**
	2016	59	655	723	76	51	0	**1,564**
	2017	**124**	**865**	**1,010**	**65**	**5**	**0**	**2,069**
Ratio of female fixed-term and permanent blue-collar workers hired	**2015**	1.61%	2.08%	0.96%	12.50%	N/A	N/A	**2.21%**
	2016	1.69%	0.92%	1.24%	6.58%	0.00%	N/A	**1.34%**
	2017	**1.61%**	**1.04%**	**1.98%**	**9.23%**	**20.00%**	**N/A**	**1.84%**
Hires of fixed-term + permanent employees	**2015**	466	983	1,419	148	31	12	**3,059**
	2016	554	1,448	1,847	161	101	71	**4,182**
	2017	**797**	**1,927**	**2,585**	**171**	**35**	**69**	**5,584**
Hires of young people under the age of 26	**2015**	249	497	537	76	4	4	**1,367**
	2016	257	609	730	70	34	31	**1,731**
	2017	**346**	**748**	**967**	**75**	**14**	**32**	**2,182**
Hires of seniors (aged 50 and above)	**2015**	23	73	124	6	0	1	**227**
	2016	30	105	155	13	5	5	**313**
	2017	**42**	**136**	**213**	**21**	**3**	**4**	**419**
Dismissals of permanent employees excluding termination by mutual agreement	**2015**	328	648	429	18	4	7	**1,434**
	2016	248	684	342	21	7	5	**1,307**
	2017	**245**	**531**	**359**	**19**	**3**	**4**	**1,161**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Hires of fixed-term + permanent managers	2015	2	3	57
	2016	8	2	65
	2017	**5**	**2**	**109**
Ratio of female fixed-term and permanent managers hired (%)	2015	0.00%	0.00%	8.77%
	2016	38.00%	100%	6.15%
	2017	**60.00%**	**50.00%**	**17.43%**
Hires of fixed-term + permanent technical, clerical and supervisory staff	2015	43	28	121
	2016	62	13	149
	2017	**78**	**21**	**241**
Ratio of female fixed-term + permanent technical, clerical and supervisory staff hired (%)	2015	37.21%	39.29%	16.78%
	2016	38.71%	23.08%	16.78%
	2017	**44.87%**	**47.62%**	**12.45%**
Hires of fixed-term + permanent blue-collar workers	2015	46	26	76
	2016	38	38	97
	2017	**33**	**32**	**160**
Ratio of female fixed-term and permanent blue-collar workers hired (%)	2015	19.57%	0.00%	0.00%
	2016	13.16%	0.00%	1.03%
	2017	**9.09%**	**9.00%**	**3.75%**
Hires of fixed-term + permanent employees	2015	91	57	254
	2016	108	53	311
	2017	**116**	**55**	**510**
Hires of young people under the age of 26	2015	52	24	124
	2016	58	12	127
	2017	**57**	**18**	**206**
Hires of seniors (aged 50 and above)	2015	2	4	18
	2016	7	6	29
	2017	**17**	**4**	**44**
Dismissals of permanent employees excluding termination by mutual agreement	2015	11	7	36
	2016	16	5	30
	2017	**10**	**9**	**22**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Hires of fixed-term + permanent employees	2015	502	308	839	127	87	751	153
	2016	600	370	1,084	184	63	806	80
	2017	**802**	**447**	**1,992**	**209**	**71**	**880**	**367**
Dismissals of permanent employees excluding termination by mutual agreement	2015	105	199	81	94	32	0	5
	2016	134	244	50	44	10	0	11
	2017	**135**	**246**	**89**	**44**	**49**	**0**	**14**

Table no. 3: Interns and employees with work-study contracts

France		Construction	Infrastructure	Energy Systems	APRR	Other Concessions	Holding	Total France
Active mentors	2015	244	968	957	223	51	0	2,443
	2016	213	882	897	166	52	0	2,210
	2017	339	860	940	260	57	0	2,450
Interns during the year	2015	676	745	1,193	85	17	18	2,734
	2016	692	740	1,186	85	12	24	2,739
	2017	769	702	1,213	80	7	32	2,803
Work-study students at December 31st	2015	211	591	689	106	10	3	1,610
	2016	180	655	769	109	14	8	1,735
	2017	233	725	880	122	15	14	1,989
Work-study students during the year	2015	360	982	1,128	160	10	11	2,651
	2016	299	961	1,126	186	20	11	2,603
	2017	328	1,105	1,312	204	24	20	2,993

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Active mentors	2015	166	57	222
	2016	117	49	219
	2017	220	40	181
Interns during the year	2015	78	7	189
	2016	80	5	197
	2017	74	6	204
Work-study students at December 31st	2015	78	28	171
	2016	90	19	158
	2017	98	24	178
Work-study students during the year	2015	117	43	255
	2016	146	40	241
	2017	166	38	255

Table no. 4:
Gross remuneration excluding leave (annual average)

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Female managers	**2015**	47,950	48,585	46,336	53,414	51,367	60,200	**48,847**
	2016	47,996	48,727	47,620	54,288	49,166	59,130	**49,485**
	2017	**47,836**	**48,009**	**48,245**	**54,786**	**51,870**	**57,358**	**49,329**
Male managers	**2015**	62,039	62,272	55,150	65,791	71,042	92,254	**60,442**
	2016	61,339	61,889	56,096	66,525	67,842	88,262	**60,565**
	2017	**61,250**	**62,614**	**56,862**	**66,683**	**70,502**	**91,284**	**61,136**
Managers	**2015**	59,414	60,251	54,047	62,196	66,764	83,136	**58,566**
	2016	58,797	59,987	55,049	62,937	64,355	78,700	**58,750**
	2017	**58,469**	**60,355**	**55,788**	**63,093**	**66,593**	**79,902**	**59,101**
Female technical, clerical and supervisory staff	**2015**	29,937	29,413	28,320	31,730	27,980	33,722	**29,552**
	2016	29,974	29,878	28,812	31,964	28,849	32,148	**29,949**
	2017	**30,491**	**30,125**	**29,306**	**32,622**	**28,923**	**31,455**	**30,404**
Male technical, clerical and supervisory staff	**2015**	35,529	35,843	33,303	35,182	30,964	36,782	**34,419**
	2016	35,629	36,356	33,625	35,680	30,301	35,390	**34,745**
	2017	**35,883**	**36,815**	**34,067**	**36,141**	**30,951**	**34,185**	**35,137**
Technical, clerical and supervisory staff	**2015**	33,493	34,399	32,348	33,586	29,691	35,958	**33,201**
	2016	33,508	34,945	32,736	33,945	29,820	33,993	**33,559**
	2017	**33,866**	**35,372**	**33,220**	**34,500**	**30,354**	**32,773**	**33,985**
Female blue-collar workers	**2015**	22,125	23,493	22,408	31,024	N/A	N/A	**28,447**
	2016	22,622	23,564	23,019	31,257	N/A	N/A	**28,718**
	2017	**22,630**	**23,749**	**23,307**	**32,227**	**N/A**	**N/A**	**29,364**
Male blue-collar workers	**2015**	29,974	27,397	27,190	31,127	N/A	N/A	**28,008**
	2016	30,445	28,441	27,592	30,732	23,799	N/A	**28,643**
	2017	**30,755**	**29,018**	**27,959**	**31,582**	**29,324**	**N/A**	**29,095**
Blue-collar workers	**2015**	29,931	27,379	27,129	31,092	N/A	N/A	**28,018**
	2016	30,399	28,419	27,535	30,897	23,799	N/A	**28,645**
	2017	**30,702**	**28,993**	**27,903**	**31,776**	**29,198**	**N/A**	**29,102**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Female managers	2015	53,292	53,800	45,019
	2016	55,120	51,519	46,712
	2017	**55,566**	**52,168**	**46,148**
Male managers	2015	65,785	65,812	53,112
	2016	67,004	65,003	54,721
	2017	**66,265**	**68,037**	**55,523**
Managers	2015	62,161	62,305	52,343
	2016	63,493	61,145	53,968
	2017	**63,018**	**63,339**	**54,579**
Female technical, clerical and supervisory staff	2015	31,071	34,348	29,656
	2016	31,152	35,120	30,136
	2017	**31,604**	**36,706**	**30,585**
Male technical, clerical and supervisory staff	2015	34,004	39,921	33,237
	2016	34,427	40,658	33,510
	2017	**34,838**	**41,212**	**34,404**
Technical, clerical and supervisory staff	2015	32,649	37,330	32,681
	2016	32,901	38,047	32,998
	2017	**33,325**	**39,138**	**33,850**
Female blue-collar workers	2015	29,603	32,997	22,335
	2016	29,859	33,189	23,325
	2017	**30,786**	**34,127**	**23,892**
Male blue-collar workers	2015	30,546	32,147	25,273
	2016	30,193	31,689	25,479
	2017	**30,795**	**33,041**	**26,134**
Blue-collar workers	2015	30,252	32,456	25,237
	2016	30,095	32,213	25,453
	2017	**30,793**	**33,417**	**26,102**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Female managers	**2015**	53,292	53,800	45,019
	2016	55,120	51,519	46,712
	2017	**55,566**	**52,168**	**46,148**
Male managers	**2015**	65,785	65,812	53,112
	2016	67,004	65,003	54,721
	2017	**66,265**	**68,037**	**55,523**
Managers	**2015**	62,161	62,305	52,343
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	2017	**63,018**	**63,339**	**54,579**
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	2016	31,152	35,120	30,136
	2017	**31,604**	**36,706**	**30,585**
Male technical, clerical and supervisory staff	**2015**	34,004	39,921	33,237
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Technical, clerical and supervisory staff	**2015**	32,649	37,330	32,681
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	2016	29,859	33,189	23,325
	2017	**30,786**	**34,127**	**23,892**
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Blue-collar workers	**2015**	30,252	32,456	25,237
	2016	30,095	32,213	25,453
	2017	**30,793**	**33,417**	**26,102**

Table no. 5: Organisation of working time

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Ratio of male managers working part-time	2015	0.49%	0.43%	0.62%	0.79%	0.00%	1.54%	**0.56%**
	2016	0.55%	0.26%	0.65%	0.54%	0.00%	1.30%	**0.52%**
	2017	**0.49%**	**0.34%**	**0.69%**	**1.11%**	**0.00%**	**1.30%**	**0.57%**
Ratio of female managers working part-time	2015	7.48%	6.20%	6.47%	12.03%	0.00%	4.94%	**7.12%**
	2016	7.55%	5.03%	7.16%	12.58%	0.00%	4.39%	**7.03%**
	2017	**6.34%**	**4.63%**	**5.39%**	**11.80%**	**0.00%**	**3.42%**	**5.90%**
Ratio of managers working part-time	2015	1.80%	1.29%	1.36%	4.09%	0.00%	2.54%	**1.69%**
	2016	1.95%	0.97%	1.45%	4.14%	0.00%	2.32%	**1.61%**
	2017	**1.76%**	**1.03%**	**1.28%**	**4.42%**	**0.00%**	**2.02%**	**1.51%**
Ratio of male technical, clerical and supervisory staff working part-time	2015	0.37%	0.38%	0.93%	1.53%	4.49%	0.00%	**0.78%**
	2016	0.60%	0.42%	0.95%	1.25%	2.75%	1.06%	**0.81%**
	2017	**0.29%**	**0.31%**	**0.95%**	**1.26%**	**2.54%**	**0.97%**	**0.75%**
Ratio of female technical, clerical and supervisory staff working part-time	2015	12.86%	9.66%	16.29%	13.00%	15.56%	10.00%	**13.39%**
	2016	12.90%	9.38%	16.03%	12.14%	15.38%	7.22%	**12.92%**
	2017	**11.58%**	**9.04%**	**15.49%**	**11.72%**	**12.77%**	**8.85%**	**12.36%**
Ratio of technical, clerical and supervisory staff working part-time	2015	5.07%	2.43%	3.93%	6.93%	8.21%	3.03%	**3.99%**
	2016	5.34%	2.37%	3.76%	6.41%	6.83%	4.19%	**3.86%**
	2017	**4.48%**	**2.20%**	**3.58%**	**6.19%**	**5.45%**	**5.09%**	**3.62%**
Ratio of male blue-collar workers working part-time	2015	0.30%	0.32%	0.76%	4.51%	N/A	N/A	**0.63%**
	2016	0.26%	0.30%	0.69%	4.10%	N/A	N/A	**0.58%**
	2017	**0.30%**	**0.35%**	**0.71%**	**4.20%**	**N/A**	**N/A**	**0.62%**
Ratio of female blue-collar workers working part-time	2015	16.13%	26.92%	20.17%	34.71%	N/A	N/A	**30.76%**
	2016	18.75%	26.53%	25.00%	35.15%	N/A	N/A	**31.90%**
	2017	**9.68%**	**27.66%**	**23.89%**	**35.52%**	**N/A**	**N/A**	**31.24%**
Ratio of blue-collar workers working part-time	2015	0.39%	0.46%	1.04%	14.99%	N/A	N/A	**1.47%**
	2016	0.38%	0.44%	1.02%	14.30%	N/A	N/A	**1.42%**
	2017	**0.36%**	**0.49%**	**1.04%**	**13.92%**	**N/A**	**N/A**	**1.42%**
Ratio of employees working part-time	2015	1.65%	1.13%	2.26%	9.50%	5.12%	2.67%	**2.32%**
	2016	1.74%	1.06%	2.22%	8.95%	3.79%	2.99%	**2.27%**
	2017	**1.57%**	**1.06%**	**2.15%**	**8.68%**	**3.08%**	**3.20%**	**2.18%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Ratio of male managers working part-time	2015	0.70%	1.08%	0.39%
	2016	0.71%	0.00%	0.39%
	2017	**1.45%**	**0.00%**	**0.50%**
Ratio of female managers working part-time	2015	14.17%	5.26%	8.33%
	2016	13.11%	10.81%	11.54%
	2017	**11.29%**	**13.51%**	**6.00%**
Ratio of managers working part-time	2015	4.67%	2.29%	1.18%
	2016	4.44%	3.17%	1.41%
	2017	**4.51%**	**4.13%**	**1.11%**
Ratio of male technical, clerical and supervisory staff working part-time	2015	1.43%	1.91%	0.69%
	2016	0.92%	2.51%	0.78%
	2017	**0.93%**	**2.48%**	**1.08%**
Ratio of female technical, clerical and supervisory staff working part-time	2015	12.94%	13.26%	22.98%
	2016	12.01%	12.64%	22.08%
	2017	**11.66%**	**11.98%**	**21.43%**
Ratio of technical, clerical and supervisory staff working part-time	2015	6.86%	7.18%	4.30%
	2016	6.16%	7.35%	4.12%
	2017	**6.05%**	**6.78%**	**4.12%**
Ratio of male blue-collar workers working part-time	2015	1.40%	9.73%	1.30%
	2016	1.23%	8.96%	1.14%
	2017	**1.24%**	**9.40%**	**1.13%**
Ratio of female blue-collar workers working part-time	2015	18.32%	54.05%	9.09%
	2016	20.00%	53.23%	11.11%
	2017	**20.29%**	**52.11%**	**7.14%**
Ratio of blue-collar workers working part-time	2015	6.72%	27.27%	1.41%
	2016	6.82%	25.56%	1.25%
	2017	**6.36%**	**25.34%**	**1.23%**
Ratio of employees working part-time	2015	6.49%	17.01%	2.88%
	2016	6.10%	16.20%	2.85%
	2017	**5.90%**	**15.92%**	**2.78%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Ratio of employees working part-time	2015	4.18%	8.10%	4.40%	1.09%	1.42%	0.00%	0.14%
	2016	5.75%	7.82%	3.31%	1.88%	2.04%	0.00%	0.00%
	2017	**4.61%**	**7.84%**	**2.59%**	**1.34%**	**2.20%**	**0.00%**	**0.22%**

Table no. 6:
Absenteeism

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Net absenteeism rate	2015	6.50%	6.80%	5.71%	5.47%	3.80%	3.24%	**6.18%**
	2016	6.78%	7.13%	5.77%	5.24%	2.60%	3.55%	**6.33%**
	2017	**7.07%**	**7.01%**	**5.75%**	**5.82%**	**3.29%**	**2.90%**	**6.36%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Net absenteeism rate	2015	5.04%	6.53%	4.06%
	2016	4.81%	6.34%	4.10%
	2017	**5.82%**	**5.83%**	**3.87%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Net absenteeism rate	2015	5.69%	8.33%	3.04%	6.68%	1.61%	0.78%	N/D
	2016	6.91%	7.25%	4.18%	8.25%	4.17%	0.75%	3.53%
	2017	**6.50%**	**5.89%**	**3.72%**	**6.06%**	**3.27%**	**0.92%**	**3.64%**

Table no. 7: Health & Safety

France		Construction	Infrastructures*	Energy	APRR	Other Concessions	Holding	Total France
Frequency rate of workplace accidents	**2015**	15.64	13.12	9.09	12.32	9.24	3.46	**11.86**
	2016	12.40	10.68	9.00	4.21	15.55	5.22	**9.88**
	2017	**10.29**	**8.09**	**7.87**	**5.89**	**11.07**	**1.13**	**8.31**
Frequency rate for temporary staff	**2015**	41.01	27.24	22.31	8.31	0.00	0.00	**26.51**
	2016	35.05	29.56	22.553	17.19	0.00	0.00	**26.73**
	2017	**39.93**	**32.32**	**24.61**	**9.45**	**0.00**	**0.00**	**29.57**
Statutory severity rate	**2015**	1.50	1.0	0.50	0.86	0.35	0.52	**0.87**
	2016	1.48	1.03	0.52	0.65	0.29	0.10	**0.87**
	2017	**1.15**	**0.75**	**0.61**	**0.46**	**0.44**	**0.01**	**0.74**
Occupational illnesses identified during the year and attributable to the company	**2015**	62	57	77	4	0	0	**200**
	2016	80	64	100	4	0	0	**248**
	2017	**55**	**44**	**86**	**6**	**0**	**0**	**191**

* Excluding Goyer (FR: 24.51—SR: 1.64 in 2017)

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Frequency rate of workplace accidents	**2015**	13.52	9.82	7.72
	2016	4.98	2.12	5.79
	2017	**5.37**	**7.29**	**6.27**
Frequency rate for temporary staff	**2015**	9.325	0.00	24.48
	2016	19.23	0.00	14.4
	2017	**10.73**	**0.00**	**22.87**
Statutory severity rate	**2015**	0.74	1.11	0.28
	2016	0.48	1.09	0.34
	2017	**0.29**	**0.94**	**0.37**
Occupational illnesses identified during the year and attributable to the company	**2015**	3	1	13
	2016	2	2	15
	2017	**3**	**3**	**14**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal
Frequency rate of workplace accidents	**2017**	**21.60**	**12.21**	**8.31**	**10.70**	**7.80**	**7.67**
Statutory severity rate	**2017**	**0.46**	**0.51**	**0.30**	**0.27**	**0.43**	**0.11**

90.2% of the workforce is covered for this indicator.

Accident frequency rate and statutory severity rate are defined as follows:

- Frequency rate: total number of lost-time workplace accidents x 1,000,000 divided by the total number of hours worked;
- Statutory severity rate: number of days lost due to workplace accidents over the past three years x 1,000 divided by the total number of hours worked.

Table no. 8: Training

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Total hours of training	2015	147,818	229,374	345,632	78,117	3,286	6,639	**810,866**
	2016	155,643	247,120	384,536	74,689	2,977	9,655	**874,618**
	2017	**139,857**	**259,488**	**409,958**	**71,158**	**4,986**	**12,737**	**898,183**
Total training cost	2015	1.77%	1.50%	2.69%	3.94%	2.51%	2.27%	**2.17%**
	2016	1.80%	1.68%	2.92%	3.91%	1.08%	2.49%	**2.34%**
	2017	**1.78%**	**1.78%**	**2.96%**	**4.00%**	**1.62%**	**2.72%**	**2.39%**

SA concernées par le décret Grenelle II		APRR (SA)	AREA (SA)	Clemessy (SA)
Total hours of training	2015	57,635	20,482	73,041
	2016	54,947	19,742	84,598
	2017	**50,705**	**20,453**	**89,990**
Total training cost	2015	4.04%	3.68%	5.26%
	206	3.97%	3.76%	5.32%
	2017	**3.98%**	**3.94%**	**5.34%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Total hours of training	2015	31,555	62,133	33,063	8,061	7,522	7,231	2,085
	2016	42,450	52,982	32,430	9,176	6,553	5,256	2,747
	2017	**54,088**	**63,539**	**43,127**	**8,340**	**6,318**	**1,570**	**10,444**

Table no. 9:
Employment of women

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Percentage of female managers	2015	18.73%	14.84%	12.73%	29.37%	18.52%	29.35%	**16.34%**
	2016	20.02%	14.82%	12.33%	29.94%	18.52%	33.04%	**16.78%**
	2017	**21.70%**	**16.05%**	**12.67%**	**30.96%**	**21.05%**	**33.72%**	**17.71%**
Percentage of female technical, clerical and supervisory staff	2015	37.66%	22.06%	19.57%	47.02%	33.58%	30.30%	**25.42%**
	2016	38.55%	21.74%	18.63%	47.37%	32.30%	50.79%	**25.20%**
	2017	**37.08%**	**21.67%**	**18.09%**	**47.18%**	**28.48%**	**52.31%**	**24.68%**
Percentage of female blue-collar workers	2015	0.61%	0.54%	1.41%	34.72%	N/A	N/A	**2.78%**
	2016	0.68%	0.53%	1.34%	32.84%	0.00%	N/A	**2.69%**
	2017	**0.70%**	**0.52%**	**1.44%**	**31.04%**	**1.96%**	**N/A**	**2.61%**
Percentage of female employees	2015	12.39%	8.70%	10.72%	39.97%	27.91%	29.60%	**12.74%**
	2016	13.15%	8.71%	10.39%	39.59%	23.10%	39.37%	**12.90%**
	2017	**13.98%**	**9.08%**	**10.46%**	**39.12%**	**21.92%**	**40.85%**	**13.14%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Percentage of female managers	2015	29.48%	29.01%	9.93%
	2016	30.12%	29.37%	9.18%
	2017	**31.08%**	**30.58%**	**11.06%**
Percentage of female technical, clerical and supervisory staff	2015	47.19%	46.41%	16.21%
	2016	47.27%	47.77%	15.67%
	2017	**47.67%**	**45.26%**	**14.93%**
Percentage of female blue-collar workers	2015	31.45%	39.57%	1.29%
	2016	29.74%	37.50%	1.13%
	2017	**26.88%**	**37.33%**	**1.72%**
Percentage of female employees	2015	39.66%	40.76%	11.20%
	2016	39.33%	40.2 %	10.93%
	2017	**39.00%**	**39.44%**	**11.17%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Percentage of female employees	2015	11.52%	9.03%	7.16%	25.67%	9.49%	4.73%	NP
	2016	13.16%	9.47%	7.97%	25.00%	11.77%	5.53%	10.80%
	2017	**12.77%**	**9.99%**	**7.05%**	**26.76%**	**9.86%**	**4.88%**	**8.23%**

Table no. 10: People with disabilities

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Number of people with disabilities (DOETH form, section C)	2015	363.49	747.51	785.81	138.43	6.00	5.00	**2,046.24**
	2016	301.90	702.93	805.19	150.97	5.00	6.17	**1,972.16**
	2017	**347.91**	**622.12**	**786.25**	**169.82**	**5.00**	**9.16**	**1,940.26**
Number of units under contracts with sheltered, supported and employment integration centres (DOETH form, section D2)	2015	14.21	21.47	21.78	3.99	1.49	0.55	**63.49**
	2016	10.45	21.885	29.91	6.11	0.00	0.65	**69.01**
	2017	**14.20**	**20.58**	**21.69**	**7.78**	**0.77**	**1.86**	**66.88**
Eligible employee shortfall after above initiatives (DOETH form, section G)	2015	142.11	150.78	192.71	31.65	1.54	14.45	**533.24**
	2016	133.11	174.18	174.38	20.44	2.00	12.18	**516.29**
	2017	**126.56**	**199.62**	**172.05**	**19.69**	**3.33**	**8.48**	**529.73**
Penalties paid (DOETH form, section P) (€)	2015	215,798	222,389,63	629,527,68	101,920	5,870	61,926	**1,237,432**
	2016	187,523	276,460	475,005	55,613	0	52,836	**1,047,438**
	2017	**189,648**	**319,014**	**384,133**	**58,328**	**5,027**	**32,229**	**988,379**
Hires of people with disabilities	2015	1	7	6	0	0	0	**14**
	2016	6	4	14	2	0	0	**26**
	2017	**11**	**12**	**17**	**1**	**0**	**0**	**41**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Number of people with disabilities (DOETH form, section C)	2015	93.24	45.19	156.54
	2016	106.53	44.44	119.04
	2017	**119.41**	**50.41**	**106.85**
Number of units under contracts with sheltered, supported and employment integration centres (DOETH form, section D2)	2015	3.25	0.74	6.42
	2016	5.64	0.47	8.44
	2017	**7.21**	**0.57**	**5.28**
Eligible employee shortfall after above initiatives (DOETH form, section G)	2015	31.65	0.00	44.53
	2016	20.44	0.00	27.05
	2017	**19.69**	**0.00**	**30.09**
Penalties paid (DOETH form, section P) (€)	2015	101,920	0	239,748
	2016	55,613	0	155,970
	2017	**58,328**	**0**	**198,312**
Hires of people with disabilities	2015	0	0	3
	2016	1	1	5
	2017	**1**	**0**	**4**

Published data based on the DOETH form is from the previous year.

Table no. 11: Breakdown by age

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Number of employees aged under 26	2015	662	1,468	1,488	116	13	6	**3,753**
	2016	581	1,418	1,515	114	36	28	**3,692**
	2017	**647**	**1,515**	**1,761**	**127**	**34**	**36**	**4,120**
Number of employees aged between 26 and 30	2015	1,326	1,973	2,112	129	26	37	**5,603**
	2016	1,163	1,850	2,000	123	45	57	**5,238**
	2017	**1,058**	**1,757**	**1,964**	**106**	**38**	**61**	**4,984**
Number of employees aged between 31 and 35	2015	1,344	2,122	2,459	192	40	65	**6,222**
	2016	1,306	2,022	2,408	174	50	83	**6,043**
	2017	**1,275**	**2,050**	**2,414**	**183**	**46**	**77**	**6,045**
Number of employees aged between 36 and 40	2015	1,170	1,943	2,292	392	38	75	**5,910**
	2016	1,110	1,887	2,373	326	45	95	**5,836**
	2017	**1,077**	**1,947**	**2,428**	**290**	**46**	**95**	**5,883**
Number of employees aged between 41 and 45	2015	1,285	2,244	2,683	745	34	51	**7,042**
	2016	1,182	2,132	2,416	703	34	79	**6,546**
	2017	**1,150**	**1,996**	**2,350**	**624**	**36**	**78**	**6,234**
Number of employees aged between 46 and 50	2015	1,401	2,745	3,242	771	29	56	**8,244**
	2016	1,322	2,585	3,105	767	41	62	**7,882**
	2017	**1,215**	**2,437**	**2,990**	**748**	**47**	**61**	**7,498**
Number of employees aged between 51 and 55	2015	1,213	2,538	3,086	746	21	48	**7,652**
	2016	1,209	2,571	3,082	786	23	76	**7,747**
	2017	**1,284**	**2,606**	**3,134**	**806**	**24**	**81**	**7,935**
Number of employees aged between 56 and 60	2015	803	1,863	2,308	570	7	22	**5,573**
	2016	813	1,743	2,306	564	13	43	**5,482**
	2017	**806**	**1,771**	**2,302**	**579**	**18**	**57**	**5,533**
Number of employees aged between 61 and 65	2015	143	300	324	117	3	6	**893**
	2016	141	282	330	140	3	11	**907**
	2017	**147**	**253**	**346**	**140**	**3**	**17**	**906**
Number of employees aged over 65	2015	18	29	13	5	0	4	**62**
	2016	16	25	20	3	0	2	**69**
	2017	**10**	**25**	**26**	**4**	**0**	**0**	**65**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Number of employees aged under 26	2015	86	30	343
	2016	95	19	343
	2017	**100**	**27**	**426**
Number of employees aged between 26 and 30	2015	76	53	363
	2016	75	48	363
	2017	**69**	**37**	**407**
Number of employees aged between 31 and 35	2015	121	71	359
	2016	115	59	386
	2017	**122**	**61**	**396**
Number of employees aged between 36 and 40	2015	283	109	371
	2016	228	98	376
	2017	**198**	**92**	**362**
Number of employees aged between 41 and 45	2015	554	191	406
	2016	523	180	367
	2017	**460**	**164**	**393**
Number of employees ged between 46 and 50	2015	538	233	621
	2016	536	231	579
	2017	**529**	**219**	**546**
Number of employees aged between 51 and 55	2015	559	187	618
	2016	582	204	638
	2017	**594**	**212**	**673**
Number of employees aged between 56 and 60	2015	401	166	450
	2016	409	155	478
	2017	**425**	**154**	**487**
Number of employees aged between 61 and 65	2015	78	39	74
	2016	92	48	79
	2017	**109**	**31**	**83**
Number of employees aged over 65	2015	2	3	1
	2016	2	1	4
	2017	**2**	**2**	**6**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Number of employees aged under 26	2015	590	230	66	92	79	44	108
	2016	626	209	61	77	41	28	51
	2017	669	228	87	93	32	100	72
Number of employees aged between 26 and 30	2015	308	318	199	102	134	142	116
	2016	346	352	130	84	98	72	59
	2017	383	377	209	87	71	188	77
Number of employees aged between 31 and 35	2015	322	376	352	147	136	223	104
	2016	313	366	304	163	85	189	93
	2017	335	373	390	157	62	304	107
Number of employees aged between 36 and 40	2015	284	358	485	143	120	225	83
	2016	314	374	463	134	93	198	60
	2017	374	395	595	137	84	334	67
Number of employees aged between 41 and 45	2015	340	446	484	132	100	225	61
	2016	343	417	484	124	90	188	56
	2017	355	396	638	121	87	315	56
Number of employees aged between 46 and 50	2015	558	543	352	61	109	180	39
	2016	548	513	377	72	106	158	21
	2017	516	520	524	79	94	269	32
Number of employees aged between 51 and 55	2015	531	512	237	51	107	124	29
	2016	591	495	276	46	98	96	28
	2017	626	547	363	54	94	171	29
Number of employees aged between 56 and 60	2015	393	385	139	61	87	21	21
	2016	435	334	147	61	78	45	15
	2017	462	375	201	55	77	81	14
Number of employees aged between 61 and 65	2015	170	204	71	30	36	1	3
	2016	180	138	53	31	38	1	4
	2017	229	184	80	32	41	2	5
Number of employees aged over 65	2015	19	11	1	7	6	0	1
	2016	28	7	1	8	9	0	2
	2017	32	4	3	7	10	0	3

Quantitative environmental reporting

Table no. 1: Certification

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
ISO 14001 certified revenue	2015	99.62%	79.35%	87.00%	100%	N/A	N/A	**89.74%**
	2016	98.61%	92.00%	88.00%	100%	N/A	N/A	**94.82%**
	2017	**99.18%**	**92.00%**	**90.00%**	**100%**	**N/A**	**N/A**	**92.60%**
ISO 9001 certified revenue	2015	99.62%	81.42%	95.20%	100%	N/A	N/A	**92.44%**
	2016	98.99%	94.00%	96.00%	100%	N/A	N/A	**97.25%**
	2017	**99.61%**	**94.00%**	**99.00%**	**100%**	**N/A**	**N/A**	**95.44%**
Safety-certified revenue	2015	75.80%	23.85%	53.70%	25.00%	N/A	N/A	**44.51%**
	2016	82.71%	29.00%	62.00%	24.99%	N/A	N/A	**52.43%**
	2017	**76.25%**	**36.00%**	**56.00%**	**0.00%**	**N/A**	**N/A**	**43.06%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
ISO 14001 certified revenue	2015	100%	100%	98.00%
	2016	100%	100%	100%
	2017	**100%**	**100%**	**100%**
ISO 9001 certified revenue	2015	100%	100%	98.00%
	2016	100%	100%	100%
	2017	**100%**	**100%**	**100%**
Safety-certified revenue	2015	0.00%	100%	51.00%
	2016	0.00%	100%	72.00%
	2017	**0.00%**	**0.00%**	**67.00%**

France + International		Infrastructures
ISO 14001 certified revenue	**2017**	**92.00%**
ISO 9001 certified revenue	**2017**	**93.00%**
Safety-certified revenue	**2017**	**45.00%**

Table no. 2:
Provisions and guarantees relating to environmental risks

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Posted environment-related provisions (€)	2015	115,000	11,921,744	78,100	0	0	0	**12,114,844**
	2016	115,000	11,911,453	132,036	0	0	0	**12,158,489**
	2017	**0**	**11,698,595**	**24,352**	**0**	**0**	**0**	**11,722,947**
Environment-related guarantee bonds (€)	2015	0	43,507,354	0	374,085	0	0	**43,881,439**
	2016	0	49,905,571	0	0	0	0	**49,905,571**
	2017	**0**	**48,204,961**	**5,200**	**0**	**0**	**0**	**48,210,161**
Preventive environment-related investments (€)	2015	343,914	4,615,506	402,286	15,904,383	14,900	0	**21,280,989**
	2016	454,977	2,249,968	722,682	17,171,713	0	0	**20,599,340**
	2017	**349,450**	**3,997,869**	**88,821**	**28,017,348**	**0**	**0**	**32,453,488**
Preventive expenditure for environmental operations (€)	2015	447,159	3,785,459	459,033	17,704,620	0	0	**22,396,271**
	2016	596,976	3,267,560	574,769	18,131,409	0	0	**22,570,714**
	2017	**481,394**	**2,858,346**	**750,533**	**18,583,606**	**0**	**0**	**22,673,879**
Preventive expenditure for operations	2015	0.00%	0.71%	0.01%	0.80%	0.00%	N/A	**0.16%**
	2016	0.02%	0.11%	0.02%	0.78%	0.00%	N/A	**0.20%**
	2017	**0.02%**	**0.09%**	**0.03%**	**0.80%**	**0.00%**	**N/A**	**0.19%**
Cost of court-ordered remedial action (€)	2015	1,000	80,500	31,800	0	0	0	**113,300**
	2016	1,000	35,650	34,458	0	0	0	**71,108**
	2017	**0**	**7,700**	**40,470**	**0**	**0**	**0**	**48,170**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Posted environment-related provisions (€)	2015	0	0	0
	2016	0	0	0
	2017	**0**	**0**	**0**
Environment-related guarantee bonds (€)	2015	374,085	0	0
	2016	0	0	0
	2017	**0**	**0**	**0**
Preventive environment-related investments (€)	2015	10,435,694	5,468,689	23,043
	2016	15,478,482	1,693,231	46,337
	2017	**22,940,533**	**5,076,815**	**26,660**
Preventive expenditure for environmental operations (€)	2015	13,787,113	3,917,507	0
	2016	14,079,644	4,051,765	0
	2017	**14,586,650**	**3,996,956**	**0**
Preventive expenditure for operations	2015	0.83%	0.71%	0.00%
	2016	0.81%	0.70%	0.00%
	2017	**0.84%**	**0.69%**	**0.00%**
Cost of court-ordered remedial action (€)	2015	0	0	0
	2016	0	0	0
	2017	**0**	**0**	**0**

Posted environmental provisions (€) = amount of provisions booked for environmental risks.

Environment-related guarantee bonds (€) = amount of bank or insurance bonds for guarantees relating to environment-related commitments (financial guarantees for quarries, etc.).

Cost of court-ordered remedial action (€) = cost of court-ordered environmental remediation actions.

Table no. 3: Water consumption

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Mains water (m³)	2015	261,061	506,334	76,679	404,872	331,592	7,840	**1,588,378**
	2016	309,245	468,689	75,588	424,762	4,197	13,103	**1,295,583**
	2017	**217,066**	**374,867**	**62,497**	**470,033**	**5,726**	**20,427**	**1,150,615**
Extracted water (m³)	2015	31,920	2,261,541	90	1,334	N/A	N/A	**2,294,885**
	2016	0	3,209,112	50	2,581	N/A	N/A	**3,212,853**
	2017	**0**	**3,001,801**	**65**	**3,563**	**N/A**	**N/A**	**3,005,429**
Recovered water (m³)	2015	17	263,504	N/A	N/A	N/A	N/A	**263,521**
	2016	95	159,410	N/A	N/A	N/A	N/A	**159,505**
	2017	**20**	**150,217**	**N/A**	**N/A**	**N/A**	**N/A**	**150,237**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Mains water (m³)	2015	335,740	69,132	14,842
	2016	334,000	90,762	14,018
	2017	**369,680**	**100,353**	**18,926**
Extracted water (m³)	2015	0	1,334	N/A
	2016	0	3,691	N/A
	2017	**0**	**3,563**	**N/A**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Mains water (m³)	2015	34,969	54,548	90,532	14,474	2,738	42,840	1,715
	2016	21,470	62,410	80,147	17,023	1,865	53,309	2,106
	2017	**20,069**	**65,655**	**70,793**	**23,058**	**1,294**	**37,174**	**2,292**
Extracted water (m³)	2015	285	0	74,506	0	20	0	0
	2016	311	132	69,574	0	25	0	967
	2017	**696**	**66**	**73,020**	**0**	**0**	**0**	**175**
Recovered water (m³)	2015	0	182	1,422	0	6,500	0	0
	2016	0	7,863	0	0	5,800	0	0
	2017	**0**	**6,415**	**0**	**0**	**6,000**	**0**	**0**

Table no. 4: Waste

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Hazardous waste (t)	2015	207	2,351	599	3,101	0	N/A	**6,258**
	2016	215	3,636	354	557	0	N/A	**4,762**
	2017	**148**	**8,414**	**431**	**1,430**	**0**	**N/A**	**10,423**
Non-hazardous waste (t)	2015	68,066	55,664	9079	7,932	2,152	N/A	**142,893**
	2016	69,175	16,561	39,840	8,338	N/A	N/A	**133,913**
	2017	**74,481**	**137,212**	**8,799**	**5,863**	**N/A**	**N/A**	**226,355**
Inert waste (t)	2015	42,446	386,368	79,432	0	0	N/A	**508,246**
	2016	48,299	5,026,910	72,926	0	0	N/A	**5,148,135**
	2017	**53,792**	**3,576,328**	**68,285**	**0**	**0**	**N/A**	**3,698,406**
Waste-related expenditure (€)	2015	9,741,343	5,316,326	2,151,507	2,534,705	292,388	0	**20,036,269**
	2016	12,413,093	4,036,165	1,973,224	2,362,320	NP	43,136	**20,827,938**
	2017	**10,987,310**	**14,022,854**	**1,598,272**	**2,511,953**	**2 403**	**65,850**	**29,188,642**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Hazardous waste (t)	2015	1,952	1,149	63
	2016	341	216	31
	2017	**817**	**613**	**70**
Non-hazardous waste (t)	2015	6,506	1,426	2,899
	2016	6,971	1,367	577
	2017	**4,774**	**1,089**	**692**
Inert waste (t)	2015	0	0	0
	2016	0	0	0
	2017	**0**	**0**	**0**
Waste-related expenditure (€)	2015	2,312,869	221,836	482,524
	2016	2,181,273	181,047	339,493
	2017	**2,327,668**	**184,285**	**282,527**

Table no. 5:
Raw materials

France		Infrastructures
Aggregate consumption (t)	2015	15,009,005
	2016	15,312,086
	2017	14,399,071

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Aggregate consumption (t)	2015	784,987	45,311	3,875,731	0	0	310,192	463
	2016	820,648	150,084	5,227,118	0	0	243,047	0
	2017	472,467	266,281	4,477,883	0	0	568,121	12,796

France		Infrastructures
ARC 1000 or similar (m^2)	2015	274,116
	2016	208,516
	2017	271,776

Table no. 6: Energy

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Electricity consumption (GWh)	**2015**	42.52	144.39	32.44	73.16	43.65	1.99	**338.15**
	2016	55.41	159.98	31.22	69.14	1.35	3.98	**321.09**
	2017	**44.71**	**162.31**	**28.74**	**66.65**	**2.02**	**5.04**	**309.47**
Renewable energy production sold to EDF (kWh)	**2015**	169,684	82,915	89,594	58,574	0	N/A	**400,767**
	2016	24,055	76,073	88,287	54,427	0	119,872	**362,714**
	2017	**123,130**	**78,085**	**87,540**	**58,060**	**0**	**145,112**	**491,927**
Petrol consumption (l)	**2015**	8,016	218,478	75,738	18,001	1,397	N/A	**321,630**
	2016	6,942	216,255	71,454	6,589	0	N/A	**301,239**
	2017	**2,718**	**235,218**	**157,144**	**1 227**	**0**	**N/A**	**396,307**
Kerosene consumption (l)	**2015**	N/A	227,000	N/A	N/A	N/A	N/A	**227,000**
	2016	N/A	281,000	N/A	N/A	N/A	N/A	**281,000**
	2017	**N/A**	**237,000**	**N/A**	**N/A**	**N/A**	**N/A**	**237,000**
Domestic fuel oil consumption (l)	**2015**	204,355	1,370,585	185,283	547,797	33,000	N/A	**2,341,020**
	2016	173,551	1,100,521	189,893	602,842	2,977	N/A	**2,069,784**
	2017	**140,036**	**971,402**	**85,728**	**650,719**	**4,000**	**N/A**	**1,851,885**
Diesel consumption (l)	**2015**	5,983,315	34,642,207	19,783,185	5,406,342	78,129	N/D	**65,893,178**
	2016	5,967,245	32,380,061	19,492,258	5,013,287	15,856	122,638	**62,991,345**
	2017	**5,792,550**	**32,960,872**	**19,143,236**	**5,337,945**	**63,088**	**81,535**	**63,379,226**
Non-road diesel consumption (l)	**2015**	125,797	38,642,384	1,433,576	197,515	0	N/A	**40,399,272**
	2016	217,677	41,924,323	1,345,949	259,525	0	N/A	**43,747,474**
	2017	**155,246**	**40,173,332**	**1,261,894**	**326,852**	**0**	**N/A**	**41,917,324**
Heavy fuel oil consumption (l)	**2015**	104,817	8,391,512	0	N/A	0	N/A	**8,496,329**
	2016	6,693	7,901,268	34,748	N/A	0	N/A	**7,942,709**
	2017	**28,138**	**8,330,341**	**0**	**N/A**	**0**	**N/A**	**8,358,479**
Butane and propane consumption (kWh)	**2015**	294,490	1,105,794	1,556,436	320,737	N/A	N/A	**3,277,457**
	2016	357,912	732,905	1,383,452	399,629	N/A	N/A	**2,873,898**
	2017	**413,958**	**752,975**	**1,214,443**	**472,968**	**N/A**	**N/A**	**2,854,344**
Natural gas consumption (kWh)	**2015**	2,896,269	833,904,214	16,243,385	6,423,070	38,343,651	N/A	**897,810,589**
	2016	2,101,959	904,962,116	16,273,531	5,338,149	N/A	1,263,000	**929,938,755**
	2017	**1,915,913**	**891,415,144**	**15,213,245**	**5,229,674**	**N/A**	**1,367,726**	**915,141,702**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Electricity consumption (kWh)	2015	53,469,258	19,694,879	8,263,084
	2016	49,113,128	20,026,169	7,552,308
	2017	47,560,093	19,092,631	7,100,911
Renewable energy production (kWh)	2015	19,074	39,500	2,870
	2016	16,335	38,092	4,065
	2017	17,728	40,332	246,260
Petrol consumption (l)	2015	18,001	0	19,836
	2016	6,589	0	17,891
	2017	1,227	0	16,881
Domestic fuel oil consumption (l)	2015	418,313	129,484	N/A
	2016	483,164	119,678	N/A
	2017	498,402	152,317	N/A
Diesel consumption (l)	2015	4,164,027	1,242,315	1,567,056
	2016	3,819,370	1,193,917	1,447,204
	2017	3,984,802	1,353,143	1,421,739
Non-road diesel consumption (l)	2015	86,769	110,746	N/A
	2016	145,374	114,151	N/A
	2017	217,128	109,724	N/A
Butane and propane consumption (kWh)	2015	277,530	43,207	N/A
	2016	354,621	45,008	N/A
	2017	376,851	96,117	N/A
Natural gas consumption (kWh)	2015	5,846,618	576,452	6,138,266
	2016	4,881,556	456,593	6,599,159
	2017	4,687,137	542,537	6,869,693

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Electricity consumption (kWh)	**2015**	6.93	22.55	21.85	5.28	0.67	0.75	1
	2016	6.13	25.75	13.50	5.99	0.69	0.97	1.09
	2017	**6.61**	**26.95**	**21.60**	**8.38**	**4.69**	**1.54**	**0.02**
Renewable energy production (kWh)	**2015**	75	75,000	N/A	674,452	0	N/A	0
	2016	90,879	1,030,601	0	0	4,832	0	0
	2017	**235,550**	**973,965**	**0**	**0**	**5,939**	**0**	**0**
On-site consumption of generated power (kWh)	**2015**	28,525	196,008	N/A	N/A	N/A	N/A	N/A
	2016	39,402	263,061	0	0	36,635	0	0
	2017	**30,843**	**301,692**	**0**	**0**	**38,126**	**0**	**0**
Petrol consumption (l)	**2015**	87,341	12,792	28,297	18,310	39,884	53,753	18,197
	2016	69,632	946,309	39,735	13,332	20,863	16,328	15,453
	2017	**90,150**	**21,624**	**43,764**	**25,407**	**20,081**	**271,135**	**19,200**
Kerosene consumption (l)	**2015**	N/A	N/A	N/A	N/A	N/A	20,000	N/A
	2016	N/A	N/A	N/A	N/A	N/A	160,000	N/A
	2017	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0**	**N/A**
Diesel consumption (l)	**2015**	10,711,582	4,085,122	6,002,006	472,272	791,839	7,409,352	115,994
	2016	9,448,013	4,588,565	7,609,107	389,234	682,483	5,933,000	91,540
	2017	**10,238,868**	**4,241,407**	**9,029,082**	**367,832**	**1,546,206**	**5,932,687**	**143,498**
Domestic fuel oil consumption (l)	**2015**	17,572	1,062,961	2,997,470	N/A	N/A	N/A	2,101
	2016	14,796	451,848	1,500,434	N/A	N/A	N/A	200
	2017	**15,116**	**1,732,940**	**2,706,478**	**N/A**	**N/A**	**N/A**	**0**
Heavy fuel oil consumption (l)	**2015**	152,276	450,305	8,754,031	10,360	N/A	808,800	N/A
	2016	223,170	551,013	5,007,048	13,577	N/A	25,556	N/A
	2017	**172,491**	**655,420**	**5,712,207**	**4,438**	**N/A**	**70,000**	**N/A**
Butane and propane consumption (kWh)	**2015**	594,737	2,383,339	15,900	306,060	N/A	N/A	N/A
	2016	526,803	3,191,687	0	192,822	N/A	11,868	N/A
	2017	**610,295**	**3,672,539**	**17,160**	**191,367**	**1,076,363**	**0**	**N/A**
Natural gas consumption (kWh)	**2015**	8,489,146	9,185,110	12,085	394,795	104,014	N/A	95,951
	2016	8,583,254	10,103,590	11,813,025	438,390	111,473	N/A	106,500
	2017	**8,427,873**	**15,723,495**	**2,624,834**	**530,002**	**568,972**	**N/A**	**15,200**

France		
Low temperature coated aggregate (t)	**2015**	649,441
	2016	863,739
	2017	**1,189,638**

Table no. 7:
Greenhouse gas emissions assessment

France		Construction	Infrastructures	Energy Systems	APRR	Other Concessions	Holding	Total France
Greenhouse gas emissions assessment ($teqCO_2$)	**2015**	135,201	340,975,59	63,721,73	24,067	12,669	155	**576,790**
Greenhouse gas emissions assessment ($teqCO_2$)	**2016**	20,890	296,206	60,828	23,996	89	1,469	**400,389**
Greenhouse gas emissions assessment ($teqCO_2$)	**2017**	**20,048**	**286,986**	**59,592**	**25,002**	**428**	**1,565**	**393,621**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Greenhouse gas emissions assessment ($teqCO_2$)	**2015**	18,304	5,762	6,200
Greenhouse gas emissions assessment ($teqCO_2$)	**2016**	18,224	5,772	6,084
Greenhouse gas emissions assessment ($teqCO_2$)	**2017**	**18,781**	**6,221**	**5,818**

The Bilan Carbon® Methodology from the French environment and energy management agency (Ademe) is used to calculate the greenhouse gas emissions report. In 2017, emissions factors were updated on the Enablon platform to include changes to the carbon base (Base carbone®) and in particular the December 2016 update affecting diesel and petrol. The emissions factor for electricity consumption relates to the combustion phase (excluding scope 3 emissions from upstream activities).

CO_2 emissions outside France (scope 1 and 2) amount to 148,371 teq. CO_2. CO_2 emissions for the APRR network (scope 3) amount to 6,859,138 teq. CO_2. CO_2 emissions for other concessions (scope 3) amount to 8,897 teq. CO_2.

Sustainable development reporting methodology note

The Eiffage Sustainable Development Report meets the requirements of articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code. Eiffage does not follow a particular social or environmental benchmark in preparing this report.

Measures to combat food waste are not included in the reporting scope as food waste is not a significant issue in the context of the Group's activities.

Quantitative data

Reporting scope

The social and environmental reporting encompasses France and the international entities, and is based on consolidated financial information with the aim of providing exhaustive coverage. Unless otherwise stated, 97.9% of the Group workforce is covered. Entities with a small workforce located abroad are not integrated in the reporting.

The contribution rate for environmental reporting via the Enablon software application was 99% for France and 94% outside France. This contribution rate was calculated based on the response rate by Group entities to Enablon questionnaires issued as part of the annual environmental reporting campaign.

Indicators

The social and environmental indicators are defined to meet the requirements of article R.225-105-1 of the French Commercial Code. Additional indicators viewed as relevant to the Group's businesses are also defined.

To ensure a uniform approach, the individuals contributing and approving data have a reporting guide that presents, for each indicator, its designation, its definition (if needed), its calculation formula (if needed), the list of calculation details and a note detailing the elements to be included. The reporting guide is available in the reporting application and is sent to all contributors.

Consolidation of quantitative data

Data collection takes place through various channels:

→ Sextant, the human resources management application developed by Eiffage, supplies employment data for all the French subsidiaries, except data concerning workplace accident statistics, occupational diseases and people with disabilities;

→ Workplace accident statistics are generated by the divisions' workplace accident management applications (Acciline and SAGA for APRR), and Group results are calculated based on the data submitted by the divisions;

→ Data concerning workplace accidents for temporary workers, occupational diseases and people with disabilities is collected using the Enablon tool;

→ Indicators concerning people with disabilities are consolidated in Enablon, with data drawn from the DOETH forms (for declaring workers with disabilities in France) completed at the start of the reporting year;

→ All environmental indicators are consolidated using Enablon. In 2012, an upgrade to the 6.0 version made it possible to integrate a greenhouse gas management module, with emissions factors being updated in 2016. This evolution allows the Group to establish its regulatory GHG emissions report (BEGES) and also allows establishments to obtain their own individual GHG emissions reports.

Verification of quantitative data

Sextant employment data is generated directly by payroll applications, without human intervention.

Consistency checks were performed when the interface providing the indicators was created, and the interface results were verified by the relevant Human Resources departments. Consistency checks are nonetheless systematically performed when reports are prepared by the Sustainable Development department and the teams in charge of Sextant.

Workplace accident statistics are approved by the divisions' risk prevention managers and checked by the Director of Labour Relations, who establishes the Group statistics.

The other data consolidated in Enablon is entered by more than 580 contributors and approved by 380 referees across all divisions. Seven administrators supervise data entry and consistency checks.

Qualitative data

Qualitative data is provided by the relevant divisions and central departments. It is consolidated by the Sustainable Development and Transversal Innovation department, which selects and formats the information. The final draft is submitted for approval before publication to the correspondents in each division and to general management.

Statutory Auditors' reports

Report by the independent third party on the consolidated employment, environmental and CSR information presented in the management report
(*Financial year ended on December 31st 2017*)

Eiffage S.A.
Registered office:
3-7, place de l'Europe,
78140 Vélizy-Villacoublay
Share capital: €392,015,064

To the Shareholders,

In our capacity as the independent third party for EIFFAGE S.A., accredited by the French national accreditation body COFRAC under number 3-1049 [(1)], and a member of the KPMG International network as one of yourStatutory Auditors, we hereby report to you on the consolidated employment, environmental and CSR information for the year ended December 31st 2017 presented in the management report (hereinafter "CSR Information"), in accordance with Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

The Board of Directors is responsible for drafting a management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting guidelines used by the company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's registered office.

Independence and quality control

Our independence is defined by regulatory texts, our profession's code of ethics and the provisions of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical requirements and the applicable laws and regulations.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

→ certify that the required CSR Information is present in the management report or that any omissions are explained in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code (Statement of completeness of CSR Information);

→ express limited assurance that the CSR Information, taken as a whole, is fairly presented in all material respects, in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

We are not, however, required to express an opinion on compliance with any other applicable legal provisions, such as those contained in Article L. 225-102-4 of the French Commercial Code (vigilance plan) or in the "Sapin II Act' n° 2016-1691 of December 9th 2016 (anti-corruption measures).

Our review was conducted by a team of six people between October 2017 and April 2018, over a total period of around twelve weeks. We were assisted in our work by our CSR specialists.

We conducted the review described below in accordance with the decree of May 13th 2013 defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and, for the reasoned opinion on fairness, in accordance with international standard ISAE 3000[(2)].

1. Statement of completeness of CSR Information

Nature and scope of work

We conducted interviews with the relevant heads of department to obtain an understanding of the company's sustainable development strategy regarding the impact of its business on employment and the environment and its corporate social responsibility commitments and, where applicable, any actions or programmes related thereto.

We compared the CSR Information presented in the management report with the list referred to in Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the consolidated scope, comprising the company, its subsidiaries (within the meaning of Article L. 233-1 of the French Commercial Code), and the companies it controls (within the meaning of Article L. 233-3 of the same Code), within the limitations set out in the methodological information provided at the end of the chapter of the management report entitled "Employment, environmental and corporate social responsibility information".

Conclusion

Based on this work and subject to the limitations mentioned above, we certify that the required CSR Information has been disclosed in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of work

We conducted around 60 interviews with individuals responsible for preparing the CSR Information in the departments tasked with collecting the information and, where appropriate, individuals responsible for internal control and risk management procedures, in order to:

→ assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility, taking into account industry best practices when necessary;

→ verify the implementation of a data collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and gain an understanding of the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information, given the company's characteristics, its social and environmental challenges, its sustainable development policy and industry best practices.

With regard to the CSR Information that we considered to be the most important [3]:

→ at the level of the consolidating entity and divisions, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures for the quantitative information and verified, using sampling techniques, the calculations and data consolidation, and also checked data consistency and concordance with the other information contained in the management report;

→ for a representative sample of the entities listed in Appendix 1, which we selected on the basis of their business activities, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct implementation of procedures and to identify any omissions and we performed detailed tests based on samples, consisting in verifying the calculations and reconciling the data with the supporting documents. The selected sample represented 19% of the workforce considered to be representative of the employment component and between 16% and 100% of the environmental data considered to be representative of the environmental component[4].

For the other consolidated CSR Information, we assessed consistency based on our understanding of the company.

Lastly, we assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations inherent in the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity in the CSR Information may have gone undetected.

Conclusion

Based on this work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Paris La Défense, April 3rd 2018
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

[1] Scope details available on: www.cofrac.fr

[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

[3] **Quantitative employment information:** Total workforce (permanent and fixed-term contracts) at 31st December and breakdown by gender and age, Number of hirings (permanent and fixed-term contracts), Number of dismissals, Absenteeism rate, Total hours of training, Frequency rate of lost-time workplace accidents, Statutory severity rate, Number of people with disabilities.

Quantitative environmental information: ISO 14001 certified revenue, Electricity consumption, Natural gas consumption, Fuel consumption, Total water consumption, Quantity of hazardous waste, Greenhouse gas emissions (scope 1 and 2).

Qualitative information: Health and safety in the workplace, Implemented training policies, Employee information and training on the protection of the environment, Measures to improve energy efficiency, in particular actions taken within the framework of ISO 50001, Consumption of raw materials and measures to improve the efficient use of raw materials, Measures to preserve or enhance biodiversity, Regional, economic and social impact of the company's business in terms of employment and regional development and on local or resident populations, Importance of subcontracting and consideration of suppliers' and subcontractors' corporate social and environmental responsibility, Anti-corruption measures.

[4] See the list of quantitative environmental information in footnote 3 above.

Appendix 1

Selected sample of entities

Employment and environmental information	**Concessions**	AREA S.A. (France) APRR Paris (France)
	Construction	Eiffage Polska Budownictwo (Poland)
	Infrastructures	Eiffage Génie Civil Méditerranée (France) Defor (Poland) Eiffage Sénégal (Senegal)
	Energy Systems	Clemessy S.A. (France) Eiffage Énergie Île-de-France Ferrières en Brie (France)
Employment information	**Infrastructures**	Eiffage Génie Civil (France)
	Energy Systems	Groupe Clemessy (France) Eiffage Énergie Île-de-France (France)
Environmental information	**Concessions**	APRR Rhin (France) APRR Rhône (France)
	Construction	Eiffage Construction Herbosch-Kiere (Belgium) Eiffage Construction Romarco (Belgium)
	Infrastructures	Bocahut haut-Lieu (France) Forézienne Sud (France) Eiffage TP Grands Travaux Enrobés Postes mobiles (France) Est Granulats – Gerstheim (France) CALCA (Spain)
	Energy Systems	Eiffage Énergie Telecom – Ambérieux (France)

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated employment, environmental and CSR information presented in the management report (*Financial year ended on December 31st 2017*)

APRR S.A.
Registered office:
36 rue du Docteur Schmitt,
21800 Saint Apollinaire
Share capital: €33,911,447

To the Shareholders,

In our capacity as the Statutory Auditors appointed as an independent third party for APRR S.A., accredited by the French national accreditation body COFRAC under number 3-1049 [1], we hereby report to you on the consolidated employment, environmental and CSR information for the year ended December 31st 2017 presented in the management report (hereinafter "CSR Information"), in accordance with Article L. 225-102-1 of the French Commercial Code *(Code de commerce).*

Responsibility of the company

The Board of Directors is responsible for drafting a management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting guidelines used by the company (hereinafter the "Guidelines"), summarised in the management report and available on request frm the company's registered office.

Independence and quality control

Our independence is defined by regulatory texts, our profession's code of ethics and the provisions of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical requirements and the applicable laws and regulations..

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

→ certify that the required CSR Information is present in the management report or that any omissions are explained in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code (Statement of completeness of CSR Information);

→ express limited assurance that the CSR Information, taken as a whole, is fairly presented in all material respects, in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

We are not, however, required to express an opinion on compliance with any other applicable legal provisions, such as those contained in Article L. 225-102-4 of the French Commercial Code (vigilance plan) or in the "Sapin II Act" n° 2016-1691 of December 9th 2016 (anti-corruption measures).

Our review was conducted by a team of five people between October 2017 and April 2018, over a total period of around one week. We were assisted in our work by our CSR specialists.

We conducted the review described below in accordance with the decree of May 13th 2013 defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and, for the reasoned opinion on fairness, in accordance with international standard ISAE 3000 [2].

1. Statement of completeness of CSR Information

Nature and scope of work

We conducted interviews with the relevant heads of department to obtain an understanding of the company's sustainable development strategy regarding the impact of its business on employment and the environment and its corporate social responsibility commitments and, where applicable, any actions or programmes related thereto.

We compared the CSR Information presented in the management report with the list referred to in Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the consolidated scope, comprising the company, its subsidiaries (within the meaning of Article L. 233-1 of the French Commercial Code), and the companies it controls (within the meaning of Article L. 233-3 of the same Code).

Conclusion

Based on this work, we certify that the required CSR Information has been disclosed in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of work

We conducted around 10 interviews with individuals responsible for preparing the CSR Information in the departments tasked with collecting the information and, where appropriate, individuals responsible for internal control and risk management procedures, in order to:

→ assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility, taking into account industry best practices when necessary;

→ verify the implementation of a data collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and gain an understanding of the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information, given the company's characteristics, its social and environmental challenges, its sustainable development policy and industry best practices.

With regard to the CSR Information that we considered to be the most important [3]:

- at the level of the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures for the quantitative information and verified, using sampling techniques, the calculations and data consolidation, and also checked data consistency and concordance with the other information contained in the management report;
- for a representative sample of the entities that we selected [4] on the basis of their business activities, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct implementation of procedures and to identify any omissions and we performed detailed tests based on samples, consisting in verifying the calculations and reconciling the data with the supporting documents. The selected sample represented 47% of the workforce considered to be representative of the employment component and between 43% and 100% of the environmental data considered to be representative of the environmental component [5].

For the other consolidated CSR Information, we assessed consistency based on our understanding of the company.

Lastly, we assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations inherent in the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity in the CSR Information may have gone undetected.

Conclusion

Based on this work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Paris La Défense, April 3rd 2018
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

(1) Scope details available on: www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

(3) **Quantitative employment information:** Total workforce (permanent and fixed-term contracts) at 31st December and breakdown by gender and age, Number of hirings (permanent and fixed-term contracts), Number of dismissals, Absenteeism rate, Total hours of training, Frequency rate of lost-time workplace accidents, Statutory severity rate, Number of people with disabilities.
Quantitative environmental information: ISO 14001 certified revenue, Electricity consumption, Natural gas consumption, Fuel consumption, Total water consumption, Quantity of hazardous waste, Greenhouse gas emissions (scope 1 and 2).
Qualitative information: Health and safety in the workplace, Implemented training policies, Anti-discrimination policy, Measures to prevent, reduce or remedy serious air, water and soil pollution risks, Regional, economic and social impact of the company's business on local or resident populations in terms of employment and regional development, Dialogue with stakeholders, Measures to protect the health and safety of users

(4) **Environmental and employment information:** AREA S.A., APRR Paris. **Environmental information:** APRR Rhin, APRR Rhône.

(5) See the list of quantitative environmental information in footnote 3 above.

Report by the independent third party on the employment, environmental and CSR information presented in the management report (*Financial year ended on December 31st 2017*)

AREA S.A.
Registered office:
260, avenue Jean-Monnet
69500 Bron
Share capital: €82,900,000

To the Shareholders,

In our capacity as the independent third party for AREA S.A., accredited by the French national accreditation body COFRAC under number 3-1049 [1] , we hereby report to you on the employment, environmental and CSR information for the year ended December 31st 2017 presented in the management report (hereinafter "CSR Information"), in accordance with Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

The Board of Directors is responsible for drafting a management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting guidelines used by the company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's registered office.

Independence and quality control

Our independence is defined by regulatory texts, our profession's code of ethics and the provisions of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical requirements and the applicable laws and regulations.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- certify that the required CSR Information is present in the management report or that any omissions are explained in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is fairly presented in all material respects, in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

We are not, however, required to express an opinion on compliance with any other applicable legal provisions, such as those contained in Article L. 225-102-4 of the French Commercial Code (vigilance plan) or in the "Sapin II Act" no. 2016-1691 of December 9th 2016 (anti-corruption measures).

Our review was conducted by a team of five people between October 2017 and April 2018, over a total period of around one week. We were assisted in our work by our CSR specialists.

We conducted the review described below in accordance with the decree of May 13th 2013 defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and, for the reasoned opinion on fairness, in accordance with international standard ISAE 3000[2].

1. Statement of completeness of CSR Information

Nature and scope of work

We conducted interviews with the relevant heads of department to obtain an understanding of the company's sustainable development strategy regarding the impact of its business on employment and the environment and its corporate social responsibility commitments and, where applicable, any actions or programmes related thereto.

We compared the CSR Information presented in the management report with the list referred to in Article R. 225-105-1 of the French Commercial Code.

For any information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of the company.

Conclusion

Based on this work, we certify that the required CSR Information has been disclosed in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of work

We conducted around 10 interviews with individuals responsible for preparing the CSR Information in the departments tasked with collecting the information and, where appropriate, individuals responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility, taking into account industry best practices when necessary;
- verify the implementation of a data collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and gain an understanding of the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information, given the company's characteristics, its social and environmental challenges, its sustainable development policy and industry best practices.

With regard to the CSR Information that we considered to be the most important[3]:

- at the level of the company's registered office, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures for the quantitative information and verified, using sampling techniques, the calculations and data consolidation, and also checked data consistency and concordance with the other information contained in the management report;
- we conducted interviews to verify the correct implementation of procedures and to identify possible omissions, and we performed detailed tests based on samples, consisting in verifying the calculations and reconciling the data with the supporting documents. Our review covered 100% of the workforce considered to be representative of the employment component and 100% of the environmental data considered to be representative of the environmental component[4].

For the other CSR Information, we assessed consistency based on our understanding of the company.

Lastly, we assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations inherent in the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity in the CSR information may have gone undetected.

Conclusion

Based on this work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Paris La Défense, April 3rd 2018
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

[1] Scope details available on: www.cofrac.fr

[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

[3] **Quantitative employment information:** Total workforce (permanent and fixed-term contracts) at 31st December and breakdown by gender and age, Number of hirings (permanent and fixed-term contracts), Number of dismissals, Absenteeism rate, Total hours of training, Frequency rate of lost-time workplace accidents, Statutory severity rate, Number of people with disabilities.
Quantitative environmental information: ISO 14001 certified revenue, Electricity consumption, Natural gas consumption, Fuel consumption, Total water consumption, Quantity of hazardous waste, Greenhouse gas emissions (scope 1 and 2).
Qualitative information: Health and safety in the workplace, Implemented training policies, Anti-discrimination policy, Measures to prevent, reduce or remedy serious air, water and soil pollution risks, Regional, economic and social impact of the company's business on local or resident populations, Dialogue with stakeholders, Measures to protect the health and safety of users.

[4] See the list of quantitative environmental information in footnote 3 above.

Report by one of the Statutory Auditors, appointed as an independent third party, on the employment, environmental and CSR information presented in the management report (*Financial year ended on December 31st 2017*)

Clemessy S.A.
Registered office:
18 rue de Thann
68100 Mulhouse
Share capital: €19 281 029

To the Shareholders,

In our capacity as the Statutory Auditors appointed as an independent third party for Clemessy S.A., accredited by the French national accreditation body COFRAC under number 3-1049 [1] , we hereby report to you on the employment, environmental and CSR information for the year ended December 31st 2017 presented in the management report (hereinafter "CSR Information"), in accordance with Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

The Board of Directors is responsible for drafting a management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting guidelines used by the company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's registered office.

Independence and quality control

Our independence is defined by regulatory texts, our profession's code of ethics and the provisions of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical requirements and the applicable laws and regulations.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

→ certify that the required CSR Information is present in the management report or that any omissions are explained in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code (Statement of completeness of CSR information);

→ express limited assurance that the CSR Information, taken as a whole, is fairly presented in all material respects, in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

We are not, however, required to express an opinion on compliance with any other applicable legal provisions, such as those contained in Article L. 225-102-4 of the French Commercial Code (vigilance plan) or in the "Sapin II Act" no. 2016-1691 of December 9th 2016 (anti-corruption measures).

Our review was conducted by a team of four people between October 2017 and April 2018, over a total period of around one week. We were assisted in our work by our CSR specialists.

We conducted the review described below in accordance with the decree of May 13th 2013 defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and, for the reasoned opinion on fairness, in accordance with international standard ISAE 3000[2].

1. Statement of completeness of CSR Information

Nature and scope of work

We conducted interviews with the relevant heads of department to obtain an understanding of the company's sustainable development strategy regarding the impact of its business on employment and the environment and its corporate social responsibility commitments and, where applicable, any actions or programmes related thereto.

We compared the CSR Information presented in the management report with the list referred to in Article R. 225-105-1 of the French Commercial Code.

For any information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of the company.

Conclusion

Based on this work, we certify that the required CSR Information has been disclosed in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of work

We conducted around five interviews with individuals responsible for preparing the CSR Information in the departments tasked with collecting the information and, where appropriate, individuals responsible for internal control and risk management procedures, in order to:

→ assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility, taking into account industry best practices when necessary;

→ verify the implementation of a data collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and gain an understanding of the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information, given the company's characteristics, its social and environmental challenges, its sustainable development policy and industry best practices.

With regard to the CSR Information that we considered to be the most important [3]:

→ at the level of the company's registered office, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures for the quantitative information and verified, using sampling techniques, the calculations and data consolidation, and also checked data consistency and concordance with the other information contained in the management report;

→ we conducted interviews to verify the correct implementation of procedures and to identify possible omissions, and we performed detailed tests based on samples, consisting in verifying the calculations and reconciling the data with the supporting documents. Our review covered 100% of the workforce considered to be representative of the employment component and 100% of the environmental data considered to be representative of the environmental component [4].

For the other CSR Information, we assessed consistency based on our understanding of the company.

Lastly, we assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations inherent in the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity in the CSR Information may have gone undetected.

Conclusion

Based on this work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Paris La Défense, April 3rd 2018
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

[1] Scope details available on: www.cofrac.fr

[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

[3] **Quantitative employment information:** Total workforce (permanent and fixed-term contracts) at 31st December and breakdown by gender and age, Number of hirings (permanent and fixed-term contracts), Number of dismissals, Absenteeism rate, Total hours of training, Frequency rate of lost-time workplace accidents, Statutory severity rate, Number of people with disabilities.
Quantitative environmental information: ISO 14001 certified revenue, Electricity consumption, Natural gas consumption, Fuel consumption, Total water consumption, Quantity of hazardous waste, Greenhouse gas emissions (scope 1 and 2).
Qualitative information: Health and safety in the workplace, Implemented training policies, Anti-discrimination policy, Measures to prevent, reduce or remedy serious air, water and soil pollution risks, Regional, economic and social impact of the company's business on local or resident populations, Dialogue with stakeholders, Measures to protect the health and safety of users.

[4] See the list of quantitative environmental information in footnote 3 above.

Consolidated financial statements

Consolidated statement of financial position at December 31st 2017

Assets

In millions of euros	Notes	December 31st 2017	December 31st 2016
Non-current assets			
Property, plant and equipment	6.4	1,649	1,585
Investment property	6.4	3	4
Concession intangible assets	6.1	11,181	11,408
Goodwill	6.2	2,995	2,945
Other intangible assets	6.4	182	175
Equity-method investments	6.3	168	144
Non-current financial assets in respect of concession service arrangements	6.1	1,680	1,886
Other non-current financial assets	6.4; 8.6	189	219
Deferred tax assets	10.1; 10.2; 10.4	240	274
Total non-current assets		**18,287**	**18,640**
Current assets			
Inventories	6.6	777	728
Trade and other receivables	6.6	4,977	4,292
Current tax assets	10.1	206	174
Current financial assets in respect of concession service arrangements	6.1	50	19
Other current assets	6.6	1,286	1,184
Cash and cash equivalents	8.7	4,537	4,466
Assets classified as held for sale	3.3	–	–
Total current assets		**11,833**	**10,863**
Total assets		**30,120**	**29,503**

Notes 1 to 14 form an integral part of the consolidated financial statements.

Equity and liabilities

In millions of euros	Notes	December 31st 2017	December 31st 2016
Equity			
Share capital	7.1	392	392
Consolidated reserves		3,507	3,012
All other comprehensive income items		(159)	(237)
Profit for the year		545	475
Equity attributable to equity holders of the parent company		**4,285**	**3,642**
Non-controlling interests	7.2	847	623
Equity		**5,132**	**4,265**
Non-current liabilities			
Borrowings	8.1; 8.2; 8.3; 8.4	12,119	12,706
Deferred tax liabilities	10.1; 10.2; 10.4	881	984
Non-current provisions	9	625	583
Other non-current liabilities		84	93
Total non-current liabilities		**13,709**	**14,366**
Current liabilities			
Trade and other payables	6.6	3,289	3,041
Loans and other borrowings	8.1; 8.2; 8.3; 8.4	1,428	1,685
Non-current borrowings due within one year	8.1; 8.2; 8.3; 8.4	1,590	1,716
Current income tax liabilities	10.1	131	144
Current provisions	9	625	573
Other liabilities	6.6	4,216	3,713
Liabilities directly associated with assets classified as held for sale	3.3	–	–
Total current liabilities		**11,279**	**10,872**
Total equity and liabilities		**30,120**	**29,503**

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated income statement for the year ended December 31st 2017

In millions of euros	Notes	December 31st 2017	December 31st 2016
Operating income[1]	5.1	15,263	14,307
Other operating income		5	3
Raw materials and consumables used		(2,803)	(2,554)
Employee benefits expense	5.2.1	(3,287)	(3,219)
Other operating expenses		(6,186)	(5,780)
Taxes (other than income tax)		(460)	(448)
Depreciation and amortisation	5.2.2	(836)	(820)
Net increase (decrease) in provisions		(109)	(78)
Change in inventories of finished goods and work in progress		80	70
Other operating income on ordinary activities	5.2.3	62	116
Operating profit on ordinary activities	**5.2**	**1,729**	**1,597**
Other income (expenses) from operations	5.3	(56)	(71)
Operating profit		**1,673**	**1,526**
Income from cash and cash equivalents		16	16
Finance costs		(506)	(555)
Net finance costs	**8.5**	**(490)**	**(539)**
Other financial income (expenses)	8.5	(20)	(41)
Share of profit (loss) of equity-method investments	6.3	4	(2)
Income tax	10.3	(335)	(167)
Profit for the year		**832**	**777**
– Attributable to equity holders of the parent company		545	475
– Non-controlling interests	7.2	287	302

Earnings per share attributable to the holders of the parent company (in euros)			
Basic	7.4	5,73	5,13
Diluted	7.4	5,60	4,99

Net profit for the year attributable to equity holders of the parent company before deferred tax adjustments[2]		**512**	**416**
Diluted earnings per share before deferred tax adjustments		5,25	4,37

(1) Of which construction revenue of concessions (IFRIC 12):		313	272

(2) Adjustments for non-recurrent deferred taxation to reflect the decrease in the French corporation tax rate amounted to €33 million in 2017 and €59 million in 2016.

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income for the year ended December 31st 2017

In millions of euros	Notes	December 31st 2017	December 31st 2016
Profit for the year		**832**	**777**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains and losses on defined benefit plans	9.3	(9)	(15)
Tax on items that will not be reclassified subsequently to profit or loss		3	5
Share of gains and losses of equity-method investments that will not be reclassified subsequently to profit or loss		–	–
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences		3	(3)
Re-measurement of derivative hedging instruments (1)	8.3	193	155
Tax on items that are or may be reclassified subsequently to profit or loss		(66)	(58)
Share of gains and losses of equity-method investments that are or may be reclassified subsequently to profit or loss		9	12
Items of other comprehensive income		**133**	**96**
Comprehensive income for the period		**965**	**873**
– Attributable to equity holders of the parent company		623	523
– Non-controlling interests		342	350
(1) Of which amount reclassified to profit or loss in the period:		(198)	(209)

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

In millions of euros	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Employee benefits	Attributable to equity holders of the parent company	Non-controlling interests	Total
Equity at January 1st 2016	**382**	**445**	**2,655**	**5**	**(255)**	**(35)**	**3,197**	**275**	**3,472**
Capital increase/ reduction	10	121	–	–	–	–	131	–	131
Treasury shares	–	–	(75)	–	–	–	(75)	–	(75)
Share-based payments	–	–	8	–	–	–	8	–	8
Dividends	–	–	(142)	–	–	–	(142)	(3)	(145)
Buyouts and other changes in non-controlling interests	–	–		–	–	–	–	1	1
Transactions with shareholders	**10**	**121**	**(209)**	**–**	**–**	**–**	**(78)**	**(2)**	**(80)**
Profit for the year	–	–	475	–	–	–	475	302	777
Items of other comprehensive income	–	–	–	(3)	60	(9)	48	48	96
Comprehensive income	**–**	**–**	**475**	**(3)**	**60**	**(9)**	**523**	**350**	**873**
Equity at December 31st 2016	**392**	**566**	**2,921**	**2**	**(195)**	**(44)**	**3,642**	**623**	**4,265**
Capital increase/ reduction	–	3		–	–	–	3	1	4
Treasury shares	–	–	141	–	–	–	141	–	141
Share-based payments	–	–	10	–	–	–	10	–	10
Dividends	–	–	(144)	–	–	–	(144)	(121)	(265)
Buyouts and other changes in non-controlling interests (1)	–	–	10	–	–	–	10	2	12
Transactions with shareholders	**–**	**3**	**17**	**–**	**–**	**–**	**20**	**(118)**	**(98)**
Profit for the year	–	–	545	–	–	–	545	287	832
Items of other comprehensive income	–	–	–	3	81	(6)	78	55	133
Comprehensive income	**–**	**–**	**545**	**3**	**81**	**(6)**	**623**	**342**	**965**
Equity at December 31st 2017	**392**	**569**	**3,483**	**5**	**(114)**	**(50)**	**4,285**	**847**	**5,132**

(1) Mainly the buyout of non-controlling interests, which did not bring about a change of control, at Innovative Civil Constructors Inc.

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

In millions of euros	Notes	2017	2016
Cash and cash equivalents at the beginning of the year		**4,319**	**3,448**
Effect of foreign exchange rate changes		(1)	(4)
Restated cash and cash equivalents at the beginning of the year		**4,318**	**3,444**
Profit for the year		832	777
Profit (loss) of equity-method investments	6.3	(4)	2
Dividends from equity-method investments	6.3	9	5
Depreciation and amortisation	5.2.2	754	737
Net increase in provisions		97	80
Other non-cash items		14	1
Gain or loss on disposals		(17)	(31)
Cash flows from operations before interest and taxes		**1,685**	**1,571**
Net interest expense	8.5	473	530
Interest paid		(537)	(631)
Income tax expense	10.3	335	167
Income tax paid		(518)	(375)
Changes in working capital requirement	6.6	(104)	(95)
Net cash from operating activities (I)		**1,334**	**1,167**
Purchases of property, plant and equipment and intangible assets	6.4	(304)	(241)
Purchases of concession intangible assets	6.1	(291)	(284)
Purchases of non-current financial assets	6.1	(194)	(289)
Disposals of property, plant and equipment and intangible assets		190	64
Net operating investments		**(599)**	**(750)**
Purchases of controlling interests [1]		(59)	(150)
Disposals of controlling interests and assets held for sale		10	40
Cash and cash equivalents of entities bought or sold		50	2
Net financial investments	**3.2**	**1**	**(108)**
Net cash used in investing activities (II)		**(598)**	**(858)**
Dividends paid to shareholders		(265)	(145)
Capital increase		161	131
Purchases/disposals of non-controlling interests		(4)	–
Repurchase and resale of treasury shares	7.1	(15)	(75)
Repayments of borrowings	8.4	(2,248)	(1,784)
New borrowings	8.4	1,708	2,439
Net cash from (used in) financing activities (III)		**(663)**	**566**
Net increase in cash and cash equivalents (I + II + III)		**73**	**875**
Cash and cash equivalents at the end of the year	**8.7**	**4,391**	**4,319**

(1) In 2016, includes €66 million on the acquisition of a further 24% interest in Adelac, the operator of the northern section of the A41 motorway.

Notes 1 to 14 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

(In millions of euros unless otherwise indicated)

1. General information

The registered office of the Eiffage Group is located at 3-7 Place de l'Europe, Vélizy-Villacoublay 78140, France.

The shares of Eiffage SA are listed in Compartment A of the market organised by Euronext in Paris.

The Group employed 64,035 persons on average in 2017 and 62,940 persons on average in 2016.

The consolidated financial statements for the year ended December 31st 2017 were approved by the Board of Directors on February 28th 2018 and will be submitted for the shareholders' approval at the general meeting to be held on April 25th 2018.

Significant events in 2017

Eiffage SA cancelled 3,000,000 shares held in treasury and staged a capital increase reserved for the Group's employees in France and abroad, which resulted in the issue of 2,921,501 shares with a nominal value of €4 each. Following these transactions, the share capital of Eiffage SA amounted to €392,015,064.

At the end of 2017, Eiffage completed the acquisition from Saipem of its maritime works activities, which in 2016 generated revenue of around €100 million, mainly in Kuwait, Congo and Panama, and has a number of ongoing orders. With this acquisition, Eiffage, which already engages in coastal and river engineering in France and Belgium, is strengthening its international capabilities in these sectors of activity. This is the latest step in Eiffage's international redeployment in speciality activities, which is expected, furthermore, to lead to synergies in the execution of large complex projects.

Events since the balance sheet date

On February 1st 2018, Eiffage Energía, a subsidiary of Eiffage Énergie Systèmes, completed the acquisition of EDS Ingeniería y Montajes, a company with revenue of €25 million in 2016, whose head office is located in the Spanish Basque country.

On February 20th 2018, the consortium formed by Eiffage, TSO and Razel-Bec was awarded lot 1 for line 16 of the Grand Paris Express under a contract worth €1.84 billion in total (Eiffage's share amounting to €1.71 billion).

On February 23rd 2018, Eiffage Énergie Systèmes entered into an agreement to acquire 51% of the capital of Kropman, a leading Dutch electrical engineering group with revenue of €153 million in 2017.

On March 15th 2018, Eiffage Construction acquired Priora AG, a leading construction company in German-speaking Switzerland with revenue of around €340 million in 2017.

2. Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2.1 Significant accounting estimates and judgements

When preparing the consolidated financial statements in accordance with International Financial Reporting Standards, senior management relies on estimates and assumptions that affect the amounts of assets and liabilities reported in the balance sheet, contingent liabilities reported in the notes, and income and expenses reported in the income statement. These estimates and assumptions are based on past experience and on various other factors, taking into account the current economic and financial environment. It is possible that the carrying amounts of the assets and liabilities may be adjusted subsequently because of these estimation uncertainty sources.

The estimates and assumptions concern essentially:

- the stage of completion of construction contracts and the measurement of the profit on completion (trade receivables on the asset side of the balance sheet, other payables on the liability side, and revenue in the income statement) (see Note 5.1.2: Construction contracts). Estimates and assumptions regarding the stage of completion and the measurement of the profit on completion are reviewed regularly for each contract on the basis of the information that is available, taking into account technical and contractual constraints specific to each contract. Past costs, future costs and any guarantee costs are analysed, their measurement being based on the best estimate of costs that will be incurred to fulfil the Group's contractual obligations;
- provisions (see Note 9: Provisions), notably provisions for maintaining concession infrastructures in condition, for which calculations are based on the application of discount rates and indexation clauses contained in works contracts;
- the valuation of share-based payments (see Note 5.2.1: Employee benefits), which relies on actuarial assumptions (volatility, interest rates, dividend growth);
- employee benefit calculations, which rely on assumptions (discount rate, inflation, rate of increase in wages and salaries) (see Note 9.3: Retirement indemnities);
- impairment tests (key assumptions used to determine recoverable amounts: model and discount rate) (see Note 6.2: Goodwill);
- the recoverability of deferred tax assets (see Note 10: Income tax).

CONSOLIDATED FINANCIAL STATEMENTS

2.2 Treatment of monetary effects

The consolidated financial statements are prepared in euro, which is the functional currency and the presentation currency of Eiffage SA, the Group's parent company. The accounts are presented in millions of euros.

The individual financial statements of entities or establishments whose functional currency is not the euro are prepared in the local currency. The financial statements are translated into the presentation currency, i.e., the euro, at the rate of exchange prevailing at the year-end in the case of the balance sheet and at the weighted average monthly exchange rate in the case of the income statement and the cash flow statement. The use of the average monthly exchange rate ensures a value close to the exchange rate on the transaction date in the absence of significant exchange rate fluctuations. Exchange differences arising from these translations are recognised as other comprehensive income items in the comprehensive income statement.

Foreign currency transactions are converted into the respective functional currencies of the Group's entities applying the exchange rate prevailing on the date of the transactions. At the end of the reporting period, monetary assets and liabilities in a foreign currency are converted into the functional currency applying the exchange rate prevailing on that date. Foreign exchange gains and losses resulting from the conversion of monetary items correspond to the difference between amortised cost in the functional currency at the opening of the reporting period, adjusted for the impact of applying the effective interest rate and payments during the period, and amortised cost in the foreign currency converted at the exchange rate prevailing at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in a foreign currency are converted into the functional currency applying the exchange rate prevailing on the date of determination of the item's fair value. Non-monetary items in a foreign currency that are carried at historical cost are measured applying the exchange rate prevailing on the date of the transaction.

As a rule, gains and losses arising on conversion are recognised in profit or loss.

As an exception, conversion differences arising on the following items are recognised as other comprehensive income items in the comprehensive income statement:
- equity instruments available for sale (except in the event of an impairment, when exchange differences are reclassified from other comprehensive income items to profit or loss);
- financial liabilities designated as a hedge of a net investment in a foreign operation, to the extent the hedging relationship is effective;
- instruments designated as cash flow hedges, for the part that is effective.

2.3 Changes in International Financial Reporting Standards (IFRS) up to the balance sheet date

The following new amendments adopted by the European Union were applied with effect from January 1st 2017:
- amendments to IAS 7, "Disclosure Initiative";
- amendments to IAS 12, "Recognition of Deferred Tax Assets for Unrealised Losses".

A number of new standards adopted by the European Union will be effective for annual periods beginning on or after January 1st 2018 and were not applied prospectively for the preparation of these financial statements.

IFRS 15, "Revenue from Contracts with Customers", which will be adopted by the Group with effect from January 1st 2018, with the application of the full retrospective approach to the comparative period presented, i.e. from January 1st 2017.

The Group has analysed the different types of contracts entered into in each sector of activity and concluded that the application of the new standard will not have a material impact on the consolidated financial statements. The accounting method used currently by the contracting businesses for the recognition of the revenue generated by contracts with customers and the contract outcome have not been brought into question by the new standard:
- most contracts contain a performance obligation satisfied at a given point in time;
- the determination of the stage of completion, based on the completion of a physical proportion of the contract work or as a proportion of contract costs, complies with the requirements of IFRS 15, reflecting the gradual transfer of control to the customer.

The main changes to the consolidated financial statements for the comparative period are summarised below:
- for property development activity, land will be taken into account in the determination of the stage of completion for rev-enue recognition upon the exchange of the notarial deed. As regards 2017, this change will increase pro forma revenue by around €120 million, the impact on equity at January 1st 2017 and December 31st 2017 not being material.
- for long-term contracts relating to public-private partnerships, revenue in respect of major maintenance and repairs will be recognised as the work is performed rather than on the basis of the invoices raised as previously; on the other hand, provisions will no longer be recognised. There follows that there will be a slight reduction in revenue, which will not be material and will have no impact on the profit for the year.

There will be changes to the order book, which are summarised below:
- for property development, there will be an increase estimated at around €0.7 billion corresponding to the notarial deeds, which before were not taken into account.
- for concessions, there will be an increase estimated at around €1 billion corresponding to operation and maintenance services awarded under long-term contracts relating to public-private partnerships, including major maintenance and repair work over the entire term of the contract, which was not included

in the order book until now.
- for contracting, there will be a decrease estimated at around €0.8 billion, reflecting notably adjustments with regard to:

– staggered contracts under a standing arrangement, which were included on the basis not of a valuation but of a best estimate;
– conditional lots relating to signed contracts, which until now were included when it was highly likely they would be executed;
– unconfirmed portions of design-build contracts, which until now were included when it was highly likely they would be executed.

It is possible that the above estimates may be adjusted once analyses have been finalised.

Concerning IFRS 9, "Financial Instruments", which is also applicable from January 1st 2018, the Group does not expect this standard to have material impacts arising from the impairment of trade receivable-related claims or from the refinancing arranged prior to December 31st 2017.

Concerning IFRS 16, "Leases", the inventory of contracts concerned by this standard is underway to determine the possible impacts. The new standard will be effective for annual periods beginning on or after January 1st 2019.

3. Consolidation scope

Accounting principles

Pursuant to IFRS 10, "Consolidated Financial Statements", entities controlled directly or indirectly by Eiffage SA are consolidated under the full consolidation method.

Control is established if Eiffage SA has all the following elements:
- substantive rights enabling it to dir-ect the key activities of the investee;
- exposure to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the variable returns.

For each company held directly or indirectly, it is assessed whether or not the Group controls the investee in light of all relevant facts and circumstances.

IFRS 11, "Joint Arrangements", sets out the accounting treatment to be applied when two or more parties have joint control of an investee. Joint control is established if decisions relating to relevant activities require the shareholders' unanimous agreement.

A joint arrangement falls into one of two categories, generally dependent on the legal form of the investee:
- joint ventures: parties that have joint control of the arrangement have rights to its net assets, and are consolidated using the equity method;
- joint operations: parties that have joint control of the arrangement have direct rights to the assets and direct obligations for the liabilities of the arrangement, the joint operator recognising its share of the assets, liabilities, revenue and expenses of the joint operation.

Most of the joint arrangements to which the Infrastructures division is party are through joint-venture companies *(société en participation – SEP)* that, given their characteristics, fall into the category of joint operations.

As required by IAS 28 (revised), entities over which Eiffage SA exercises significant influence are consolidated using the equity method.

The results of consolidated enterprises acquired or sold during the year are included in the consolidated financial statements, as from the date of acquisition in the first case or until the date of disposal in the second.

Business combinations are accounted for applying the acquisition method when the Group obtains control. The purchase consideration transferred to the acquiree is measured at fair value in the same way as the net identifiable assets that have been acquired. Any goodwill arising from a business combination is tested for impairment each year. Any gains resulting from a bargain purchase are recognised immediately in profit or loss as a component of operating profit. Acquisition costs are recognised in profit or loss when incurred, unless they relate to the issue of debt or equity instruments.

The purchase consideration excludes any amounts relating to the settlement of pre-existing relationships, which as a rule are recognised in profit or loss.

Any contingent consideration to be paid is measured at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured subsequently and its settlement is accounted for in equity. On the other hand, any subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.1 Consolidation of the Autoroutes Paris Rhin Rhône (APRR) group

In connection with the privatisation of the French motorway network in 2006, Eiffage teamed up with a financial investor to complete the acquisition of the APRR group through Financière Eiffarie, a holding company.

Financière Eiffarie is majority-owned by Eiffage (50% of the capital plus one share).
- Eiffage is responsible for the operations of the investee;
- both parties appoint the same number of representatives to the Board of Directors, with the Chairman (who is appointed by Eiffage) having the casting vote

for decisions taken by a simple majority, including the following key activities: setting the annual budget and financing plan in accordance with the five-year contract-based plan;

- the right of veto exercisable by the financial partner with regard to certain decisions further to the shareholders' agreement is a protective right only, inasmuch as:

– negotiations of the five-year contract-based plan are led by APRR's executives, who are appointed by Eiffage;

– the annual budget is prepared and approved by Eiffage alone, with what are considered as very significant variances being tolerated in relation to the business plan;

– for the execution of this budget, APRR's cost structure, which influences significantly the variable returns, is the responsibility of Eiffage;

– the thresholds requiring unanimous decisions are high compared with the past, do not form part of the usual activities or exist only to ensure compliance with competition regulations;

– in the event of a persistent disagreement, the partner's rights are limited chiefly to triggering a liquidity guarantee by initiating an initial public offering.

- as the majority shareholder, Eiffage has exposure to the variable returns from its involvement in APRR and has power over APRR to affect the amount of the variable returns.

Eiffage therefore fulfils each and every one of the three criteria determining control as set out in IFRS 10 in that it has power to direct the relevant activities of APRR, exposure to APRR's variable returns and the ability to affect the amount of these returns.

3.2 Changes in the consolidation scope

In 2017, acquisitions were completed mainly by the Infrastructures division, which took over Saipem's maritime works activities and acquired Perez Morelli, a demolition specialist.

These acquisitions having been completed at the end of December 2017, only the consolidated statement of financial position is impacted. The related purchase considerations are to be settled mainly in 2018.

The Energie Systems division completed further small in-fill acquisitions, notably of Wetec, a Paris-based electrical contractor providing services to customers in the luxury goods sector. Concurrently, Eiffage pressed ahead with the rotation of its portfolio of public-private partnerships, selling its 85% interest in Eifficol 1 and Eifficol 3 (which are party to the public-private partnership for eight secondary schools in Seine-Saint-Denis) and its slightly more than 80% interest in Eiffigreen (which is party to the public-private partnership for the GreEn-ER University in Grenoble) and in Effly54 (which is party to the public-private partnership for the Jarny secondary school in Meurthe-et-Moselle).

The summary of the impact of consolidation scope changes below reflects:

- as regards the income statement lines, the contributions made by these new subsidiaries since their inclusion in the consolidation scope in 2017 as well as contributions made by companies consolidated for the first time in 2016 (mainly the acquisitions of the Chris Vuylsteke group by the Construction division, MDM by the Infrastructures division and the Yerly group, Barth, Lohner and Meci by the Energy Systems division);
- the impact on 2017 profit of the deconsolidation in the second half of 2016 of Norscut et TP Ferro, which initially had been accounted for by the equity method.

As regards the consolidated statement of financial position, the acquisition of Saipem's maritime works activities led to an increase in current assets and liabilities, while the deconsolidation of divested public-private partnerships led to a decrease in non-current assets and liabilities.

Impacts of changes in the consolidation scope on the financial statements for the year ended December 31st 2017

Statement of financial position

- Non-current assets: €300 million decrease;
- Current assets: €102 million increase ;
- Non-current liabilities: €224 million decrease;
- Current liabilities: €24 million increase.

Income statement

- Revenue: €88 million increase;
- Operating profit: €1 million decrease;
- Net finance costs: €6 million increase;
- Profit for the year: €9 million increase.

The total cost of the acquisitions completed in 2017, net of disposals, was €22 million.

3.3 Assets classified as held for sale and related liabilities

Accounting principles

Groups of assets whose disposal has been decided are presented separately on the asset and liability sides of the balance sheet when their sale is highly probable and is expected to be completed within one year from the end of the accounting period.

Assets classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.
Any impairment losses in respect of a group of assets classified as held for sale are allocated first to goodwill, then to other assets and liabilities pro rata to their carrying amount except for inventories, financial assets, deferred tax assets, assets arising from employee benefits and investment properties, which continue to be measured in accordance with the Group's other applicable accounting principles.
Impairment losses at the time of classification of an asset or group of assets and liabilities as held for sale as well as gains or losses on subsequent measurement are recognised in profit or loss.

After their classification as assets held for sale, intangible assets and property, plant and equipment are no longer depreciated, while investments previously accounted for by the equity method cease to be accounted for applying this method.

As at December 31st 2016, no disposal involving an asset or a group of assets had been decided.

4. Segment reporting

In accordance with IFRS 8, segment reporting is based on the Group's internal organisation for reporting to senior management. Accordingly, the operating segments are:

- Construction: urban development, building design and construction, property development, maintenance and facilities management;
- Infrastructures: civil engineering, road and rail design and construction, drainage, earthworks and metallic construction;
- Energy Systems: design, construction, integration, operation and maintenance of energy and telecommunication systems and installations;
- Concessions: construction and operation of infrastructures under concessions and public-private partnerships (PPP);
- Holding: management of participating interests and services to Group companies.

The Energy division changed its name to the Energy Systems division and brings together all of the Group's activities relating to the energy sector.

4.1 Year ended December 31st 2017

Information by operating segment

	Construction	Infrastructures	Energy Syst.	Concessions	Holding	Eliminations	Total
Income statement							
Gross operating income	3,758	4,724	3,721	3,050	10	–	15,263
Inter-segment sales	37	67	102	2	125	(333)	–
Operating income	**3,795**	**4,791**	**3,823**	**3,052**	**135**	**(333)**	**15,263**
Operating profit on ordinary activities	153	119	158	1,318	(19)	–	1,729
Operating profit	138	100	141	1,317	(23)	–	1,673

Information by geographical area

	France	Rest of Europe	Rest of the World
Operating income	12,340	2,677	246
Non-current assets	17,301	850	136

4.2 Year ended December 31st 2016

Information by operating segment

	Construction	Infrastructures	Energy Syst.	Concessions	Holding	Eliminations	Total
Income statement							
Gross operating income	3,696	4,437	3,324	2,833	17	–	14,307
Inter-segment sales	30	84	167	3	140	(424)	–
Operating income	**3,726**	**4,521**	**3,491**	**2,836**	**157**	**(424)**	**14,307**
Operating profit on ordinary activities	147	93	138	1,236	(17)	–	1,597
Operating profit	130	53	122	1,236	(15)	–	1,526

Information by geographical area

	France	Rest of Europe	Rest of the World
Operating income	11,719	2,323	265
Non-current assets	17,688	819	133

5. Information concerning the income statement

5.1 Revenue recognition

5.1.1 Reconciliation of reported revenue and operating income

	December 31st 2017	December 31st 2016
Revenue – Contracting	12,237	11,452
Revenue – Concessions	2,739	2,556
Reported revenue	**14,976**	**14,008**
Reported revenue per IFRIC 12	313	272
Other items	(26)	27
Operating income	**15,263**	**14,307**

5.1.2 Construction contracts

Accounting principles

Construction contracts are accounted for by reference to the stage of completion as required by IAS 11.

To measure the stage of completion, the Group uses the approach that is most suitable under the circumstances; i.e., either by measuring the physical level of completion of the work in the case of the Construction and Infrastructures divisions, or by determining the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs in the case of the Energy Systems division.

IAS 11 is also applied to construction contracts for facilities or installations that are operated by the Group as the concession holder.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is provisioned immediately, whatever the stage of completion.

These provisions are based on estimates drawn up individually for each contract. When appropriate, these estimates may include amounts in respect of claims that have been filed when it is probable these amounts will be received and when they can be determined reliably.

Underlying assumptions are reviewed on an ongoing basis. The effects of changes in estimates are recognised in the period when the changes occurred.

Provisions for losses on completion are detailed in Note 9: Provisions.

Financial information concerning construction contracts

	December 31st 2017	December 31st 2016
For contracts in progress at the balance sheet date:		
– Aggregate contract costs incurred plus recognised profits less recognised losses to date	14,962	12,076
– Advances received	688	683
– Amounts retained by contract customers	17	13
– Amounts due from contract customers	2,050	1,324
– Amounts due to contract customers	472	751

5.1.3 Property development

Accounting principles

Property under construction is accounted for by reference to the stage of completion upon a sale agreement being evidenced before a notary or upon a property development contract being signed.

The stage of completion is determined by performing physical surveys of work performed and the percentage thus determined is applied to the estimated profit for the lots sold.

	December 31st 2017	December 31st 2016
For contracts in progress at the balance sheet date:		
– Aggregate contract costs incurred plus recognised profits less recognised losses to date	186	404
– Advances received	–	–

5.1.4 Concessions and utilities management

Accounting principles

During the operational phase, revenue from concession intangible assets consists of the tolls paid by the infrastructure users, while revenue from financial assets arising from public-to-private service agreements consists of the remuneration earned on the financial receivable and of maintenance fees received.

5.2 Operating profit on ordinary activities

Accounting principles

This refers to the operating profit generated by the ordinary activities planned and carried on by the Group's various businesses. This line includes all income generated and expenses incurred by these activities, including amortisation, depreciation and provisions but excluding other income and expenses from operations (see Note 5.3 below), all financial income and expenses, the share of profit of equity-method investments and income tax.

5.2.1 Employee benefits

Defined contribution plans

Accounting principles

Contributions to defined contribution plans are recognised as expenses in the income statement in the period when incurred.

Other obligations towards employees

Other than those detailed in Note 9: Provisions, the Group has no obligations towards employees in respect of healthcare cover and therefore has limited exposure to changes in medical expenses.

End of carreer indeminities

	December 31st 2017	December 31st 2016
A. Charge for the year recognised for accounting purposes		
Current service cost	17	16
Past service cost – Plan amendments	–	–
Past service cost – Plan curtailment	–	–
(Gain) loss on liquidations	–	–
Service cost	**17**	**16**
Net interest on provision (asset)	4	5
Cost of defined benefits recognised in profit or loss	**21**	**21**
Administrative expenses incurred in period	–	–
Cost of indemnities on termination of employment contracts	–	–
Immediate recognition of (gains) losses	–	–
Charge for the year recognised for accounting purposes	**21**	**21**
B. Other comprehensive income items		
Actuarial (gains) losses due to experience adjustments	4	(3)
Actuarial (gains) losses due to changes in actuarial assumptions	1	16
Actuarial (gains) losses recognised in other comprehensive income	**5**	**13**
(Higher) lower return on plan assets than that based on discounting	–	–
Effect of plan asset ceiling	–	–
Total (gain) loss recognised in other comprehensive income	**5**	**13**
C. Cost of defined benefits		
Recognised in profit and loss	21	21
Recognised in other comprehensive income	5	13
Cost of defined benefits	**26**	**34**

Share-based payments

Accounting principles

In accordance with IFRS 2, “Share-based Payment”, the issuance to employees of stock purchase or subscription options or bonus shares is treated as an increase in equity, with the offsetting debit entry to profit or loss under employee benefits expense.

The value of stock options and bonus shares is estimated at the grant date. The corresponding charge is spread over the rights vesting period.

Capital increases reserved for employees at a discount are analysed to determine any benefit that might result. The fair value of the benefit takes into account the five-year unavailability period for shares acquired under a Group savings plan.

Bonus shares

Plan	July 4th 2016	Aug. 30th 2017
Number of shares allotted	234,030	285,505
Spot price of shares on grant date	€65.37	€82.93
Expected volatility	24.17%	22.73%
Interest rate	between -0.35% and -0.38%	between -0.03% and -0.31%
Expected annual dividend	€1.50	€1.50
Bonus shares at the start of the period	**232,375**	**–**
Allotment of bonus shares	–	285,505
Cancellation of rights	10,735	1,565
Bonus shares at the end of the period	**221,640**	**283,940**

Characteristics of bonus issues of shares:

At the end of a three-year vesting period, ownership of the shares is transferred to the beneficiaries on the condition that they are still employed by the Group and that they keep these shares for one year.

The charge recognised in respect of these plans is weighted to factor in the probability of the beneficiaries' continuing employment when the vesting period ends.

The final number of shares allotted will depend on the performance of the Eiffage share over the three years following the grant date. This performance was simulated using a Monte Carlo algorithm.

Share purchase options

Plan	Feb. 24th 2011	Dec. 13th 2012	Feb. 26th 2014	Feb. 25th 2015
Number of options granted	677,600	958,150	947,000	934,750
Option exercise price	€41.24	€29.00	€45.43	€46.41
Expiration date	09/03/18	13/12/19	26/02/21	25/02/22
Expected volatility	26.00%	29.63%	25.01%	26.24%
Risk-free rate on grant date	2.78%	1.15%	1.43%	0.45%
Expected annual dividend growth	0.00%	0.00%	0.00%	0.00%
Fair value of option on grant date	€7.79	€7.76	€9.61 (1)	€9.41 (1)
Options in issue at the start of the period	**162,100**	**693,090**	**780,800**	**796,950**
Options allotted	–	–	–	–
Options exercised	76,040	512,344	–	–
Options cancelled	2,800	4,450	50,200	46,800
Options in issue at the end of the period	**83,260**	**176,296**	**730,600**	**750,150**

(1) Fair value determined using the provisioning method at the grant date.

Characteristics of options plans:

These options have a vesting period of four years.

All plans are subject to a condition of continuing employment;

The valuation of all these plans is based on the Black and Scholes method.

The overall charge in respect of bonus share issues and share purchase plans, included under employee benefits expense, is detailed below.

	December 31st 2017	December 31st 2016
Charge in respect of issues of bonus shares	6	2
Charge in respect of share subscription and purchase options	4	6
Total	**10**	**8**

5.2.2 Depreciation and amortisation charges

	December 31st 2017	December 31st 2016
Property, plant and equipment	278	252
Concession intangible assets	532	543
Other intangible assets(1)	31	25
Depreciation and amortisation – Income statement	**841**	**820**
Of which finance leases	87	83
Depreciation and amortisation – Statement of cash flows	**754**	**737**

(1) Of which €5 million reported under other operating income and charges in 2017.

5.2.3 Other operating income and expenses on ordinary activities

	December 31st 2017	December 31st 2016
Share of profits of joint ventures	28	19
Other income from property transactions	(1)	2
Depreciation of current assets	(10)	13
Profit on sale of equipment	10	14
Currency translation differences	8	12
Miscellaneous	27	56
Total	**62**	**116**

5.3 Other income and expenses from operations

Accounting principles

Other operating income and expenses are items that arise as the result of a major event occurring during the accounting period, when failure to disclose these items separately might give a misleading view of the Group's performance. They therefore concern income and expenditure items that are unusual and infrequent. They are disclosed on a separate line of the income statement so as not to distort operating profit on ordinary activities. These items may include gains or losses on disposals, significant and unusual impairment losses relating to non-current assets, and certain restructuring charges or provisions in respect of liabilities or claims of a specific nature that are material in relation to the Group's ordinary activities.

	December 31st 2017	December 31st 2016
Risks of penalties and other risks	(3)	(9)
Restructuring	(47)	(58)
Proceeds from the sale of land, buildings and/or public-private partnership interests	1	1
Miscellaneous	(7)	(5)
Total	**(56)**	**(71)**

6. Operating assets and operating liabilities

6.1 Concession intangible assets and non-current financial assets in respect of concession service arrangements

Accounting principles

In accordance with IFRIC 12, the Group recognises:

- intangible assets representing the right to charge fees to the users of the public service. The fees received are contingent on the extent to which the public uses the service (concession motorways, for instance). This right is measured at the fair value of the infrastructures that are the object of the concession, to which are added borrowing costs incurred while the asset is under construction. The right is amortised on a straight-line basis over the term of the service concession arrangement as from the date the infrastructure is brought into service, to reflect the economic benefits expected to be procured by the arrangement. These assets are recognised on the asset side of the balance sheet and in the statement of cash flows on a specific line, "Concession intangible assets";
- financial assets, when the operator has an unconditional contractual right to receive a specified or determinable amount of cash. This right, arising from public-private partnership agreements, is recognised by recording in the balance sheet a financial receivable measured initially at the fair value of the cash to be received. This receivable is recognised on the asset side of the balance sheet under "Non-current financial assets in respect of concession service arrangements" or "Current financial assets in respect of concession service arrangements". Subsequently, this financial receivable is measured at amortised cost applying the effective interest rate method, payments made by the grantor being deducted against it. The revenue generated by the financial receivable is recognised as operating income.

Certain arrangements may combine characteristics of both models. When this is the case, only that part providing an unconditional contractual right to receive a specified or determinable amount of cash is recorded as a financial receivable, while the other part, which corresponds to the right to charge fees to the user, is recorded as an intangible asset.

Property, plant and equipment not controlled by the grantor and required to operate the concession (buildings, toll equipment, service vehicles, etc.) are recognised as such and depreciated over their respective estimated useful life.

2017	Net value at January 1st 2017	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2017	Gross value	Accumulated amortisation and depreciation
Concession intangible assets	11,408	1	305	(1)	(532)	11,181	20,972	(9,791)
Non-current financial assets in respect of concession service arrangements	1,886	(338)	232	(100)	–	1,680	1,680	–
Current financial assets in respect of concession service arrangements	19	31	–	–	–	50	50	–

Purchases of concession intangible assets reported in the statement of cash flows, amounting to €291 million, correspond to acquisitions totalling €305 million, adjusted for the change in amounts not disbursed at the period end, amounting to €14 million.

Purchases of non-current financial assets reported in the statement of cash flows, amounting to €194 million, correspond to acquisitions of non-current financial assets in respect of concession service arrangements totalling €232 million, adjusted for the change in amounts not disbursed at the period end, amounting to €38 million.

Changes in consolidation scope concern mainly the deconsolidation of public-private partnerships sold during the year (Jarny secondary school, secondary schools in Seine-Saint-Denis (lots 1 and 3) and GreEn-ER University in Grenoble).

At December 31st 2017, concession intangible assets were carried mainly by APRR/AREA (€9,742 million), A'Liénor (€921 million), CEVM (€343 million) and SENAC (€97 million).

At December 31st 2017, current and non-current financial assets in respect of concession service arrangements correspond mainly to the Bretagne–Pays de la Loire high-speed rail line (€1,112 million), the Lille Métropole Stadium (€236 million) and renovation of the Grande Arche de La Défense (€177 million).

With regard to the concession agreements, the Group has the following firm investment commitments (exceeding €100 million and not delivered at the end of reporting period):

- €738 million at the level of APRR for the construction and widening of motorways and the creation of new interchanges between 2018 and 2022.

As a rule, companies party to concession agreements or public-private partnerships and having arranged third-party financing for which recourse is limited to the assets of these companies (and which is therefore without recourse against Eiffage SA) have pledged their own shares in favour of the lenders in question. This pledge is generally accompanied by covenants restricting the use to which cash positions can be put and thereby governing dividend payments and capital reductions.

2016	Net value at January 1st 2016	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2016	Gross value	Accumulated amortisation and depreciation
Concession intangible assets	11,701	(50)	300	–	(543)	11,408	20,667	(9,259)
Non-current financial assets in respect of concession service arrangements	1,732	(114)	288	(20)	–	1,886	1,886	–
Current financial assets in respect of concession service arrangements	20	(1)	–	–	–	19	19	–

Purchases of concession intangible assets reported in the statement of cash flows, amounting to €284 million, correspond to acquisitions totalling €300 million, adjusted for the change in amounts not disbursed at the period end, amounting to €16 million.

Purchases of non-current financial assets reported in the statement of cash flows, amounting to €289 million, correspond to acquisitions of non-current financial assets in respect of concession service arrangements totalling €288 million, adjusted for the change in amounts not disbursed at the period end, amounting to €1 million.

List of concessions and utilities management agreements

Intangible assets

Description	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Motorway concessions						
Autoroutes Paris–Rhin–Rhône (APRR)	Motorway network (1,891 km)	Payment by users	Tariffs defined in concession agreement and validated by grantor	None	Returned to grantor at end of agreement without compensation	November 2035
Autoroutes Rhône–Alpes (AREA)	Motorway network (408 km)	Payment by users	Tariffs defined in concession agreement and validated by grantor	None	Returned to grantor at end of agreement without compensation	September 2036
A'Liénor	Motorway network (150 km)	Payment by users	Tariffs defined in concession agreement and validated by grantor	None	Returned to grantor at end of agreement without compensation	2066
Compagnie Eiffage du Viaduc de Millau (CEVM)	Viaduct operation (2.5 km)	Payment by users	Tariffs defined in concession agreement and validated by grantor	None	Returned tograntor at end of agreement without compensation	2079
Société Eiffage de la Nouvelle Autoroute Concédée (SENAC)	Motorway network in Senegal (41 km)	Payment by users	Tariffs defined in concession agreement and validated by grantor	None	Returned to grantor at end of agreement without compensation	2039
Fibre optic networks						
Three regional/local agreements (Territoire de Belfort, Côtes d'Armor, Aix-en-Provence)	Roll-out and operation of electronic communications network	Payment by users (telecommunication operators)	Tariff grid validated with the grantor	None	Returned to grantor at end of agreement without compensation	From 2024 to 2029

Financial assets

Description	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Public facilities						
Var secondary schools	Construction and operation of three secondary schools	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2043
Lille Nord de France University	Grand Lille campus training and innovation project	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2041
Lorraine University in Metz	Construction and maintenance of two building complexes at the Metz science park	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2042
Lorraine University in Nancy	Construction and maintenance of two building complexes of the Biology Health Cluster at the Brabois campus in Vandoeuvre-lès-Nancy	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2043

Financial assets (suite)

Description	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Aix-Marseille University	Restructuring, renovation and construction of a series of university buildings and facilities	Rent paid by grantor	None	None	Returned tograntor at end of agreement without compensation	2042
Grande Arche de la Défense	Renovation and redevelopment of the Grande Arche de La Défense	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2034
High-speed rail line						
Bretagne–Pays de la Loire high-speed rail line	Construction and maintenance of the high-speed rail line from Le Mans to Rennes»	Rent paid by grantor	None	None	Returned to grantor at end of agreement withoutcompensatio»	2036

Intangible assets and financial assets (combined model)

Description	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Sports complex						
Pierre Mauroy stadium (Lille)	Construction and operation of a stadium	Fixed rent paid by grantor, revenue from ticket sales and ancillary revenue	None	Payments to grantor if profit exceeds floor return	Returned to grantor at end of agreement without compensation	2043

6.2 Goodwill

List of concessions and utilities management agreements

The Group has defined cash generating unit groups for each of its operating segments, which correspond to the level at which synergies are generated by business combinations. The definition of these units varies according to the organisation of the operating segment to which the unit belongs, which may be geographical or specific to the operating segment.

Goodwill is not amortised but is tested for impairment at least annually and whenever there is any indication of impairment in value, any impairment loss being recognised.

For impairment testing purposes, goodwill that cannot be tested individually is included in the cash generating unit group expected to benefit from the synergies produced by the business combination.

The recoverable amount of the cash generating unit group in which this goodwill is included is the higher of fair value less costs to sell and value in use.

In practice, the recoverable amount of the cash generating unit groups is determined first by reference to their value in use. If the value in use is less than the cash generating unit group's carrying value, fair value less costs to sell is then determined.

The value in use is estimated using the discounted free cash flow method, based on the two following elements:

→ expected cash flow at nil debt, namely:
– earnings before interest, taxes, depreciation and amortisation;
– changes in working capital;
– capital expenditure to replace existing property, plant and equipment;
– taxes.

→ discount rate (opportunity cost of capital) determined for each cash generating unit group based on its activity and the associated risk profile.

The use of after-tax rates to determine recoverable amounts produces the same results as applying pre-tax rates to cash flow before tax.

The recoverable value of cash generating unit groups, other than activities operating concessions and managing utilities, is calculated as the sum of discounted cash flows to infinity.

The recoverable value of concession cash generating units is calculated as the sum of discounted cash flows expected over the remaining life of the concession agreement.

Goodwill is allocated to the cash generating unit (CGU) groups defined by the Group based on the operating segments, as shown below:

	December 31st 2016	Acquisitions/ Increases	December 31st 2017
Construction	434	–	434
Infrastructures	355	36	391
Energy Systems	588	14	602
Concessions	1,568	–	1,568
Total	**2,945**	**50**	**2,995**

At the end of December 2017, the Infrastructures division completed the acquisition from Saipem of its maritime works activities, underlining the Group's determination to strengthen its international capabilities in these sectors of activity and to round out its offer in the execution of large complex projects.

The Energy Systems division is pressing ahead with its development through acquisitions in France and the rest of Europe aimed at consolidating the footprint of its core activity. The change in 2017 also reflects the anchoring of previous acquisitions.

No capital instruments were issued in connection with the company acquisitions completed in 2017.

Goodwill is tested for impairment at least annually and whenever there is any indication of impairment in value.

In the prevailing environment, with continuing uncertainties about the economy emerging from the recent crisis on the one hand and strong competitive pressures on the other, the Group continues to estimate discount rates (which have been impacted by changes in the risk-free rate) and cash flows conservatively.

The main parameters used for the determination of values in use are summarised in the table below:

CGU groups at the level of the operating segments	Discount rate 2017	Discount rate 2016
Construction	5.40%	5.10%
Infrastructures	5.40%	5.10%
Energy Systems	4.80%	4.50%
Concessions	4.50%	3.90%

The Group registered a zero growth rate for all GCU groups except Concessions.

For Concessions, the growth rate varies over the term of the concession according to various parameters that are consistent with each of the underlying service concession arrangements. Key parameters are the changes in traffic and in the price components of these arrangements, which are determined applying a conservative approach in what remains an uncertain economic environment.

Impairment tests performed on the goodwill did not indicate the need to recognise any impairment losses.

Reasonable changes of assumptions used for impairment tests performed in respect of each group of cash generating units would not lead to the recognition of goodwill impairment losses.

The Group has also carried out sensitivity analyses at the level of the operating segments by modifying assumptions regarding the discount rates and cash flows. If discount rates were increased and/or cash flows decreased, the breakeven points, i.e., the levels at which the carrying value of the operating segment would exceed its value in use, would be as indicated in the table below:

Operating segment	Breakeven point – Discount rate	Breakeven point – Reduction in cash flows
Construction	19.9%	25%
Infrastructures	7.0%	75%
Energy Systems	11.9%	40%

At December 31st 2017, no impairment loss had been recognised against any of the goodwill.

6.3 Equity-method investments

Significant joint ventures and associates, excluding property development companies, are those that, when considered individually, have a value recognised applying the equity method in excess of €10 million or total assets in excess of €50 million. They comprise: Adelac (A41 motorway concession operator), Est Granulats (quarry operator), Isentalautobahn (public-private partnership for the A94 motorway), Normalux (naval construction), Prado Sud and SMTPC (operators of tunnel concessions in Marseille), and Axxès (electronic toll collector for heavy goods vehicles and buses).

Key financial data concerning these companies is summarised below:

Year ended December 31st 2017	Joint ventures						Associates
Abridged financial information at 100%	Adelac	Est Granulats	Isentalautobahn Gmbh	Normalux	Prado Sud	SMTPC	Axxès
Country % held	France 49.9%	France 49%	Germany 33.3%	Belgique 25%	France 41.5%	France 32.9%	France 17%
Dividends paid to the Group	**–**	**–**	**–**	**–**	**–**	**4**	**–**
Current assets	64	15	57	8	7	38	201
Non-current assets	1,093	16	221	69	168	62	23
Total assets	1,157	31	278	77	175	100	224
Shareholders' equity	289	27	–	21	(5)	75	38
Current financial liabilities	–	–	–	–	21	–	–
Other current liabilities	9	3	33	–	3	8	174
Non-current financial liabilities	769	–	245	56	156	15	9
Other non-current liabilities	90	1	–	–	–	2	3
Total liabilities and shareholders' equity	1,157	31	278	77	175	100	224
Operating income	54	5	158	–	9	40	954
Operating profit on ordinary activities	41	(3)	–	–	3	21	2
Profit (loss) for the year	(1)	(3)	–	–	(3)	15	–
Items of other comprehensive income	10	–	–	–	3	–	–
Comprehensive income for the period	9	(3)	–	–	–	15	–
Above results are stated after:							
Amortisation and depreciation charges	(18)	(1)	–	–	(4)	(10)	N/A
Interest receivable	–	–	5	–	–	–	N/A
Interest payable	(45)	–	(5)	–	(9)	–	N/A
Tax (charge) credit	3	–	–	–	2	(6)	N/A
Share of investee's profit (loss) recognised by the Group	–	(2)	–	–	(2)	5	–
Shares of investee's items of other comprehensive income recognised by the Group	7	–	–	–	2	–	–
Share of investee's shareholders' equity recognised by the Group	77	13	–	5	(2)	25	7
Share of investments not giving control over the investee recognised by the Group	4	–	–	–	–	–	6
Share of investee's profit (loss) not recognised by the Group	21	–	–	–	2	–	–
Shares of investee's items of other comprehensive income not recognised by the Group	(22)	–	–	–	–	–	–
Value at which investment recognised	**80**	**13**	**0**	**5**	**0**	**25**	**13**
Stock market value of investment	**–**	**–**	**–**	**–**	**–**	**45**	**–**

Year ended December 31st 2016	Joint ventures						Associates
Abridged financial information at 100%	Adelac	Bagnolet Promotion	Est Granulats	Normalux	Prado Sud	SMTPC	Axxès
Country % held	France 48.9%	France 50%	France 49%	Belgique 25%	France 41.5%	France 32.9%	France 17%
Dividends paid to the Group	**–**	**–**	**–**	**–**	**–**	**4**	**–**
Current assets	104	147	17	14	9	33	173
Non-current assets	1,086	–	17	64	172	71	21
Total assets	1,190	147	34	78	181	104	194
Shareholders' equity	281	–	30	21	(6)	72	13
Current financial liabilities	–	–	–	–	21	–	–
Other current liabilities	3	107	3	–	–	9	169
Non-current financial liabilities	816	40	–	56	162	20	10
Other non-current liabilities	90	–	1	1	4	3	2
Total liabilities and shareholders' equity	1,190	147	34	78	181	104	194
Operating income	51	–	4	–	7	41	876
Operating profit on ordinary activities	40	–	(2)	–	3	21	–
Profit (loss) for the year	(31)	–	(2)	–	(5)	13	(2)
Items of other comprehensive income	35	–	–	–	3	–	–
Comprehensive income for the period	4	–	(2)	–	(2)	13	(2)
Above results are stated after:							
Amortisation and depreciation charges	(13)	–	(1)	–	(4)	(10)	N/A
Interest receivable	–	–	–	–	–	–	N/A
Interest payable	(76)	–	–	–	(9)	–	N/A
Tax (charge) credit	5	–	–	–	3	(7)	N/A
Share of investee's profit (loss) recognised by the Group	–	–	(1)	–	(1)	4	(1)
Shares of investee's items of other comprehensive income recognised by the Group	4	–	–	–	1	–	–
Share of investee's shareholders' equity recognised by the Group	69	–	15	5	(2)	24	2
Share of investments not giving control over the investee recognised by the Group	1	–	–	–	–	–	2
Share of investee's profit (loss) not recognised by the Group	22	–	–	–	2	–	–
Shares of investee's items of other comprehensive income not recognised by the Group	(22)	–	–	–	–	–	–
Value at which investment recognised	**70**	**0**	**15**	**5**	**0**	**24**	**4**
Stock market value of investment	**–**	**–**	**–**	**–**	**–**	**61**	**–**

Aggregate financial information concerning equity-method investments:

	December 31st 2017			December 31st 2016		
	Significant entities	Non-significant entities	Total	Significant entities	Non-significant entities	Total
Aggregate financial information concerning joint ventures						
Investments in joint ventures (I)	123	25	148	114	20	134
Share of the profit (loss) of joint ventures (II)	1	3	4	2	(5)	(3)
Share of items of other comprehensive income of joint ventures	9	–	9	5	–	5
Share of comprehensive income of joint ventures	10	3	13	7	(5)	2
Aggregate financial information concerning associates						
Investments in associates (III)	13	7	20	4	6	10
Share of the profit (loss) of associates (IV)	–	–	–	(1)	2	1
Share of items of other comprehensive income of associates	–	–	–	–	7	7
Share of comprehensive income of associates	–	–	–	(1)	9	8
Total equity-method investments (I + III)	**136**	**32**	**168**	**118**	**26**	**144**
Total share of profit (loss) of equity-method investments (II + IV)	**1**	**3**	**4**	**1**	**(3)**	**(2)**

Changes in investments in joint ventures and associates are analysed in the table below:

At January 1st 2016	**82**
Loss of the year 2016	(2)
Dividends distributed	(5)
Capital increase	3
Change in fair value of financial instruments	12
Other[(1)]	54
At December 31st 2016	**144**
Profit of the year 2017	4
Dividends distributed	(9)
Capital increase	19
Change in fair value of financial instruments	9
Other	1
At December 31st 2017	**168**

(1) Of which €66 million relates to the acquisition of a further 24% shareholding in Adelac, the operator of the northern section of the A41 motorway.

6.4 Other non-current assets

Accounting principles

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and any impairment. They are analysed by component as required by IAS 16. Assets made available under finance leases as defined by IAS 17, "Leases", are reported under property, plant and equipment on the balance sheet. The corresponding liability is reported under borrowings on the balance sheet.

Property, plant and equipment are depreciated as from the date the asset was brought into service so as to write the asset off over its useful life. The main useful lives used are:
- Buildings: 20 to 40 years
- Technical installations, plant and tooling: 3 to 15 years
- Other: 5 to 10 years

Quarries are valued by reference to the total quantity of material that is expected to be extracted. The annual depletion charge is based on the tonnage actually extracted from the quarry.

Investment properties

The Group owns properties for which it receives rental income. These properties are stated at fair value at the balance sheet date.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss under "Other operating income on ordinary activities" in the period in which they arise.

Fair value is determined by applying to the net rental and other income generated by each property a coefficient measuring its expected profitability taking into account such factors as its location and nature. Appraisals are performed at regular intervals by the Property Management department.

Other intangible assets

Development costs are capitalised if, and only if, these costs can be measured reliably, the technical and commercial viability of the product or process has been demonstrated, future economic benefits are expected to flow to the Group, and the Group has the intention and the resources needed to complete development of and use or sell the asset in question. Development costs concern mainly software (amortised on a straight-line basis over 3 to 15 years) and rights attached to the operation of quarries (amortised by reference to tonnage extracted and the duration of the rights).

Impairment losses recognised in respect of non-financial assets

Depreciable assets are tested for impairment when, because of particular events or circumstances, their recoverable amount might be less than their carrying value.

The impairment loss corresponds to the excess of the carrying value over the recoverable amount. Impairment testing is performed in respect of individual assets or, when assets cannot be measured separately, at the level of the groups of CGU.

2017	Net value at January 1st 2017	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2017	Gross value	Accumulated amortisation and depreciation
Land	377	3	9	(4)	(8)	377	488	(111)
Buildings	318	27	23	(18)	(28)	322	611	(289)
Technical installations, equipment and tooling	487	12	153	(22)	(126)	504	1,543	(1,039)
Other property, plant and equipment	403	(22)	194	(13)	(116)	446	1,520	(1,074)
Total property, plant and equipment[1]	**1,585**	**20**	**379**	**(57)**	**(278)**	**1,649**	**4,162**	**(2,513)**
Investment properties	**4**	**(1)**	**–**	**–**	**–**	**3**	**3**	**–**
Other intangible assets	**175**	**–**	**38**	**–**	**(31)**	**182**	**483**	**(301)**
Other non-current financial assets	**219**	**5**	**11**	**(36)**	**(10)**	**189**	**304**	**(115)**

(1) The impact of restating finance leases in accordance with IAS 17 to reflect changes in property, plant and equipment is summarised in the table below:

2017	Net value at January 1st 2017	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2017	Gross value	Accumulated amortisation and depreciation
Property, plant and equipment	**334**	**(4)**	**115**	**(10)**	**(87)**	**348**	**643**	**(295)**

Purchases of property, plant and equipment and intangible assets reported in the statement of cash flows, amounting to €304 million, correspond to the acquisition of property, plant and equipment for €379 million and to the acquisition of intangible assets for €38 million, adjusted for amounts involving finance leases, resulting in a €115 million decrease, and for the change in amounts not disbursed at the period end, resulting in a €2 million increase.

2016	Net value at January 1st 2016	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2016	Gross value	Accumulated amortisation and depreciation
Land	382	(4)	8	(1)	(8)	377	480	(103)
Buildings	295	29	26	(6)	(26)	318	587	(269)
Technical installations, equipment and tooling	418	59	156	(36)	(110)	487	1,486	(999)
Other property, plant and equipment	386	(24)	165	(16)	(108)	403	1,456	(1,053)
Total property, plant and equipment[(1)]	**1,481**	**60**	**355**	**(59)**	**(252)**	**1,585**	**4,009**	**(2,424)**
Investment properties	**4**	**–**	**–**	**–**	**–**	**4**	**4**	**–**
Other intangible assets	**172**	**1**	**31**	**(4)**	**(25)**	**175**	**460**	**(285)**
Other non-current financial assets	**266**	**(11)**	**9**	**–**	**(45)**	**219**	**326**	**(107)**

(1) The impact of restating finance leases in accordance with IAS 17 to reflect changes in property, plant and equipment is summarised in the table below:

2016	Net value at January 1st 2016	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2016	Gross value	Accumulated amortisation and depreciation
Property, plant and equipment	**316**	**–**	**136**	**(35)**	**(83)**	**334**	**605**	**(271)**

Purchases of property, plant and equipment and intangible assets reported in the statement of cash flows, amounting to €241 million, correspond to the acquisition of property, plant and equipment for €355 million and to the acquisition of intangible assets for €31 million, adjusted for amounts involving finance leases, resulting in a €136 million decrease, and for the change in amounts not disbursed at the period end, resulting in a €9 million decrease.

6.5 Location financement

Accounting principles

When a lease agreement transfers substantially all the risks and rewards of ownership of an asset to the Group, the asset made available under the lease is recorded as plant, property and equipment and depreciated over its estimated useful life when there is a reasonable assurance that ownership will be transferred to the Group at the end of the agreement, or over the agreement's duration if there is no such assurance. The offsetting credit entry is to borrowings, the obligation being amortised over the duration of the lease agreement.

The amounts concerned are detailed below:

	December 31st 2017	December 31st 2016
Net book value		
Land	10	10
Buildings	32	34
Technical installations	193	181
Other property, plant and equipment	113	109
Other non-current intangible assets	–	–
Total	**348**	**334**
Obligations under finance leases		
Up to 1 year	90	94
1 to 2 years	72	62
2 to 3 years	53	49
3 to 4 years	35	33
4 to 5 years	24	19
Over 5 years	39	46
Total	**313**	**303**
Minimum remaining lease payments		
Up to 1 year	95	115
1 to 2 years	79	67
2 to 3 years	56	52
3 to 4 years	35	33
4 to 5 years	24	19
Over 5 years	42	49
Total	**331**	**335**

6.6 Assets and liabilities making up working capital requirements

Accounting principles

Inventories are stated at the lower of cost, determined applying the first-in, first-out method, and net realisable value. Inventories include property stocks, which accordingly are stated at the lower of cost and net realisable value.

Trade receivables are recognised initially at fair value, which generally corresponds to nominal value unless the discounting effect is material. Subsequently, they are measured at amortised cost, an impairment loss being recognised when applicable to take irrecoverable amounts into account.

Gross receivables due from customers arising from the application of the percentage of completion method to long-term contracts are reported under trade receivables.

Working capital relating to operating activities comprises current assets and liabilities linked to the normal operating cycle other than current tax assets and liabilities and other current assets and liabilities of a financial nature.

	December 31st 2017	December 31st 2016	Movements		
			Relating to operating activities	Due to fixed asset suppliers	Changes in consolidation scope and other
Inventories	777	728	70	–	(21)
Trade and other receivables	4,977	4,292	657	–	28
Other assets	1,286	1,184	43	–	59
Sub-total – Operating assets	**7,040**	**6,204**	**770**	**–**	**66**
Trade and other payables	3,289	3,041	142	60	46
Other liabilities	4,216	3,713	533	–	(30)
Sub-total – Operating liabilities	**7,505**	**6,754**	**675**	**60**	**16**
Working capital surplus (requirements)	**465**	**550**	**(95)**	**60**	**(50)**

The change in working capital requirements reported in the statement of cash flows, amounting to a decrease of €104 million, is stated after the change in non-current deferred income relating to operating activities, which reduced working capital requirements by €9 million.

Inventories

	December 31st 2017	December 31st 2016
Raw materials and other supplies	202	193
Property development and services inventories and work in progress	575	535
Total	**777**	**728**

Impairment losses recognised against inventories represented 2.4% of their gross value at December 31st 2017 (2.4% at December 31st 2016).

Trade and other receivables

	December 31st 2017			December 31st 2016		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Construction	1,765	(25)	1,740	1,531	(22)	1,509
Infrastructures	1,585	(64)	1,521	1,313	(53)	1,260
Energy Systems	1,520	(40)	1,480	1,346	(43)	1,303
Concessions	240	(6)	234	225	(5)	220
Holding	2	–	2	–	–	–
Total	**5,112**	**(135)**	**4,977**	**4,415**	**(123)**	**4,292**

Overdue receivables

The amounts due reported below relate to a very large number of customers on which the credit risk is extremely diluted. Amounts due for more than three months represent 8% of trade receivables.

	December 31st 2017	December 31st 2016
Due for less than three months	575	522
Due for between three and six months	103	79
Due for more than six months	276	246
Total	**954**	**847**

Other assets

	December 31st 2017	December 31st 2016
Payments on account	68	60
French State	414	459
Staff and social security	80	100
Amounts due from suppliers, advances and payments on account	124	81
Current accounts with joint ventures and non-consolidated companies	285	177
Miscellaneous debtors	244	199
Prepayments	71	108
Total	**1,286**	**1,184**

Trade and other payables

	December 31st 2017	December 31st 2016
Trade payables	3,109	2,921
Due to fixed asset suppliers	180	120
Total	**3,289**	**3,041**

Other liabilities

	December 31st 2017	December 31st 2016
Payments on account	420	396
French State	1,010	915
Staff and social security	623	620
Amounts due to customers	97	26
Current accounts with joint ventures and non-consolidated companies	243	137
Miscellaneous creditors	332	230
Deferred income	1,491	1,389
Total	**4,216**	**3,713**

7. Shareholders' equity and earnings per share

Accounting principles

As required by IAS 32, Eiffage shares held by the Group are deducted from equity for the amount at which purchased

7.1 Capital social

The Group pursues an active policy to promote employee share ownership that is intended to encourage the entire personnel to contribute towards the dynamic management of the Group, thereby serving the interests of all the shareholders.

The capital does not include any hybrid instruments, all instruments making up the capital being equity instruments conferring entitlement to dividends.

Apart from the shares held in treasury, there are no potentially dilutive securities in issue.

Out of the profit for the year ended December 31st 2016 attributable to the equity holders of the parent company, which amounted to €475 million, dividends amounting to €144 million were distributed, the balance being transferred to consolidated reserves.

Composition of and changes in share capital

The capital is composed of 98,003,766 fully paid-up shares of €4 each, all ranking pari passu.

	Total number of shares	Of which treasury shares	Free float
At January 1st 2016	**95,433,991**	**(4,680,004)**	**90,753,987**
Capital increase reserved for employees	2,648,274	–	2,648,274
Purchases, sales and allotments	–	(440,481)	(440,481)
At December 31st 2016	**98,082,265**	**(5,120,485)**	**92,961,780**
Cancellation of shares held in treasury	(3,000,000)	3,000,000	–
Capital increase reserved for employees	2,921,501	–	2,921,501
Purchases, sales and allotments	–	225,063	225,063
At December 31st 2017	**98,003,766**	**(1,895,422)**	**96,108,344**

In 2016, in connection with plans for the allocation of options and bonus shares, the Group purchased 1,708,500 Eiffage shares and allotted 1,257,879 Eiffage shares.

As part of the liquidity agreement, Eiffage purchased 3,015,072 of its own shares and sold 3,025,212 shares.

In 2017, in connection with plans for the allocation of options and bonus shares, the Group purchased 353,126 Eiffage shares and allotted 588,134 Eiffage shares.

As part of the liquidity agreement, Eiffage purchased 2,350,420 of its own shares and sold 2,340,475 shares.

Changes in the carrying value of treasury shares

	2017	2016
At January 1st	286	212
Purchases	220	306
Sales and cancellations	(374)	(232)
At December 31st	**132**	**286**

7.2 Non-controlling interests

Given their impacts on the assets and the debt, companies or groups of companies in which there are significant non-controlling interests are: Financière Eiffarie (APRR motorway concession operator), VP1 (Millau viaduct concession operator), A'Liénor (A65 motorway concession operator) and Smulders (Infrastructures reporting segment).

Key financial data concerning these companies or groups of companies is summarised below:

Year ended December 31st 2017 Abridged financial information at 100%	**Financière Eiffarie**	**VP 1**	**A'Liénor**	**Smulders**
Country	France	France	France	Belgium
% held by non-controlling interests	50%	49%	35%	13%
Profit for the year attributable to non-controlling interests	280	3	1	2
Total non-controlling interests at the end of the period	875	(108)	66	10
Dividends paid to non-controlling interests	115	6	–	–
Current assets	2,199	61	53	165
Non-current assets	11,614	359	1,018	49
Current liabilities	2,176	15	31	137
Non-current liabilities	9,888	625	851	3
Net assets	1,749	(220)	189	74
Operating income	2,728	49	59	466
Net profi t for the year	560	6	3	15
Comprehensive income for the year	668	6	7	16
Cash and cash equivalents at January 1st	2,163	60	48	28
Net cash from (used in) operating activities	921	19	19	27
Net cash from (used in) investing activities	(329)	(3)	–	(20)
Net cash from (used in) financing activities	(930)	(15)	(20)	–
Cash and cash equivalents at December 31st	1,825	61	47	35

Year ended December 31st 2016 Abridged financial information at 100%	**Financière Eiffarie**	**VP 1**	**A'Liénor**
Country	France	France	France
% held by non-controlling interests	50%	49%	35%
Profi t for the year attributable to non-controlling interests	297	3	1
Total non-controlling interests at the end of the period	655	(106)	64
Dividends paid to non-controlling interests	–	–	–
Current assets	2,529	60	53
Non-current assets	11,836	362	1,034

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Year ended December 31st 2016 Abridged financial information at 100%	Financière Eiffarie	VP 1	A'Liénor
Current liabilities	2,536	8	30
Non-current liabilities	10,520	630	875
Net assets	1,309	(216)	182
Operating income	2,583	47	56
Net profi t for the year	594	6	4
Comprehensive income for the year	691	6	2
Cash and cash equivalents at January 1st	1,497	44	49
Net cash from (used in) operating activities	887	16	21
Net cash from (used in) investing activities	(341)	–	(1)
Net cash from (used in) financing activities	120	–	(21)
Cash and cash equivalents at December 31st	2,163	60	48

7.3 Dividends

The general meeting will be invited to approve the distribution of a dividend of €2 per share in respect of the 98,003,766 shares of a nominal value of €4 each in issue at December 31st 2017 as well as any shares that will be issued in connection with the capital increase reserved for employees decided by the Board of Directors on February 28th 2018, apart from the shares held in treasury.

Reserves distributable by Eiffage SA

	December 31st 2017	December 31st 2016
Share premium account	569	566
Other reserves	1	1
Retained earnings	3,389	3,386
Profit for the year	253	148
Minimum transfer to the legal reserve	–	(1)
Total	**4,212**	**4,100**

7.4 Earnings per share

Accounting principles

Basic earnings per share are calculated by reference to the average number of shares in issue, having deducted the weighted average number of shares held in treasury. This average number is obtained by weighting new shares created as a result of share subscription or purchase options being exercised during the period, taking into account share cancellations.

Diluted earnings per share are calculated by reference to the weighted average number of shares determined above, adjusted to include all shares that could be created were all potentially dilutive instruments to be exercised.

Year ended December 31st 2017	Average number of shares	Profit for the year attributable to equity holders of the parent company (€ million)	Earnings per share (€)
Total number of ordinary shares	98,003,766	–	–
Weighting for the cancellation of treasury shares	895,890	–	–
Weighting for capital increase reserved for employees	(1,056,543)	–	–

→→→

→→→

Year ended December 31st 2017	Average number of shares	Profit for the year attributable to equity holders of the parent company (€ million)	Earnings per share (€)
Treasury shares	(2,636,888)	–	–
Before dilution	**95,206,225**	**545**	**5.73**
Dilution resulting from the exercise of options and grant of bonus shares	**2,245,886**	**–**	**–**
After dilution	**97,452,111**	**545**	**5.60**

Year ended December 31st 2016	Average number of shares	Profit for the year attributable to equity holders of the parent company (€ million)	Earnings per share (€)
Total number of ordinary shares	98,082,265	–	–
Weighting for capital increase reserved for employees	(969,587)	–	–
Treasury shares	(4,417,456)	–	–
Before dilution	**92,695,222**	**475**	**5.13**
Dilution resulting from the exercise of options and grant of bonus shares	**2,665,315**	**–**	**–**
After dilution	**95,360,537**	**475**	**4.99**

8. Financial assets and financial liabilities

Accounting principles

Financial assets comprise available-for-sale financial assets, financial assets measured at fair value through profit and loss, derivative instruments, operating loans and receivables, as well as cash and cash equivalents.

Financial liabilities comprise borrowings, other financing and bank facilities, derivative instruments and operating payables. That part of loans that is expected to be settled within 12 months after the balance sheet date is reported under current liabilities, as are borrowings corresponding to the trade receivables securitisation programme.

The financial assets and financial liabilities identified above are recognised and subsequently measured in accordance with IAS 39, “Financial Instruments: Recognition and Measurement”.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus directly attributable transaction costs. Subsequently, they are measured at their amortised cost using the effective interest rate method, less any impairment losses.

Cash and cash equivalents comprise cash on hand and demand deposits. They are measured at fair value through profit or loss. They comprise cash on hand, short-term deposits on inception and money market UCITS that, pursuant to the Group’s investment policy, are not exposed to the risk of a significant change in value.

Available-for-sale financial assets comprise mainly non-consolidated participating interests, as well as securities not meeting definitions for other categories of financial assets. After initial recognition, they are measured at fair value, with changes in fair value being recognised as “Other comprehensive income items”. The carrying value of non-consolidated interests corresponds to their fair value, in respect of which impairment losses are recognised when it is expected there will be a significant and lasting deterioration in profitability. When these assets are derecognised, accumulated gains and losses recognised directly to equity are reversed to the income statement.

Financial assets and financial liabilities measured at fair value through profit or loss comprise assets and liabilities that are held for trading. Financial income and charges on these assets correspond to interest, dividends, changes in fair value and gains or losses on disposal.

Bank balances repayable on demand form an integral part of the Group’s treasury management and are a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

Borrowings and other financial liabilities are recognised initially at fair value less transaction costs, and subsequently at amortised cost using the effective interest rate method.

Commitments to buy out non-controlling interests are treated as a debt, being measured at present value and reported as a financial liability. Subsequent changes in value resulting from the reversal of discounting are recognised in the income statement under finance costs.

Changes in the value of these commitments arising from adjustments to the assumptions underpinning their valuation are recorded as financial liabilities, the offsetting entry being to goodwill for commitments arising from acquisitions prior to the date of application of IFRS 3 (revised) by the Group and to profit or loss for commitments arising from acquisitions completed on or after January 1st 2010.

Derivative financial instruments used by the Group to hedge exposure to changes in interest rates on some of its variable-rate loans are recognised initially at fair value.

Fair value includes the credit risk or the entity's own risk as required by IFRS 13, these risks being estimated by reference to observable market data.

Attributable transaction costs are recognised to the income statement as and when incurred.

For the effective portion of derivative instruments qualifying as cash flow hedges, subsequent changes in fair value (obtained from the financial institutions having issued the instruments) are recorded under "Other comprehensive income items" in the consolidated statement of comprehensive income.

Any change in the fair value of the ineffective portion is recognised in profit or loss.

The gain or loss on the effective portion of the hedge is recognised under finance costs in the income statement in the period in which the hedged item has an impact thereon.

As required by IFRS 13, the valuation linked to the credit risk of derivative instruments is calculated by reference to market data.

In connection with its financing, the Group has arranged a programme for the securitisation of trade receivables in order to obtain access to financing at a preferential rate. The receivables securitised continue to be reported as trade receivables in the consolidated statement of financial position. The corresponding financing is reported under current liabilities.

Management of financial risk, which forms an integral part of the notes to the consolidated financial statements, is described in the section of the Directors' Report devoted to risk factors.

8.1 Carrying value and fair value of financial assets and financial liabilities

Year ended December 31st 2017

		Accounting category(1)					Method for determining fair value		
							Level 1	Level 2	Level 3
Financial assets	**Carrying value**	**Financial assets available for sale**	**Financial assets at fair value through P&L**	**Loans and receivables**	**Hedging financial instruments**	**Fair value**	**Quoted price on active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current financial assets	1,869	142	–	1,724	3	1,869		1,869	
Non-current financial assets	50	–	–	50	–	50		50	
Cash and cash equivalents	4,537	–	4,537	–	–	4,537	1,395	3,142	
Total	**6,456**	**142**	**4,537**	**1,774**	**3**	**6,456**	**1,395**	**5,061**	

(1) There was no reclassification between financial asset categories in 2017. Note that there are no assets falling to be accounted for as held to maturity.

Financial liabilities	Accounting category					Method for determining fair value		
						Level 1	Level 2	Level 3
	Carrying value	Liabilities at amortised cost	Financial liabilities at fair value through P&L	Hedging financial instruments	Fair value	Quoted price on active market	Internal model using observable market data	Internal model using non observable market data
Non-current loans	12 119(1)	11 974	–	145(2)	12 513		12 513	
Current loans and other debts	3 018(1)	2 940	–	78	3 018		3 018	
Total	**15 137**	**14 914**	**–**	**223**	**15 531**		**15 531**	

(1) Of which €10,339 million representing 100% of the debt of the Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments. Taking into account the credit risk and own risk of the entity in the fair valuation of derivative instruments as required by IFRS 13 did not have a material impact. In 2017, hedging financial instruments were valued at a total notional amount of nearly €4.8 billion, corresponding to interest rate swaps in respect of concessions and public-private partnerships (mainly Eiffarie/APRR, BPL high-speed rail line, A'Liénor, Pierre Mauroy stadium and Grande Arche de la Défense) with maturities ranging from 2018 to 2043, a significant portion maturing in 2018.

Year ended December 31st 2016

Financial assets	Accounting category(1)						Method for determining fair value		
							Level 1	Level 2	Level 3
	Carrying value	Financial assets available for sale	Financial assets at fair value through P&L	Loans and recei-vables	Hedging financial instruments	Fair value	Quoted price on active market	Internal model using observable market data	Internal model using non-observable market data
Non-current financial assets	2,105	172	–	1,928	5	2,105		2,105	
Current financial assets	19	–	–	19	–	19		19	
Cash and cash equivalents	4,466	–	4,466	–	–	4,466	2,685	1,781	
Total	**6,590**	**172**	**4,466**	**1,947**	**5**	**6,590**	**2,685**	**3,905**	

(1) There was no reclassification between financial asset categories in 2016. Note that there are no assets falling to be accounted for as held to maturity.

Financial liabilities	Accounting category					Method for determining fair value		
						Level 1	Level 2	Level 3
	Carrying value	Liabilities at amortised cost	Financial liabilities at fair value through P&L	Hedging financial instruments	Fair value	Quoted price on active market	Internal model using observable market data	Internal model using non observable market data
Non-current loans	12,706(1)	12,286	–	420(2)	13,226		13,226	
Current loans and other debts	3,401(1)	3,401	–	–	3,401		3,401	
Total	**16,107**	**15,687**	**–**	**420**	**16,627**		**16,627**	

(1) Of which €11,130 million representing 100% of the debt of the Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments. Taking into account the credit risk and own risk of the entity in the fair valuation of derivative instruments as required by IFRS 13 did not have a material impact. In 2016, hedging financial instruments were valued at a total notional amount of nearly €5.6 billion, corresponding to interest rate swaps in respect of concessions and public-private partnerships (mainly Eiffarie/APRR, BPL high-speed rail line, A'Liénor and the Pierre Mauroy stadium) with maturities ranging from 2018 to 2043, a significant portion maturing in 2018.

8.2 Maturity of financial assets and financial liabilities and related interest flows

Year ended December 31st 2017	Carrying value	Capital and interest flows	Under 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Marketable securities	1,395	1,395	1,395					
Cash at bank and in hand	3,142	3,142	3,142					
Sub-total – Financial assets (I)	**4,537**	**4,537**	**4,537**	**–**	**–**	**–**	**–**	**–**
Bank loans and bonds and equivalent (1)	13,483	13,570	1,519	1,406	1,392	1,059	1,283	6,911
Current loans and other debts	1,428	1,428	1,428					
Interest rate hedging instruments (fixed/variable-rate)(1)	223							
Debt revaluation(1) (2)	3							
Sub-total – Financial liabilities (II)	**15,137**	**14,998**	**2,947**	**1,406**	**1,392**	**1,059**	**1,283**	**6,911**
Net debt (II – I)	**10,600**	**10,461**	**(1,590)**	**1,406**	**1,392**	**1,059**	**1,283**	**6,911**
Interest in respect of financial liabilities	–	2,512	230	238	197	178	146	1,523
Total cash flows linked to net debt	**–**	**12,973**	**(1,360)**	**1,644**	**1,589**	**1,237**	**1,429**	**8,434**

(1) Reported on the balance sheet under non-current loans and portion of non-current loans maturing in less than one year.
(2) Resulting from the allocation of the valuation adjustment on the acquisition of APRR.

The capital and interest flows presented above concern the debt such as reported in the balance sheet at December 31st 2017. The amounts as analysed above do not take into account any early loan repayments or new loans likely to be entered into in the future.

Interest payments include cash flows in respect of derivative instruments, both assets and liabilities, which have not been restated at their present value. These instruments consist in interest rate swaps.

Interest payments on variable-rate loans are based on interest rates in force as at December 31st 2017. For loans bearing fixed interest on a nominal value indexed to inflation, the assumption was that inflation would be 1.50% per annum in the future.

In connection with its contracting activities in particular, the Group has defined a policy for arranging and renewing confirmed credit lines. In this respect, at December 31st 2017, Eiffage had a €1 billion confirmed credit line, unused and available until 2021 (within the limit of €0.92 billion in the final year), while the holding company and subsidiaries involved in contracting activities had a net cash position of €2.3 billion. In addition, the Group's programme for the securitisation of trade receivables was renewed in 2016 for five years and for a maximum amount of €0.6 billion. Finally, Eiffage has also arranged a €1 billion commercial paper programme, on which €0.1 billion was outstanding at December 31st 2017.

At December 31st 2017, the Eiffarie/APRR group, the VP1 group (the holding company controlling Compagnie Eiffage du Viaduc de Millau), A'Liénor and certain public-private partnerships (including the Bretagne–Pays de la Loire high-speed rail line) carried debt amounting to €11.3 billion without recourse against Eiffage. This long-term debt carries almost exclusively fixed rates or rates indexed to inflation.

For APRR, the intention is to refinance as and when required, using various sources of financing, including bond issues, bank loans and, on the shorter term, by drawing down against credit lines and issuing commercial paper.

In this respect, APRR has put into place since 2007 an EMTN programme for a maximum amount of €9 billion.

In 2017, the company completed three bond issues:

- in April, it issued €0.1 billion of inflation-linked bonds maturing in April 2032;
- in June, it issued €0.5 billion of fixed-rate bonds maturing in January 2032;
- in November, it issued €0.7 billion of fixed-rate bonds maturing in January 2033.

At December 31st 2017, a further €1.55 billion could still be issued under the above programme.

Furthermore, in 2015 APRR renegotiated an existing revolving credit facility amounting to €1.8 billion for a five-year term, extending it by two years. No amounts have been drawn against this facility, the full amount of which was therefore available at December 31st 2017.

Finally, APRR has arranged a commercial paper programme to improve short-term liquidity, on which €0.1 billion was outstanding at December 31st 2017.

As regards Eiffarie, the €1.5 billion credit facility refinanced in 2015 for five years and extended by two years amounted to €1.3 billion at December 31st 2017, given the repayments made since 2015.

Year ended December 31st 2016	**Carrying value**	**Capital and interest flows**	**Under 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**
Marketable securities	2,685	2,685	2,685					
Cash at bank and in hand	1,781	1,781	1,781					
Sub-total – Financial assets (I)	**4,466**	**4,466**	**4,466**	**–**	**–**	**–**	**–**	**–**
Bank loans and bonds and equivalent[1]	13,994	14,075	1,724	1,559	1,371	1,348	1,775	6,298
Current loans and other debts	1,685	1,685	1,685					
Interest rate hedging instruments (fixed/variable-rate)[1]	420							
Debt revaluation[1][2]	8							
Sub-total – Financial liabilities (II)	**16,107**	**15,760**	**3,409**	**1,559**	**1,371**	**1,348**	**1,775**	**6,298**
Net debt (II – I)	**11,641**	**11,294**	**(1,057)**	**1,559**	**1,371**	**1,348**	**1,775**	**6,298**
Interest in respect of financial liabilities	–	2,711	308	355	215	175	137	1,521
Total cash flows linked to net debt	**–**	**14,005**	**(749)**	**1,914**	**1,586**	**1,523**	**1,912**	**7,819**

(1) Reported on the balance sheet under non-current loans and portion of non-current loans maturing in less than one year.

(2) Resulting from the allocation of the valuation adjustment on the acquisition of APRR.

8.3 Loans, other financings and covenants

Rate	Fixed rate	Variable rate	Fixed rate on indexed nominal	Adjustable rate	Total
Bank loans	12,270	233	782	–	13,285
Interest rate swaps	223	–	–	–	223
Finance leases	313	–	–	–	313
Bank overdrafts	–	145	–	–	145
Securitisation account	–	558	–	–	558
Miscellaneous	341	272	–	–	613
Total financial liabilities at December 31st 2017	**13,147**	**1,208**	**782**	**–**	**15,137**
Total financial liabilities at December 31st 2016	**14,000**	**1,407**	**700**	**–**	**16,107**

A one percentage point increase in interest rates, applied to the balances at December 31st 2017 net of derivatives and taking into account the terms of the financing agreements, would increase net finance costs by €12 million before taking tax into account.

At December 31st 2017, financial liabilities included a loan denominated in CFA franc that, converted at the closing exchange rate, amounted to €62 million.

Eiffarie, with regard to the lenders for the credit agreement totalling €1.5 billion arranged in February 2015, and APRR, with regard to Caisse Nationale des Autoroutes, the European Investment Bank and lending banks, have entered into commitments obliging APRR to comply with the two following ratios:

- net debt-to-EBITDA less than 7;
- EBITDA-to-net finance costs more than 2.2.

These ratios came to 4.0 and 10.0, respectively, on December 31st 2017.

Non-compliance with either of these ratios would be treated as an event of default and trigger the early repayment of all of Eiffarie's debt.

VP2, the parent company of Compagnie Eiffage du Viaduc de Millau, has undertaken with regard to the lenders for the financing totalling €573 million arranged in July 2007 to comply with a number of ratios calculated at six-month intervals by reference to a financial model and applying definitions specific to the financing agreement:

- annual debt service coverage ratio calculated for the year preceding the date of calculation and for each of the next five years, equal to or more than 1.05;
- debt coverage ratio calculated over the terms of the loans, equal to or more than 1.15;
- debt coverage ratio calculated over the term of the concession, equal to or more than 1.25.

VP2 complied with all of these ratios when they were last calculated, with values of between 1.23 and 1.53 for the first ratio and of 1.51 and 2.05, respectively, for the second and third ratios.

Non-compliance with any of these ratios would be treated as an event of default and trigger the early repayment of all of VP2's debt.

In connection with the debt agreement signed for the concession covering the design, construction, operation, maintenance and repair of the Langon–Pau A65 motorway, **A'Liénor** has undertaken to comply with a number of financial ratios:

- 20:80 capital ratio, requiring at least 20% of equity for 80% of long-term loans, this ratio reaching 24.74:75.26 on October 30th 2017;

- historical debt service coverage ratio (terms that correspond to specific contractual definitions) equal to or more than 1 on each interest payment date;
- forecast debt service coverage ratio (terms that correspond to specific contractual definitions) equal to or more than 1 on each interest payment date.

When these ratios were last calculated on payment of the instalment due on October 26th 2017, A'Liénor complied with the last two covenants, with ratios of 1 in both instances.

Non-compliance with any of these ratios would be treated as an event of default and trigger the early repayment of the debt of A'Liénor.

Eiffinov is a company specifically incorporated to provide the financing for and to design, build, maintain, repair and operate the technical installations of buildings in connection with the Grand Lille Campus project. In connection with a long-term credit agreement dated December 23rd 2013, Eiffinov undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on July 8th 2016 and subsequently on June 30th and December 31st every year:

- annual debt service coverage ratio equal to or more than 1.10;
- forecast annual debt service coverage ratio equal to or more than 1.10;
- debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or more than 1.15.

When these ratios were calculated on December 31st 2017, they came to 1.25, 1.34 and 1.35, respectively.

Non-compliance with any of these ratios on an observation date would be treated as an event of default and trigger the early repayment of all of Eiffinov's project debt.

Eiffage Rail Express (ERE) is a company specifically incorporated to provide the financing for and to design, build, operate, maintain and replace the Bretagne–Pays de la Loire high-speed rail line. In connection with a long-term credit agreement dated July 28th 2011, Eiffage Rail Express undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on May 15th 2017 and subsequently on June 30th and December 31st every year:

- annual debt service coverage ratio equal to or more than 1.05;
- forecast annual debt service coverage ratio equal to or more than 1.05;
- debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or more than 1.10.

When these ratios were calculated on December 31st 2017, they came to 2.04, 2.13 and 1.76, respectively.

Non-compliance with any of these ratios on an observation date would be treated as an event of default and trigger the early repayment of all the project debt of Eiffage Rail Express.

Armanéo is a company specifically incorporated to provide part of the financing to renovate, enhance, maintain and repair the Tête Défense-Nord property complex in Puteaux (Hauts de Seine). In connection with a long-term credit agreement dated September 30th 2014, Armanéo undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on March 31st 2017 and subsequently on January 31st, April 30th, July 31st and October 31st every year:

- annual debt service coverage ratio equal to or more than 1.05;
- forecast annual debt service coverage ratio equal to or more than 1.05;
- debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or more than 1.10.

When these ratios were calculated on October 31st 2017, they came to 1.58, 1.70 and 1.83, respectively.

Non-compliance with any of these ratios on an observation date would be treated as an event of default and trigger the early repayment of all of Armanéo's project debt.

Cologen is a company specifically incorporated to provide the financing for three separate projects to design, build, maintain, repair and carry out major renovation work at secondary schools in the Var department, in the towns of Carcès, Saint-Raphaël and La Seyne-Sur-Mer. In connection with a long-term credit agreement dated December 17th 2015, Cologen undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on July 31st 2017 and subsequently on June 30th and December 31st every year:

- annual debt service coverage ratio equal to or more than 1.20;
- forecast annual debt service coverage ratio equal to or more than 1.20;
- debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or more than 1.20.

When these ratios were calculated on December 31st 2017, they came to 1.20, 1.55 and 1.46, respectively.

Non-compliance with any of these ratios on an observation date would be treated as an event of default and trigger the early repayment of all of Cologen's project debt.

Melaudix is a company specifically incorporated to provide part of the financing for and to restructure, renovate, build, maintain, repair and operate the technical installations of a series of university buildings and facilities in connection with the project concerning the Aix-en-Provence University district. In connection with a long-term credit agreement dated May 6th 2014, Melaudix undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on July 8th 2016 and subsequently on June 30th and December 31st every year:

- annual debt service coverage ratio equal to or more than 1.05;
- forecast annual debt service coverage ratio equal to or more than 1.05;
- debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or more than 1.05.

When these ratios were calculated on December 31st 2017, they came to 2.06, 2.45 and 1.54, respectively.

Non-compliance with any of these ratios on an observation date would be treated as an event of default and trigger the early repayment of all the project debt of Melaudix.

Melotech is a company specifically incorporated to provide part of the financing for and to restructure, build, maintain, repair and operate the technical installations of two separate property developments under the MIM and LEM3 university training and research centre projects in Metz. In connection with a long-term credit agreement dated February 27th 2015, Melotech undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on May 31st 2017 and subsequently on March 31st, June 30th, September 30th and December 31st every year:

- annual debt service coverage ratio equal to or more than 1.10;
- forecast annual debt service coverage ratio equal to or more than 1.10;
- debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or more than 1.15.

When these ratios were calculated on December 31st 2017, they came to 1.74, 1.69 and 1.49, respectively.

Non-compliance with any of these ratios on an observation date would be treated as an event of default and trigger the early repayment of all Melotech's project debt.

8.4 Change in loans and other debts

Year ended December 31st 2017	At January 1st	Changes in consolidation scope	Other movements(1)	Change in fair value of financial instruments	Increase	Decrease	At December 31st
Non-current loans and portion of non-current loans maturing in less than one year (I)	**14,422**	**(209)**	**(32)**	**(200)**	**1,591**	**(1,863)**	**13,709**
Bank overdrafts	147	(9)	7	–	–	–	**145**
Other loans and sundry debts	1,538	19	(3)	(3)	117	(385)	**1,283**
Loans and other debts (II)	**1,685**	**10**	**4**	**(3)**	**117**	**(385)**	**1,428**
New borrowings and repayment of borrowings reported in the statement of cash flows (I+II)					**1,708**	**(2,248)**	

(1) Includes restatement of finance leases.

Year ended December 31st 2016	At January 1st	Changes in consolidation scope	Other movements(1)	Change in fair value of financial instruments	Increase	Decrease	At December 31st
Non-current loans and portion of non-current loans maturing in less than one year (I)	**14,315**	**(103)**	**(53)**	**(161)**	**2,041**	**(1,617)**	**14,422**
Bank overdrafts	193	9	(55)	–	–	–	**147**
Other loans and sundry debts	1,327	2	(22)	–	398	(167)	**1,538**
Loans and other debts (II)	**1,520**	**11**	**(77)**	**–**	**398**	**(167)**	**1,685**
New borrowings and repayment of borrowings reported in the statement of cash flows (I+II)					**2,439**	**(1,784)**	

(1) Includes restatement of finance leases.

8.5 Net finance costs and other financial income and financial charges

Accounting principles

Other financial income and financial charges record the impact on financial income of non-consolidated participating interests, gains and losses on the sale of financial assets and the effect of discounting employee benefit obligations and other assets and liabilities.

	December 31st 2017	December 31st 2016
Finance costs	**(490)**	**(539)**
Of which Eiffarie group	(353)	(423)

In 2017, net interest expense reported in the statement of cash flows, amounting to €473 million, corresponds to net finance costs of €490 million, from which have been deducted items not involving the movement of funds (revaluation of debts, accrued interest not due, etc.) totalling €17 million.

In 2016, net interest expense reported in the statement of cash flows, amounting to €530 million, corresponds to net finance costs of €539 million, from which have been deducted items not involving the movement of funds (revaluation of debts, accrued interest not due, etc.) totalling €9 million.

	December 31st 2017	December 31st 2016
Effect of discounting	(13)	(17)
Change in the fair value of financial instruments	5	5
Change in provisions and value of receivables	(13)	(31)
Arrangement fees for public-private partnership financing	(1)	(5)
Profit (loss) on the disposal of participating interests	4	15
Other income of building material companies	2	3
Other financial charges	(4)	(11)
Other financial income (expenses)	**(20)**	**(41)**

8.6 Other non-current financial assets

	December 31st 2017	December 31st 2016
Unlisted investments	68	72
Receivables relating to participating interests	52	82
Loans	44	42
Other financial assets	25	23
Total	**189**	**219**

8.7 Cash and cash equivalents

Cash and cash equivalents comprise:

		December 31st 2017	December 31st 2016
Assets			
Marketable securities [1]		1,395	2,685
Cash at bank and in hand [1]		3,142	1,781
	(I)	**4,537**	**4,466**
Liabilities			
Bank overdrafts	(II)	146	147
Cash and cash equivalents at December 31st	**(I – II)**	**4,391**	**4,319**

(1) Investments in money market UCITS (exclusively very short-dated money market instruments) and sight bank certificates of deposit.

9. Provisions

9.1 Change in provisions

Accounting principles

Non-current provisions
Non-current provisions include the non-current portion, i.e., liability in excess of one year in respect of the following:

- Provisions for maintaining concession infrastructures in condition.Given the obligation, under the service concession arrangements, to maintain to a specified condition the infrastructures represented by intangible assets as explained in Note 6.1: “Concession intangible assets and non-current financial assets in respect of concession service arrangements”, provisions are determined by reference to the replacement cost of certain parts of motorway infrastructures and are set aside over the estimated useful life of the assets to be replaced. The amounts obtained are then restated at their balance sheet date value applying the rate for the ten-year OAT.
- Retirement benefit obligations. These concern long-term employee benefits in respect of indemnities payable upon the employee’s voluntary retirement. By nature, this is a defined benefit plan.

For French subsidiaries, which account for the majority of these obligations, these are contractual retirement benefit obligations (generally calculated as a percentage of the employee’s last salary based on the length of service and applicable collective bargaining agreements).

Eiffage Group uses the projected unit credit method to measure the present value of plan obligations arising from past service and the cost of the services rendered during the period under review.

Under this method, the projected value of the accumulated retirement benefits is calculated at the measurement date in respect of employee service in prior periods and, for current employees, service in the period ended. The projected value of accumulated benefits is based on the vesting formula for the plan and the length of service at the measurement date, taking into account remuneration, social security contributions, etc. as projected on the date it is estimated benefits will start to be paid to the beneficiary.

Retirement benefit obligations represent the actuarial present value of the projected value of vested benefits at the measurement date, including all benefits payable to active or inactive beneficiaries. The current period service cost is the actuarial present value of the difference between the projected value of vested benefits at the start and at the end of the period.

Retirement benefit obligations are stated at their actuarial present value, which is then pro rated by comparing the length of service at the measurement date to the projected length of service.

The calculation takes into account:

- the grade, age and length of service of each employee;
- the expected age on retirement (63 years);
- turnover calculated by business line, age band and category;
- the individual average monthly salary including bonuses and other incentive payments, increased to include the employer’s statutory contributions
- the expected rate of salary increases;
- the discount rate applicable to the expected obligation on the retirement date, determined based on the iBoxx Corporates AA 10 index;
- official actuarial tables for France (source: TH/TF Insee 11-13);
- the application of the voluntary retirement scheme (only).

Actuarial gains and losses result from experience adjustments and the effects of changes in actuarial assumptions as regards interest rates, staff turnover and conditions under which employees will retire. They are recognised in equity under “Other comprehensive income items”.

The past service cost results from changes to existing schemes or the introduction of new schemes. As regards the Group, it results notably from changes to the collective bargaining agreements in the construction, public works and metallurgy sectors and from statutory changes arising from amendments to the law on the financing of the social security system.

As required by IAS 19 (revised), the past service cost is recognised immediately in profit or loss.

- Long-service awards. Long-service awards are granted to employees on certain anniversary dates during the career of the beneficiary or after a number of years of service. They are treated as other long-term employment benefits and are recognised and measured applying the same principles as for defined benefit plans. All changes in value are recognised directly in the income statement.

Current provisions

In addition to the current portion of the provisions mentioned above, current provisions comprise provisions relating to the normal operating cycle:

- provisions for disputes and penalties;
- provisions for guarantees given.

At the Infrastructures reporting segment, provisions for guarantees are recognised to cover instances when reservations have been notified and/or instances of non-compliance identified, arising from unforeseen disruptions in the project's execution.

At the Construction reporting segment, provisions concern mainly disputes arising after completion and falling within the scope of the ten-year contractor's guarantee, which are covered by insurance policies covering claims exceeding defined deductibles. The events triggering recognition are the notification of an appraisal and the amount of the deductible.

As regards the Concessions reporting segment, in the particular case of public-private partnerships, part of the straight-line rental income stream is intended to cover the replacement and heavy maintenance work. This gives rise to the recognition of a provision for that part not expensed in the period, when applicable.

- provisions for construction risks;
- provisions for restructuring;
- provisions for losses on the completion of construction contracts estimated based on economic and financial projections drawn up for each individual contract; these estimates may include amounts likely to be obtained from claims that have been filed.

Year ended December 31st 2017	At January 1st	Changes in consolidation scope and currency translation differences	Addition	Utilisation	Reversal	Other	At December 31st
Provisions for maintaining in condition infrastructures held under concessions	253	–	65	(35)	(1)	(2)	280
Provisions for retirement benefit obligations	297	1	23	(19)	–	9 (1)	311
Provisions for long-service awards	30	–	3	(2)	–	–	31
Other non-current provisions	3	–	–	–	–	–	3
Non-current provisions	**583**	**1**	**91**	**(56)**	**(1)**	**7**	**625**
Provisions for maintaining in condition infrastructures held under concessions	38	–	–	–	–	–	38
Provisions for losses at completion	44	–	24	(24)	(2)	2	44
Provisions for restructuring	24	–	11	(12)	(2)	–	21
Provisions for property risks	–	–	–	–	–	–	–
Provisions for guarantees given	130	–	67	(25)	(10)	1	163
Provisions for disputes and penalties	77	–	37	(18)	(4)	(1)	91
Provisions for retirement benefit obligations	16	–	–	–	–	–	16
Provisions for long-service awards	4	–	–	–	–	–	4
Provisions for other liabilities	240	–	100	(68)	(20)	(4)	248
Current provisions	**573**	**–**	**239**	**(147)**	**(38)**	**(2)**	**625**

(1) Including actuarial differences for the period.

Each of the current provisions above represents the aggregate of various disputes linked mainly to construction contracts that, taken individually, are not for a material amount. The maturity of these provisions, linked to the operating cycle, is less than one year as a rule. No reimbursements are expected.

Year ended December 31st 2016	At January 1st	Changes in consolidation scope and currency translation differences	Addition	Utilisation	Reversal	Other	At December 31st
Provisions for maintaining in condition infrastructures held under concessions	268	–	39	(48)	–	(6)	253
Provisions for retirement benefit obligations	275	–	22	(17)	–	17[1]	297
Provisions for long-service awards	31	–	3	(2)	(1)	(1)	30
Other non-current provisions	7	–	–	(3)	(1)	–	3
Non-current provisions	**581**	**–**	**64**	**(70)**	**(2)**	**10**	**583**
Provisions for maintaining in condition infrastructures held under concessions	32	–	–	–	–	6	38
Provisions for losses at completion	28	–	39	(23)	–	–	44
Provisions for restructuring	35	–	17	(26)	(2)	–	24
Provisions for property risks	–	–	–	–	–	–	–
Provisions for guarantees given	127	1	38	(30)	(7)	1	130
Provisions for disputes and penalties	69	–	34	(20)	(7)	1	77
Provisions for retirement benefit obligations	18	–	–	–	–	(2)	16
Provisions for long-service awards	3	–	–	–	–	1	4
Provisions for other liabilities	211	–	115	(77)	(8)	(1)	240
Current provisions	**523**	**1**	**243**	**(176)**	**(24)**	**6**	**573**

(1) Including actuarial differences for the period.

9.2 Disputes, arbitration and other commitments

In the ordinary course of its activities, the Group is involved in various disputes. The matters referred to below have, when appropriate, given rise to provisions considered as adequate in the light of current circumstances.

Given the nature of its road building and maintenance activities, the Group uses products sourced from the petroleum industry for the production of materials. For this reason, and also because activities may be carried on at old industrial sites, suits for environmental pollution could be brought against the Group.

In connection with the Group's building activity, there is a risk that any defects may be reported out to ten years after project completion, and such defects can result in significant repair costs. The Group has therefore taken out ten-year contractors' guarantee insurance policies covering claims exceeding defined deductibles. The necessary provisions have been constituted and the Group does not expect this risk exposure to have material consequences.

Concerning the dispute with Métropole Européenne de Lille over the commissioning of the Pierre Mauroy stadium, it is still being heard by the Lille administrative court. This dispute is over the interpretation of certain contract clauses and the payment of compensation for the construction cost overruns resulting from delays securing the building permit and from the improvements made to the stadium.

Concerning the legal proceedings initiated in 2015 against an Eiffage subsidiary over its decision to halt construction work on a stadium in Poland, an out-of-court settlement was reached in March 2018 that was consistent with the Group's assessment of this risk as at December 31st 2017.

There are no government, legal or arbitration proceedings in progress, nor is the company aware of any proceedings in abeyance or that could be initiated, that could have or that in the last twelve months have had a material impact on the Group's financial situation or profitability.

9.3 Retirement indemnities

9.3.1 Assumptions used

Employees of the Group in France are paid indemnities as a lump sum when they leave on retirement.

Key assumptions:

	December 31st 2017	December 31st 2016
Discount rate	1.50%	1.50%
Rate of price inflation	1.75%	1.75%
Expected return on plan assets	1.50%	1.50%
Rate of wage and salary increases	2.75%	2.75%
Social security charges	45.00%	45.00%

Assumptions regarding staff turnover are determined by sector of activity and by age band. The weighted average duration for retirement benefit obligations is 10.9 years.

9.3.2 Reconciliation of asset (provision)

	December 31st 2017	December 31st 2016
A. Analysis of provision recognised for accounting purposes		
Actuarial value of obligation	(303)	(294)
Fair value of plan assets	3	3
Net financial situation: (deficit) surplus	**(300)**	**(291)**
Effect of asset ceiling	–	–
Supplementary pensions	–	(1)
Foreign subsidiaries	(27)	(21)
Asset (provision) at end of period	**(327)**	**(313)**
B. Reconciliation of provision recognized for accounting purposes		
Asset (provision) at start of period	(313)	(293)
Charge for period recognised for accounting purposes	(21)	(21)
Gain (loss) recognized in other comprehensive income	(5)	(13)
Employer contributions	–	–
Benefits paid directly by the company	17	16
Acquisitions	–	–
Transfers	–	–
Supplementary pensions	–	–
Foreign subsidiaries	(5)	(2)
Asset(provision) at end of period	**(327)**	**(313)**

9.3.3 Reconciliation of obligation and plan assets

	December 31st 2017	December 31st 2016
A. Reconciliation of defined benefit obligation		
Obligation at start of period	294	277
Current service cost	17	16
Net interest on provision	4	5
Employee contributions	–	–
Actuarial losses (gains) – experience adjustment	4	(3)
Actuarial losses (gains) – demographic assumptions	1	–
Actuarial losses (gains) – financial assumptions	–	16
Benefits paid by active participants	–	(1)
Benefits paid by the company	(17)	(16)
Plan amendments	–	–
Plan curtailments	–	–
Acquisitions	–	–
Disposals	–	–
Liquidations	–	–
Indemnities on termination of employment contracts	–	–
Obligation at end of period	**303**	**294**

B. Reconciliation of plan assets		
Fair value of assets at start of period	3	4
Net interest on plan assets	–	–
Higher (lower) return on plan assets than that based on discounting	–	–
Employer contributions	2	–
Employee contributions	–	–
Benefits paid	(2)	(1)
Acquisitions	–	–
Disposals	–	–
Liquidations	–	–
Fair value of assets at end of period	**3**	**3**

9.3.4 Informations additionnelles

A. Future benefits expected to be settled in the year ending December 31st 2018	**11**
B. Maturity profile of defined benefit obligation	
Benefit payments expected in the year ending December 31st 2019	8
Benefit payments expected in the year ending December 31st 2020	10
Benefit payments expected in the year ending December 31st 2021	17
Benefit payments expected in the year ending December 31st 2022	21
Benefit payments expected from 2023 to 2027	126

9.3.5 Sensitivity analysis

A 0.5 percentage point decrease in the discount rate would lead to a 5.6% increase in the actuarial liability in respect of retirement indemnities.

10. Income tax

Accounting principles

Current income tax is calculated in accordance with the tax legislation of the country where each Group entity is based.

Deferred tax is recognised on differences between the carrying value of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit, with the notable exception of goodwill.

Deferred tax is calculated under the liability method, therefore at the tax rate that is expected to apply in the period when the asset is realised or the liability settled and to the extent these rates are known at the year-end.

The effect of a change in the tax rates is recognised in the period when this change was enacted or substantively enacted by the end of the reporting period.

Tax liabilities are netted off against tax assets when there is a legally enforceable right to do so, namely when a company, acting as the head of a tax group, is able to assume sole responsibility for the payment of tax on behalf of the other companies belonging to the tax group.

Deferred tax assets are recognised to the extent that it is more probable than improbable that relief can be obtained in later years.

Deferred tax assets and liabilities are not discounted to their present value.

Taxes reported in the income statement and in the comprehensive income statement comprise both current and deferred taxes.

10.1 Current and deferred tax assets and liabilities

	December 31st 2017	December 31st 2016
Current taxes		
Reported as assets	206	174
Reported as liabilities	131	144
Net asset	**75**	**30**
Deferred taxes		
Reported as assets	240	274
Reported as liabilities	881	984
Net liability	**641**	**710**

10.2 Analysis of deferred tax assets and liabilities

	December 31st 2017	December 31st 2016
Assets arising from:		
Retirement indemnities	70	74
Timing differences	121	119
Valuation differences	–	–
Tax losses	43	59
Financial instruments at fair value	65	131
Restatement of concession and public-private partnership agreements	137	127
Other	–	–
Deferred tax assets and liabilities netted off within same tax entities	(196)	(236)
Total	**240**	**274**
Liabilities arising from:		
Timing differences	202	201
Valuation differences	867	1,012
Financial instruments at fair value	–	–
Finance leases	7	7
Other	1	–
Deferred tax assets and liabilities netted off within same tax entities	(196)	(236)
Total	**881**	**984**

10.3 Income tax expense

	December 31st 2017	December 31st 2016
Current tax	(476)	(378)
Deferred tax	141	211
Total	**(335)**	**(167)**

10.4 Deferred tax relating to items recognised directly in equity

	2017	2016
Assets [1]	(9)	(3)
Liabilities [1]	(54)	(50)

(1) Deferred taxes on change in value of derivatives used for hedging and on retirement benefit obligations.

10.5 Reconciliation of theoretical tax charge to actual tax charge

	December 31st 2017	December 31st 2016
Net profit for the year	832	777
Income tax	335	167
Share of profit (loss) of associates	(4)	2
Profit before tax	**1,163**	**946**
Tax rate applicable to the parent company (domestic income tax rate)	34.43%	34.43%
Tax on the profit before tax as determined above	400	326
Permanent differences	10	(14)
Effect of different tax rates applicable to subsidiaries operating in other countries	(1)	(2)
Income taxed at lower rates	(2)	(8)
Effect of change in future tax rates on non-current deferred tax items	(72)	(135)
Income tax as reported	**335**	**167**

10.6 Unrecognised tax losses

No deferred tax asset was recognised in respect of the following tax losses because of uncertainties that relief would be obtained:

	December 31st 2017	December 31st 2016
Unrecognised tax losses	152	128

11. Related party transactions

Transactions with related parties are carried out on an arm's length basis.

Transactions with equity-method entities

Material transactions with equity-method entities are summarised in the table below:

Company	Type of transaction	Balance at December 31st 2017 Receivable (payable)	Amount recognised in profit or loss Income (charge)
Financial transactions			
Adelac	Loan	52	5
Asnières A3 A4	Current account	2	–
Bagnolet Promotion	Current account	(10)	–
Clamart Newton Ilot A/B/F	Current account	9	–
Normalux	Current account	(2)	–
Porte Clichy la Garenne	Current account	2	–
Rueil Albert 1er	Current account	3	–
Société Prado Sud	Loan	9	–
Commercial transactions			
Adelac	Sundry services	(5)	6
Axxès	Heavy goods vehicle tolls	29	(1)
Bagnolet Promotion	Sundry services	1	4
Chatenay Malabry Parc Centrale	Sundry services	2	–
Rueil Albert 1er	Sundry services	1	3
Saint-Mandé Commandant Mouchotte	Sundry services	1	9

Remuneration of management bodies*

The remuneration of management bodies is decided by the Board of Directors based on the proposals made by the Appointments and Compensation Committee.

Remuneration and other benefits granted to members of management bodies are summarised in the table below:

In thousands of euros	2017	2016
Remuneration	1,555	1,608
Benefits in kind	3	3
Employer's social security contributions	437	415
Share-based payments	899	517
Board fees	748	796
Indemnities on termination of employment contracts	–	–
Other long-term benefits	–	–
Total	**3,642**	**3,339**

* Chairman and Chief Executive Officer and the other members of the Board of Directors.

Other related parties

Caisse des Dépôts (CDC) and Eiffage are shareholders of VP1, the holding company controlling Compagnie Eiffage du Viaduc de Millau.

12. Statutory Auditors' fees

The table below details the fees paid to the Board of Auditors in respect of services rendered, analysed by reference to the year when recognised to the income statement.

	TOTAL			
In thousands of euros	**Amount (excluding VAT)**		**%**	
	2017	**2016**	**2017**	**2016**
Statutory audit, certification, review of company and consolidated financial statements[1]				
Issuer	170	170	2.6%	2.6%
Fully consolidated subsidiaries	6,112	5,795	92.1%	87.1%
Sub-total	**6,282**	**5,965**	**94.7%**	**89.7%**
Services other than the certification of the financial statements[2]				
Issuer	97	96	1.5%	1.4%
Fully consolidated subsidiaries	255	589	3.8%	8.9%
Sub-total	**352**	**685**	**5.3%**	**10.3%**
Total	**6,634**	**6,650**	**100.0%**	**100.0%**

	KPMG Audit IS			
In thousands of euros	**Amount (excluding VAT)**		**%**	
	2017	**2016**	**2017**	**2016**
Statutory audit, certification, review of company and consolidated financial statements[1]				
Issuer	85	85	2.4%	2.5%
Fully consolidated subsidiaries	3,150	2,941	90.2%	85.4%
Sub-total	**3,235**	**3,026**	**92.6%**	**87.9%**
Services other than the certification of the financial statements[2]				
Issuer	97	96	2.8%	2.8%
Fully consolidated subsidiaries	161	321	4.6%	9.3%
Sub-total	**258**	**417**	**7.4%**	**12.1%**
Total	**3,493**	**3,443**	**100.0%**	**100.0%**

	PricewaterhouseCoopers Audit			
In thousands of euros	**Amount (excluding VAT)**		**%**	
	2017	**2016**	**2017**	**2016**
Statutory audit, certification, review of company and consolidated financial statements[1]				
Issuer	85	85	2.7%	2.7%
Fully consolidated subsidiaries	2,962	2,854	94.3%	89.0%
Sub–total	**3,047**	**2,939**	**97.0%**	**91.6%**
Services other than the certification of the financial statements[2]				
Issuer		–	–	–
Fully consolidated subsidiaries	94	268	3.0%	8.4%
Sub–total	**94**	**268**	**3.0%**	**8.4%**
Total	**3,141**	**3,207**	**100.0%**	**100.0%**

(1) Includes services rendered by independent experts or by members of the Statutory Auditor's network in connection with the certification of the financial statements.

(2) Mainly reports issued in respect of financial information.

13. Financial commitments

Commitments given

	December 31st 2017	December 31st 2016
Off–balance sheet commitments linked to investing activities		
With partnerships (SNC), non–trading real estate investment companies (SCI) and economic interest groupings (GIE)	97	84
Commitments to purchase participating interests	1	–
Off–balance sheet commitments linked to financing activities		
Securities pledged in connection with credit transactions	55	50
Other commitments given in connection with credit transactions	–	–
Off–balance sheet commitments linked to operating activities		
Future payments in respect of long–term rental agreements		
Up to 1 year	11	8
1 to 5 years	12	9
Over 5 years	–	–
Future payments in respect of commercial property leases		
Up to 1 year	52	51
1 to 5 years	154	148
Over 5 years	118	91
Guarantees, sureties and pledges given in connection with contracts	4,091	4,012
Commitments given to employees	–	–
Other commitments given in connection with operating activities	657	554
Total commitments given	**5,248**	**5,007**

The significant commitments given in the form of contract guarantees, sureties and pledges are attributable to bid bonds and performance bonds given in connection with large contracts.

Commitments received

	December 31st 2017	December 31st 2016
Off-balance sheet commitments linked to financing activities		
Unused confirmed credit lines	2,800	2,800
Off-balance sheet commitments linked to operating activities		
Guarantees, sureties and pledges received in connection with contracts	590	506
Other commitments received in connection with operating activities	327	205
Total commitments received	**3,717**	**3,511**

Assets pledged

In 2002, the Group arranged a trade receivables securitisation programme to provide a source of medium-term financing, which it renewed in 2016. As a rule, project financing for concessions or public-private partnerships is provided on the condition that the shares of the ad hoc entities party to the concession or public-private partnership agreements are pledged to the lenders and their guarantors. This applies notably in the case of APRR, A'Liénor (A65), Adelac (A41), SMTPC, Prado Sud, SENAC (Autoroute de l'Avenir in Senegal) and Eiffage Rail Express (BPL).

14. List of main consolidated companies at December 31st 2017

Companies mentioned below are consolidated under the full method unless indicated otherwise.

Eiffage and its subsidiaries	**100.0%**
Adelac*	25.0%
A'liénor	65.0%
Alliance Connectic	81.0%
Armaneo	100.0%
Armor Connectic	81.0%
Capaix Connectic	81.0%
Cologen	100.0%
Efi	100.0%
Efitrez	100.0%
Eifaltis Sas	100.0%
Eifaltis Snc	100.0%
Eiffage GmbH	100.0%
Eiffage Rail Express	100.0%
Eiffage Services	100.0%
Eiffage Systèmes d'Information	100.0%
Eiffinov	100.0%
Elisa	100.0%
Elisa Gestion	100.0%
Faber Bau GmbH	100.0%
Faber Infra Bau Gmbh	100.0%
Financière Laborde	100.0%
Isentalautobahn GmbH & Co. KG*	33.3%
Laborde Gestion	100.0%
Melaudix	100.0%
Melotech	100.0%
NAT Neuberger Anlagen-Technik AG	100.0%
NPBS	100.0%
Opere	100.0%
S&G Hamburg GmbH	100.0%
Schwietelsky Faber GmbH Kanalsanierung*	50.0%
Senac	100.0%
Socfi	100.0%
Société Marseillaise du Tunnel Prado Carénage*	32.9%
Société Prado Sud*	41.5%

Verdun Participation 1 and its subsidiaries	**51.0%**
Compagnie Eiffage du Viaduc de Millau	51.0%
Verdun Participation 2	51.0%

Financière Eiffarie and its subsidiaries	**50.0%**
Adelac*	24.9%
Area Participation	50.0%
Autoroutes Paris Rhin Rhône	50.0%
Autoroutes Rhône Alpes	49.9%
Axxès*	17.0%
Eiffarie	50.0%

Eiffage Construction and its construction subsidiaries	**100.0%**
Antwerpse Bouwwerken	100.0%
Cecom Center SA	100.0%
Chris Vuylsteke Aanemingen	100.0%
Combined Marine Terminal Operations Worldwide*	25.0%

Crystal S.A.M.	100.0%
De Graeve Entreprises Générales	100.0%
Eiffage Benelux	100.0%
Eiffage Construction Alpes Dauphiné	100.0%
Eiffage Construction Alsace Franche Comté	100.0%
Eiffage Construction Amélioration de l'habitat	100.0%
Eiffage Construction Auvergne	100.0%
Eiffage Construction Basse Normandie	100.0%
Eiffage Construction Bourgogne	100.0%
Eiffage Construction Bretagne	100.0%
Eiffage Construction Centre	100.0%
Eiffage Construction Centre Est	100.0%
Eiffage Construction Confluences	100.0%
Eiffage Construction Côte d'Azur	100.0%
Eiffage Construction Équipements	100.0%
Eiffage Construction Finance	100.0%
Eiffage Construction Gestion et Développement	100.0%
Eiffage Construction Grands Projets	100.0%
Eiffage Construction Habitat	100.0%
Eiffage Construction Haute Normandie	100.0%
Eiffage Construction Île de France	100.0%
Eiffage Construction Industries Fresnay/Sarthe	100.0%
Eiffage Construction Languedoc Roussillon	100.0%
Eiffage Construction Limousin	100.0%
Eiffage Construction Lorraine	100.0%
Eiffage Construction Matériel	100.0%
Eiffage Construction Midi Pyrénées	100.0%
Eiffage Construction Monaco	100.0%
Eiffage Construction Nord	100.0%
Eiffage Construction Nord Aquitaine	100.0%
Eiffage Construction Pays de Loire	100.0%
Eiffage Construction Picardie	100.0%
Eiffage Construction Poitou Charentes	100.0%
Eiffage Construction Provence	100.0%
Eiffage Construction Réhabilitation Centre Est	100.0%
Eiffage Construction Résidentiel	100.0%
Eiffage Construction Rhône Loire	100.0%
Eiffage Construction Sud Aquitaine	100.0%
Eiffage Construction Tertiaire	100.0%
Eiffage Gabon SA	100.0%
Eiffage Polska Budownictwo SA	100.0%
Eiffage Polska Serwis SP. Z o.o.	100.0%
Entreprises Générales Louis Duchêne	100.0%
Fougerolle	100.0%
Herbosch-Kiere	100.0%
Normalux*	25.0%
Oostvlaams Milieubeheer	100.0%
Perrard	100.0%
PIT Antwerpen	100.0%
Reynders B & I	100.0%
Scaldis Salvage & Marine Contractors*	25.0%
Société Nouvelle Pradeau Morin	100.0%
Sodemat	100.0%
Valens	100.0%

Eiffage Construction and its property subsidiaries Eiffage Immobilier, its subsidiaries and the regional property subsidiaries	**100.0%**
Asnières A3 A4*	50.0%
Bagnolet Promotion*	50.0%
Chatenay-Malabry Parc-Centrale*	50.0%
Eiffage Aménagement	100.0%
Eiffage Development et ses filiales	100.0%
Gif Moulon B4 B5	25.0%
Hotel Dieu	80.0%
Jdml	100.0%
Paris Didot	90.0%
Porte de Clichy La Garenne*	50.0%
Romainville Vassou*	50.0%
Rueil Albert 1er*	50.0%
Saint Mandé Commandant Mouchotte*	50.0%
Seop et ses filiales	100.0%

Eiffage Infrastructures and its subsidiaries	**100.0%**
AER	100.0%
Aglomerados Los Serranos	100.0%
Bocahut	100.0%
Budillon Rabatel	100.0%
Carrière de la Roche Blain	99.3%
Carrière des Grands Caous	100.0%
Carrière des Roches Bleues	100.0%
Chastagner	100.0%
Contratas y Aglomerados Las Cabezuelas	.0100%
Dle Ouest	100.0%
Dle Outre-Mer	100.0%
Durance Granulats*	47.0%
Eiffage Démolition	100.0%
Eiffage Fondations	100.0%
Eiffage Génie Civil	100.0%
Eiffage Génie Civil Antilles	100.0%
Eiffage Génie Civil Marine	100.0%
Eiffage Génie civil Réseaux	100.0%
Eiffage Infra Bau GmbH	100.0%
Eiffage Infraestructuras	100.0%
Eiffage Infraestructuras Gestion y Desarrollo	100.0%
Eiffage Infrastructures Canada	100.0%
Eiffage Infrastructures Gestion et Développement	100.0%
Eiffage International	100.0%
Eiffage Métal	100.0%
Eiffage Rail	100.0%
Eiffage Route Centre Est	100.0%
Eiffage Route ÎdF Centre	100.0%
Eiffage Route Méditerranée	100.0%
Eiffage Route Nord Est	100.0%
Eiffage Route Ouest	100.0%
Eiffage Route Sud Ouest	100.0%
Eiffage Sénégal	100.0%
Eiffage Travaux Maritimes et Fluviaux	100.0%
Eiffel Deutschland Stahltechnologie GmbH	100.0%
Est Granulats*	49.0%
Extraccion de Aridos Sierra Negra	100.0%

Faber Viam	100.0%
Forézienne	100.0%
Heinrich Walter Bau GmbH	100.0%
Hormigones Los Serranos	100.0%
Hormigones y Morteros Serrano	100.0%
Hydrotech	100.0%
Iemants	87.0%
Innovative Civil Constructors Inc	100.0%
Lonete	87.0%
Masfalt	98.3%
MDM Infra-Lärmschutz GmbH	100.0%
Perez Morelli	100.0%
Pichenot	100.0%
Prefernord*	49.0%
Puentes y Torones	70.0%
Roland	100.0%
Serrano Aznar Obras Publicas	100.0%
Sitren	99.5%
Smulders Group NV	87.0%
Smulders Projects Belgium	87.0%
Smulders Projects UK Ltd	87.0%
Société Matériaux de Beauce*	50.0%
Spomasz	84.3%
Stinkal	65.0%
Travaux Publics de Provence	100.0%
Wittfeld GmbH	100.0%
Zomby*	29.0%

Eiffage participations and its subsidiaries	100.0%
Ambitec S.a.u	100.0%
Clemessy	99.9%
Clemessy I&E GmbH	99.9%
Clemessy Maroc	99.9%
Clemessy Services	100.0%
Collignon Eng	100.0%
Conscytec	100.0%
Defor	77.5%
Eiffage Energia	100.0%
Eiffage Energia Chile Limitada	100.0%
Eiffage Énergie	100.0%
Eiffage Énergie Alsace Franche Comté	100.0%
Eiffage Énergie Aquitaine	100.0%
Eiffage Énergie Basse Normandie	100.0%
Eiffage Énergie Bourgogne Champagne	100.0%
Eiffage Énergie Bretagne Pays de Loire	100.0%
Eiffage Énergie Centre Loire	100.0%
Eiffage Énergie Ferroviaire	100.0%
Eiffage Énergie Gestion & Développement	100.0%
Eiffage Énergie Guadeloupe	100.0%
Eiffage Énergie Haute Normandie	100.0%
Eiffage Énergie Île de France	100.0%
Eiffage Énergie Industrie Nord	100.0%
Eiffage Énergie Industrie Tertiaire Loire Auvergne	100.0%
Eiffage Énergie Industrie Tertiaire Rhône Alpes	100.0%
Eiffage Énergie Infrastructures Loire Auvergne	100.0%

Eiffage Énergie Infrastructures Nord	100.0%
Eiffage Énergie Infrastructures Rhône Alpes	100.0%
Eiffage Énergie Loire Océan	100.0%
Eiffage Énergie Lorraine Marne Ardennes	100.0%
Eiffage Énergie Maine Bretagne	100.0%
Eiffage Énergie Méditerranée	100.0%
Eiffage Énergie Poitou Charentes	100.0%
Eiffage Énergie Quercy Rouergue Gevaudan	100.0%
Eiffage Énergie Service Île de France	100.0%
Eiffage Énergie Sud Ouest	100.0%
Eiffage Énergie Telecom ÎDF-Noe	100.0%
Eiffage Énergie Telecom Sud Est	100.0%
Eiffage Énergie Tertiaire Nord	100.0%
Eiffage Énergie Thermie Centre Est	100.0%
Eiffage Énergie Thermie Grand Est	100.0%
Eiffage Énergie Thermie Îdf	100.0%
Eiffage Énergie Thermie Normandie	100.0%
Eiffage Énergie Thermie Ouest	100.0%
Eiffage Énergie Thermie Sud Ouest	100.0%
Eiffage Énergie Transport & Distribution	100.0%
Eiffage Énergie Transport & Distribution Burkina Faso	100.0%
Eiffage Énergie Val de Loire	100.0%
Eis	99.9%
Elettromeccanica Galli Spa	51.0%
Elomech Elektroanlagen GmbH	90.0%
Entreprise Barth	100.0%
Fontanie	100.0%
Forclum Grands Travaux Tertiaires	100.0%
Ger2i	100.0%
Goyer	100.0%
Instalaciones Electricas y Bobinajes	100.0%
JJ Tome	55.8%
Lebas Industrie	99.9%
Rmt I&E GmbH	99.9%
Secauto	99.8%
Vse	100.0%
Yerly Installations	100.0%
Yvan Paque	100.0%

* Companies accounted for under the equity method.

Note 1: The percentages given above correspond to the direct and indirect interest of parent company Eiffage SA in the company concerned.

Note 2: A complete list of these companies together with their addresses and SIREN numbers is available upon request.

Statutory Auditors' report on the consolidated financial statements

(Year ended December 31st 2017)

To the Shareholders,

Opinion

In fulfilment of the assignment entrusted to us by your shareholders' general meeting, we have audited the accompanying consolidated financial statements of Eiffage SA for the year ended December 31st 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the entities included in the consolidation as at December 31st 2017 and of the results of their operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1st 2017 to the date of our report, and, specifically, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Risk identified	Our response
Accounting for construction contracts *See Note 5.1.2 to the consolidated financial statements, Construction contracts*	
Construction activities represent a significant part of the revenue reported by the Group. Construction contracts are accounted for by reference to the stage of completion method, which requires estimating the total contract revenue and the cost to complete the contract, recognising gradually the outcome of the contract to reflect: → the completion of a physical proportion of the contract work in the case of the Construction and Infrastructures divisions; → the proportion of contract costs incurred for work performed to date in the case of the Energy Systems division. The recognition of revenue and costs for construction contracts is therefore based on estimates of contract outcomes. These estimates are reviewed by management and revised, when appropriate, over the course the contracts' execution. For large-scale projects, notably those involving infrastructures, covering a period of several years, estimating the contract outcome may rely to a large extent of the judgement of management regarding the actual on potential occurrence of contingencies during the contracts' execution. Given the significant nature of the construction activities in relation to the Group's revenue and the extent to which reliance is placed on management's judgement, we considered that the recognition of revenue from construction contracts was a key audit matter.	Our work included the analysis of a sample of contracts based on essentially quantitative criteria (total contract revenue and contract outcome), and consisted in: → assessing internal control procedures relating to the recognition of construction contracts; → interviewing operations and financial managers to understand the extent to which their judgement determined the contract outcome; → assessing the data and assumptions on the basis of which the contract outcomes are evaluated, notably by analysing the consistency of total contract revenue with the project schedule and contractual documents, the consistency of the total cost on completion with the costs incurred to date, and the consistency of the contingencies integrated into the contract outcome with the difficulties and risks brought to our attention; → comparing contract outcomes against prior estimates to assess the reliability of these estimates. For the most sensitive estimates (disputes, non-contractual revenue), we obtained additional information upon which to base our assessment and assessed their appropriateness, notably in light of contract outcomes for similar projects in the past.
Evaluation of provisions relating to the execution of construction contracts and concession agreements *See Note 9 to the consolidated financial statements, Provisions*	
Provisions are recognised by the Group relating in particular to completed construction contracts as well its obligations to maintain concession infrastructures to a specified condition. Provisions relating to construction contracts concern essentially disputes and claims over the proper and timely execution of the work, disagreements over the price of the services, the occurrence of insurance claims and the enforcement of guarantees given. With regards to the Group's obligations to maintain concession infrastructures in working condition, provisions are recognised based on the estimated replacement cost of certain parts of the infrastructures. These provisions are recognised over the estimated useful life of the assets to be replaced and updated at each balance sheet date. We considered that the evaluation of the provisions for liabilities and charges was a key audit matter, given: → the significant extent to which reliance is placed on management's judgement in determining the liabilities and charges that require provisioning and in evaluating the amount to be provisioned; → the potentially significant impact of these provisions on the Group's operating profit.	Interviews were held at the level of the Group and subsidiaries with general management, finance departments and legal directors to familiarise ourselves with all the risks identified by the Group. For the main risks identified, we analysed the facts and circumstances to assess the appropriateness of management's estimates and of the underlying assumptions that were relied upon. We analysed procedural factors and/or legal or technical opinions to the extent available. Concurrently, we analysed fees paid to legal counsel during the year ended to identify those whose services were solicited by the Group and obtained, from certain of these legal counsel, information concerning ongoing legal proceedings and their likely financial consequences, to corroborate management's own position. We assessed the quality of past estimates by management by comparing amounts settled to amounts previously provisioned. As regards the obligations to maintain concession infrastructures to a specified condition, we assessed whether methods for drawing up maintenance plans were appropriate and were applied consistently compared with previous accounting periods. We also assessed assumptions relied upon by examining the technical documentation relating to the assets' replacement costs and estimated useful life.

Risk identified	Our response
Goodwill valuation *See Note 6.2 to the consolidated financial statements, Goodwill*	
Goodwill on the balance sheet at December 31st 2017 represented a material amount, with a carrying value of €2,995 million. These assets are exposed to an impairment risk depending on different factors, such as adverse changes in the economic environment, trading conditions and/or legal and regulatory framework. Impairment tests are performed by the Group at least annually and whenever there is any indication of impairment in value to identify, when appropriate, instances when the recoverable amount is now less than the carrying value, requiring the recognition of an impairment loss equal to the difference between the carrying value and the recoverable amount. For impairment testing purposes, goodwill is allocated to a cash generating unit (CGU) group expected to benefit from the synergies produced by the business combination. In practice, the recoverable amount of a CGU group to which goodwill is allocated is determined first by reference to its value in use. The value in use is estimated using the discounted free cash flow method. Since goodwill represents a material amount in the Group's consolidated financial statements, and given the extent to which reliance is placed on management assumptions and the sensitivity of the values in use to changes in these assumptions, we considered that the determination of the value in use of CGU groups and the possible need for the recognition of impairment losses were a key audit matter.	For each CGU group, our work consisted in: → verifying the appropriateness of the approach used to determine the cash generating unit groups at the level of which impairment tests are performed; → gaining an understanding of the conditions for performing impairment testing; → analysing the consistency of cash flow forecasts with actual cash flows in the past; → interviewing the Group's finance department to assess the main assumptions relied upon; → verifying the determination of the discount rates applied to cash flow forecasts by comparing notably the components of these rates with market data; → analysing tests performed by management to measure the sensitivity of the values in use to the main assumptions relied upon and, when appropriate, performing our own sensitivity analyses.

Verification of the information pertaining to the Group presented in the Directors' report

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the Directors' report.

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

Disclosures arising from other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Eiffage SA by Eiffage AGM of 21 June 1977 for KPMG, taking into account the mergers and acquisitions since that date, and on 25th April 2001 for PricewaterhouseCoopers Audit.

As at December 31st 2017, KPMG was in the 41st year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 17th.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the Company's financial reporting process and the effectiveness of its internal control and risk management systems and, where applicable, for carrying out the internal audit of its accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

→ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures to detect those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the bypassing of internal control.

→ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

→ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

→ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report, it being emphasised, however, that future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, he is required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein or to issue a disclaimer.

→ Evaluates the overall presentation of

the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

→ Obtains sufficient appropriate audit evidence regarding the financial information of the persons or entities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant internal control deficiencies that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards put in place.

The Statutory Auditors

Paris La Défense, April 3rd 2018
KPMG Audit IS

Neuilly-sur-Seine, April 3rd 2018
PricewaterhouseCoopers Audit

Baudouin Griton
Partner

Gérard Morin & Yan Ricaud
Partners

Company financial statements

Balance sheet

Assets

In thousands of euros		2017			
	Notes	Gross	Amortisation, depreciation and provisions	Net	2016
Non-current assets	2	1,505	1,314	191	210
Participating interests	3	3,603,317	36,010	3,567,307	3,465,288
Other investments	3; 4; 11	448,227	79,698	368,529	575,178
Total non-current assets		**4,053,049**	**117,022**	**3,936,027**	**4,040,676**
Trade debtors	4; 11	96,428	–	96,428	18,569
Other debtors	4; 11	811,496	40	811,456	735,167
Current assets other than cash and cash equivalents		**907,924**	**40**	**907,884**	**753,736**
Marketable securities	5	894,660	73	894,587	1,281,133
Cash at bank and in hand	5	992,284	–	992,284	516,982
Cash and cash equivalents		**1,886,944**	**73**	**1,886,871**	**1,798,115**
Prepayments and accrued income		2,155	–	2,155	2,990
Total assets		**6,850,072**	**117,135**	**6,732,937**	**6,595,517**

Liabilities and shareholders' equity

	Notes	2017	2016
Share capital	6	392,015	392,329
Share premium account		569,188	565,434
Revaluation reserve		3,415	3,415
Reserves		40,368	39,309
Retained earnings		3,389,136	3,386,345
Net profit for the year		252,887	148,233
Regulated provisions		1,427	1,446
Capital and reserves	7	**4,648,436**	**4,536,511**
Provisions for liabilities and charges	8	**113,595**	**47,560**
Loans and other borrowings	9; 10	946,785	961,723
Trade creditors	9; 10	8,960	13,413
Other creditors	9; 10	1,015,120	1,036,272
Debts		**1,970,865**	**2,011,408**
Bank overdrafts and credit balances	9; 10	**8**	**8**
Accruals and deferred income		33	30
Total liabilities and shareholders' equity		**6,732,937**	**6,595,517**

Income statement

In thousands of euros	Notes	2017	2016
Operating income			
Sales of goods and services		5,729	9,468
Other income		155	392
Provisions reversed		–	6,800
Total operating income		**5,884**	**16,660**
Operating charges			
External charges		(17,670)	(26,123)
Taxes (other than income tax)		(464)	(464)
Staff costs		(3,296)	(2,223)
Depreciation and provisions		(3,293)	(12,202)
Total operating charges		**(24,723)**	**(41,012)**
Share of profit (loss) of joint ventures		**62**	**22**
Operating profit		**(18,777)**	**(24,330)**
Income from participating interests		237,057	136,433
Net interest payable and similar charges		10,976	36,208
Provisions		(35,634)	(69,075)
Net financial income	14	**212,399**	**103,566**
Profit on ordinary activities		**193,622**	**79,236**
Profit (loss) on the disposal of non-current assets		7,029	26,582
Other exceptional income and charges		66,401	(4,046)
Provisions		(63,445)	5,500
Exceptional income	15	**9,985**	**28,036**
Income tax credit	16	49,280	40,961
Net profit		**252,887**	**148,233**

Notes to the company financial statements

(In thousands of euros unless otherwise indicated)

1. Accounting principles and methods

The company financial statements have been prepared in accordance with the General Chart of Accounts adopted by the French Accounting Standards Authority (*Autorité des normes comptables*) in Regulation 2014-03 of June 5th 2014 (published in the Official Gazette of October 15th 2014).

The main accounting methods are presented below:

1.1. Property, plant and equipment

With the exception of assets having given rise to a legal revaluation, property, plant and equipment are valued at cost. Depreciation is calculated using the straight-line method so as to write off the assets over their estimated useful lives:
– Buildings: 40 years
– Industrial buildings: 20 years
– Fittings: 10 years

The depreciation period is reduced by half for second-hand items.

1.2. Investments

Participating interests are recorded on the balance sheet at their gross value, i.e., at their acquisition cost plus any additional costs or their revalued amount as at December 31st 1976. When their carrying value is lower than their gross value, a provision is recorded for the difference.

The carrying value of participating interests is determined by reference to the share of the company's net book value adjusted, where appropriate, to take into account future capital gains on its assets as well as its projected development and earnings prospects.

These estimates and assumptions are based on past experience and on various other factors, bearing in mind the current unsettled economic environment, which has lowered visibility as regards business prospects.

1.3. Receivables

Receivables are reported in the balance sheet at their nominal value. Provisions are recognised to write down these receivables when there are difficulties collecting amounts due.

1.4. Marketable securities

Marketable securities are recorded at acquisition cost.

Provisions are recorded when market value at the year end is lower than acquisition cost. Interest is accrued at the year end in respect of securities bearing a guaranteed interest rate.

1.5. Provisions for liabilities and charges

Provisions are set aside whenever there is a probable risk that resources will be expended without any likely return. Provisions are reviewed at the balance sheet date and adjusted on the basis of the best estimates available at that date.

Certain provisions cover liabilities linked to the execution and completion of construction projects in France and abroad. In such cases they cover any direct costs and ancillary expenses to rehabilitate the construction site as well as charges arising from seeing projects through to completion.

1.6. Foreign currency transactions

Amounts receivable and payable denominated in foreign currencies are converted at the exchange rate on the balance sheet date. The balance sheets and income statements of establishments located outside the euro zone are translated in the same way.

1.7. Joint ventures

In accordance with industry accounting standards, French joint ventures are accounted for under the full consolidation method when Eiffage SA is responsible for their management.

When Eiffage SA is not responsible for management or the joint venture is undertaken outside France, only the company's share of earnings is recorded in the income statement.

1.8. Long-term contracts

Profits arising on long-term construction projects are accounted for under the percentage of completion method.

Provisions for liabilities are recorded to cover any foreseeable losses on completion. The latter are determined based on an analysis of projected economic and financial data for each contract. When appropriate, projections take into account amounts likely to be obtained from claims that have been filed.

1.9. Revenue

Revenue as referred to in the various reports and management documents produced by the company, notably in any comments on the activities of Group companies, corresponds to the year's production. It includes work and services performed directly by Eiffage SA as well as its attributable share when the work is performed in partnership with third parties.

1.10. Share of results of partnerships

The results of partnerships are recorded in the year to which they relate, as accrued income when a profit, and as accrued expenses when a loss.

1.11. Treasury shares

Treasury shares earmarked for stock option and bonus share plans are reported under marketable securities.

As required by CRC Regulation 2008-15, a provision for financial risks is recorded over the vesting period of the beneficiaries' rights when it becomes probable a charge will be incurred.

Treasury shares not earmarked for stock option plans are recognised at their acquisition cost under "Other investments".

A provision for financial impairment losses is recognised if the average share price in the last month preceding the balance sheet date is less than the unit cost of these shares.

2. Non-current assets

2.1. Cost

	At January 1st	Additions	Diminutions	At December 31st
Land	148	–	–	148
Buildings	1,280	–	–	1,280
Other property, plant and equipment	77	–	–	77
Total	**1,505**	**–**	**–**	**1,505**

2.2. Depreciations

	At January 1st	Increase	Decrease	At December 31st
Buildings	1,228	13	–	1,241
Other property, plant and equipment	67	6	–	73
Total	**1,295**	**19**	**–**	**1,314**

3. Investments

3.1. Cost

	At January 1st	Increase	Decrease	At December 31st
Participating interests	3,495,534	109,895	2,112	3,603,317
Treasury shares – liquidity contract	1,899	187,676	186,051	3,524
Other investments	623,137	131,038	309,472	444,703
Total	**4,120,570**	**428,609**	**497,635**	**4,051,544**

3.2. Provisions

	At January 1st	Increase	Decrease	At December 31st
Participating interests	30,246	5,764	–	36,010
Other investments	49,858	30,143	303	79,698
Total	**80,104**	**35,907**	**303**	**115,708**

Provisions recognised in 2017 in respect of "Other investments" concerned mainly public service delegation agreements.

4. Amounts receivable

4.1. Analysis by maturity

	Net amount	Within one year	More than one year
Included under non-current assets[1]	345,438	–	345,438
Included under current assets[2]			
Trade debtors	96,428	96,428	–
Other debtors[3]	811,456	811,446	10
Total	**1,253,322**	**907,874**	**345,448**

(1) Of which €332,879 thousand concerns Group companies.

(2) Of which €120,818 thousand concerns Group companies.

(3) Of which €508,909 thousand from the debt securitisation mutual fund serving as a vehicle for the securitisation programme arranged by the Group in 2002. The corresponding liability, for the same amount, is recorded under "Other creditors".

4.2. Provisions

	At January 1st	Increase	Decrease	At December 31st
Trade debtors	–	–	–	–
Other debtors				
Due from Group companies	83	–	43	40
Total	**83**	**–**	**43**	**40**

5. Marketable securities and cash at bank and in hand

5.1. Marketable securities

	Number of securities		
	At January 1st	At December 31st	Net book value
Treasury shares	5,091,709	1,856,701	128,970
Money market UCITS	–	–	765,617
Total	**5,091,709**	**1,856,701**	**894,587**

Marketable securities comprise mainly UCITS whose market value is not materially different to their net book value.

5.2. Cash at bank and in hand

Cash at bank and in hand includes term deposit accounts amounting to €422,168 thousand remunerated at market conditions.

6. Share capital

At December 31st 2017, the share capital consisted of 98,003,766 shares of €4 each.

	Number
Shares in issue at December 31st 2016	98,082,265
Capital increase reserved for employees	2,921,501
Capital reduction	(3,000,000)
Shares in issue at December 31st 2017	**98,003,766**

7. Changes in shareholders' equity

	Capital	Share premium account	Revaluation reserve	Reserves	Retained earning	Net profit for the year	Regulated provisions	Total
At December 31st 2016	**392,329**	**565,434**	**3,415**	**39,309**	**3,386,345**	**148,233**	**1,446**	**4,536,511**
Appropriation of 2016 net profit	–	–	–	1,059	147,174	(148,233)	–	–
Dividends paid	–	–	–	–	(144,383)	–	–	(144,383)
Capital increase	11,686	148,266	–	–	–	–	–	159,952
Capital reduction	(12,000)	(144,512)	–	–	–	–	–	(156,512)
Other	–	–	–	–	–	–	(19)	(19)
2017 net profit	–	–	–	–	–	252,887	–	252,887
At December 31st 2017	**392,015**	**569,188**	**3,415**	**40,368**	**3,389,136**	**252,887**	**1,427**	**4,648,436**

8. Provisions for liabilities and charges

	At January 1st	Increase	Decrease		At December 31st
			Corresponding to a charge in the year	Not corresponding to a charge in the year	
Options on Eiffage shares and bonus shares	16,800	81,745	16,800	–	81,745
Future charges on long-term contracts	13,000	2,500	–	–	15,500
Subsidiaries	16,200	–	–	1,500	14,700
Tax	960	–	–	–	960
Restructuring	500	90	–	–	590
Abroad	100	–	–	–	100
Total	**47,560**	**84,335**	**16,800**	**1,500**	**113,595**

Each of the above provisions represents the addition of a certain number of disputes arising essentially out of construction contracts, in addition to which some provisions have been set aside because of the financial situation of certain subsidiaries.

9. Borrowings and bank overdrafts

9.1. Analysis by maturity

	Total	Within one year	More than one year
Loans and other borrowings			
Other	946,785	946,785	–
Total	**946,785**	**946,785**	**–**
Other debts			
Amounts due to Group companies(1)	1,012,905	1,012,905	–
Miscellaneous debt	2,215	2,215	–
Total	**1,015,120**	**1,015,120**	**–**
Bank overdrafts	**8**	**8**	–
Total	**8**	**8**	**–**

(1) See Note 4.1 concerning the impact arising from the securitisation programme.

9.2. Trade creditors

At December 31st 2017, trade creditors totalled €8,960 thousand. They comprised amounts due to suppliers other than Group companies of €4,565 thousand, consisting nearly entirely of amounts payable 30 days from the date of issue of the invoice.

At December 31st 2017, there were no significant past due amounts.

10. Accruals included under the following balance sheet headings

	At December 31st 2017	At December 31st 2016
Loans and other borrowings	52	64
Trade creditors	5,622	9,625
Other creditors	58	55
Bank overdrafts and credit balances	8	8
Total	**5,740**	**9,752**

11. Accrued income included under the following balance sheet headings

	At December 31st 2017	At December 31st 2016
Other investments	21,859	19,735
Trade debtors	83,420	16,344
Other debtors	75	–
Cash and cash equivalents	168	207
Total	**105,522**	**36,286**

12. Treasury shares

At December 31st 2017, Eiffage held 1,895,422 of its own shares (equivalent to 1.93% of the capital) for a total amount of €132.5 million. Of these, 1,856,701 shares (€129 million) were earmarked for stock option plans, the remaining 38,721 shares (€3.5 million) being held to provide liquidity for market transactions in the company's shares.

13. Information on related undertakings and participating interests

All transactions with related undertakings are either immaterial or concluded on an arm's length basis.

14. Financial income and charges

Interest income and expenses are analysed below:

	At December 31st 2017	At December 31st 2016
Financial income		
Interest received from related undertakings	20,104	22,843
Other financial income from related undertakings	3,624	16,123
Other interest and financial income	1,413	5,462
Net proceeds on the sale of marketable securities	52	4,501
Financial charges		
Interest paid to related undertakings	(663)	(3,232)
Other financial charges from related undertakings	(9,870)	(1,000)
Other interest and financial charges	(2,506)	(3,058)
Net charge on the sale of marketable securities	(1,178)	(5,431)
Net financial income	**10,976**	**36,208**

15. Exceptional income and charges

Net exceptional income amounted to €10 million in 2017 and consisted mainly of profits on the disposal of participating interests.

16. Income tax

Eiffage SA is the head of a tax group that comprised 259 subsidiaries in 2017. The €49 million tax credit is the difference between the amount of tax payable by the Group and the amount of tax receivable from members of the tax group.

Timing differences specific to Eiffage SA amounted to €8 million in terms of tax base and correspond to relief that will be obtained in the future.

17. Financial commitments

Commitments given	At December 31st 2017	At December 31st 2016
Guarantees and sureties	2,381,094	2,463,302
Non-trading real estate investment companies (SCI), partnerships (SNC) and economic interest groupings (GIE)	636,702	771,010
Other commitments given	–	2,050
Total	**3,017,796**	**3,236,362**

Commitments received	At December 31st 2017	At December 31st 2016
Confirmed credit lines not used at the year end	1,000,000	1,000,000
Other commitments	367	367
Total	**1,000,367**	**1,000,367**

18. Average number of employees

Eiffage SA employed an average of one manager in France in 2017.

19. Corporate officers' compensation

Total fixed and variable compensation, including benefits in kind, payable by Eiffage to its corporate officers for the year ended December 31st 2017 totalled €1,555 thousand.

Board fees paid to directors totalled €748 thousand in 2017.

20. Statutory Auditors' fees

Details regarding the Statutory Auditors' fees, as charged to income for the period, are provided in the notes to the consolidated financial statements.

Additional notes

Five-year financial summary

Nature of indications	2013	2014	2015	2016	2017
1. Share capital at December 31st (in thousands of euros)					
Share capital	357,755	369,086	381,736	392,329	392,015
Number of ordinary shares in issue	89,438,630	92,271,466	95,433,991	98,082,265	98,003,766
Maximum number of shares to be created in the future:	–	–	–	–	–
through the exercise of share options	–	–	–	–	–
2. Results for the year ended (in thousands of euros)					
Revenue excluding VAT	–	–	–	–	–
Profit before depreciation, provisions, employee profit-sharing and tax	82,438	179,173	266,746	176,249	322,779
Income tax	54,275	56,433	76,923	40,961	49,280
Employee profit-sharing for the year end	–	–	–	–	–
Profit after depreciation, provisions, employee profit-sharing and tax	118,570	285,791	321,755	148,233	252,887
Dividends	107,326	110,726	143,151	147,123	196,008
3. Earnings per share (in euros)					
Profit after employee profit-sharing and tax, but before depreciation and provisions	1.53	2.55	3.60	2.21	3.80
Profit after depreciation, provisions, employee profit-sharing and tax	1.33	3.10	3.37	1.51	2.58
Dividend per share	1.20	1.20	1.50	1.50	2.00
4. Employees					
Average number of employees during the year	1	1	1	1	1
Salaries and wages	1,375	1,611	1,718	1,636	1,569
Staff benefits (social security and other benefits)	444	976	863	586	582

As laid down in law, shareholders have five years to claim dividends as from the date of their payment. Past this delay, any unclaimed dividends are paid to the French Treasury.

Total and per-share results

	2017	2016
Profit on ordinary activities		
Total (in millions of euros)	194	79
Per share (in euros)	2.0	0.8
Profit before tax		
Total (in millions of euros)	204	107
Per share (in euros)	2.1	1.1
Net profit		
Total (in millions of euros)	253	148
Per share (in euros)	2.6	1.5

Subsidiaries and participating interests at December 31st 2017

	Capital	Reserves (including 2017 net profit)	% of capital held	Gross book value of shares held	Net book value of shares held	Loans and advances granted by Eiffage but not yet repaid	Commit-ments given by Eiffage	Revenue excluding VAT in last financial year	Group share of net profit (loss) in last financial year	Dividends paid to Eiffage during the financial year
A – Detailed information on subsidiaries and participating interests										
1. Subsidiaries (more than 50% of the capital controlled by Eiffage SA)										
Eiffage Construction(1)	204,626	614,426	100.00	1,114,706	1,114,706	–	285,623	3,793,984	94,826	57,421
Eiffage Participations(1)	212,561	685,255	100.00	868,371	868,371	–	11,555	3,854,826	109,408	44,929
Eiffage Infrastructures(1)	282,202	656,815	100.00	780,570	780,570	–	–	4,494,966	34,012	–
Financière Eiffarie(1)	200,174	1,548,939	50.00	378,707	378,707	–	–	2,728,402	559,930	114,199
A'Liénor	275,632	(20,223)	65.00	179,161	179,161	77	1,048	58,675	8,475	–
Senac	30,571	289,257	100.00	30,571	30,571	–	–	35,775	8,227	–
Eiffage Rail Express	22,867	1,613,700	100.00	22,867	22,867	97,321	1,258	83,019	5,466	–
Verdun Participations(1)	4,185	(224,014)	51.00	20,410	20,410	–	–	48,731	5,804	5,123
Eiffage GmbH(1)	16,214	3,614	100.00	19,317	19,317	34,563	–	269,863	7,617	6,934
Eifaltis	13,636	(12)	100.00	13,636	13,636	62,034	–	–	1	–
Eiffage Services	390	6,876	100.00	6,300	6,300	–	–	31,633	6,828	2,922
Eiffage Global Services	6,044	(5,160)	100.00	6,044	6,044	–	–	9,796	(2,274)	–
2. Participating interests (between 10% and 50% of the capital controlled by Eiffage SA)										
Adelac	6,000	(4,240)	25.00	68,612	68,612	905	–	54,391	(12,990)	–
TP Ferro Concesionaria(2)	51,435	Not available	50.00	25,718	–	49,122	–	Not available	Not available	–
Efi	53,317	28,792	23.73	19,420	19,420	–	–	35,335	1,922	233
Smtpc	17,804	44,858	32.92	16,221	16,221	–	–	39,742	14,956	3,651
Société Prado Sud	16,093	7,759	41.49	6,676	6,676	8,693	–	9,378	(3,761)	–

(1) Information provided on a consolidated basis.

(2) Company is being wound up.

B – Overall information on subsidiaries and participating interests

	French subsidiaries	Foreign subsidiaries	French participating interests	Foreign participating interests
Book value of the shares held:				
Gross	3,408,179	49,908	114,142	31,088
Net	3,398,287	49,908	114,142	4,969
Loans and advances granted	310,231	35,077	130,724	51,127
Guarantees and sureties given	2,222,799	3,000	30,916	–
Dividends collected	225,859	6,934	4,212	52

Statutory Auditors' report on the company financial statements

(Year ended December 31st 2017)

To the Shareholders,

Opinion

In fulfilment of the assignment entrusted to us by your shareholders' general meeting, we have audited the accompanying company financial statements of Eiffage SA for the year ended December 31st 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the company financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1st 2017 to the date of our report, and, specifically, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the company financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Risk identified	Our response
Valuation of participating interests *See Notes to the company financial statements, 1.2 Investments (under Accounting principles and methods) and 3. Investments*	
Participating interests held by the Company are mainly in the intermediate holding companies of the Group's different divisions. They represent over half of the Company's total assets. The carrying value of these participating interests is determined by reference to the share of the Company's net book value adjusted, when appropriate, to take into account the development prospects of the division and profitability of its subsidiaries. These prospects take into account past performances, and, when appropriate, particular circumstances. Given that participating interests reported on the Company's balance sheet represent very material amounts and the extent to which the determination of their carrying value relies on exercising judgement, we considered that the valuation of participating interests was a key audit matter.	Our work consisted in verifying that the methods used were applied consistently and properly. We assessed the main assumptions relied upon by management to determine the development prospects and profitability of the subsidiaries. We also assessed the sensitivity of valuations to changes in these assumptions.

Verification of the Directors' report and other documents sent to shareholders

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information provided in the Directors' report and in the other documents provided to the shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Directors' report and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

Report on corporate governance

We attest that the Board of Director's Report on Corporate Governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest to the accuracy and fair presentation of this information.

Concerning the information that your company deemed may potentially have an impact in the event of a tender offer or a public exchange offer, provided in accordance with Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have verified its compliance with the documents from which it was taken and made available to us. Based on this work, we have no matters to report concerning this information.

Other information

In accordance with French law, we verified that the required information concerning the purchase of participating and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Directors' report.

Disclosures arising from other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Eiffage SA by Eiffage AGM of June 21st 1977 for KPMG taking into account the mergers and acquisitions since that date and on April 25th 2001 for PricewaterhouseCoopers Audit.

As at December 31st 2017, KPMG was in the 41st year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 17th.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the Company's financial reporting process and the effectiveness of its internal control and risk management systems and, where applicable, for carrying out the internal audit of its accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the financial statements

Objectives and audit approach

Our role is to issue a report on the company financial statements. Our objective is to obtain reasonable assurance about whether the company financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the company financial statements, whether due to fraud or error, designs and performs audit procedures to detect those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the bypassing of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the company financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report, it being emphasised, however, that future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, he is required to draw attention in the audit report to the related disclosures in the company financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein or to issue a disclaimer.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant internal control deficiencies that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the company financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards put in place.

The Statutory Auditors

Paris La Défense, April 3rd 2018
KPMG Audit IS

Neuilly-sur-Seine, April 3rd 2018
PricewaterhouseCoopers

Baudouin Griton
Partner

Gérard Morin & Yan Ricaud
Partners

Statutory Auditors' special report on regulated agreements and commitments

(General meeting held to approve the financial statements for the financial year ended on December 31st 2017)

To the Shareholders,

As the Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

It is our duty to provide you, on the basis of the information given to us, with details of the main features and conditions of the regulated agreements and commitments reported to us or that have come to our attention in the course of our assignment and the reasons why they are in the company's interests. We are not required to express an opinion on their usefulness or advisability, or to actively search for any other regulated agreements or commitments. Under the terms of Article R. 225-31 of the French Commercial Code (*Code de commerce*), you must assess the company's interest in entering into these agreements and commitments when they are submitted for approval.

It is also our duty to provide you with the information required by Article R.225-31 of the French Commercial Code on the performance throughout the past financial year of those agreements and commitments already approved by the shareholders at a general meeting.

We performed such procedures as we considered necessary having regard to the professional standards established by the French National Association of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) in this respect. These procedures consisted of verifying that the information we received was consistent with the source documents from which it was extracted.

Agreements and commitments submitted to the shareholders for approval

Agreements and commitments not previously approved

As required by Article L. 225-42 of the French Commercial Code, we hereby inform you that the following agreement was not approved by your Board of Directors prior to its conclusion.

It is our duty to inform you of the circumstances that resulted in the authorisation procedure not being followed.

Regulated agreement concerning the Adélac financing agreements, following the sale by AREA to APRR of its shares in Adélac and the need for APRR to take over the said financing agreements, to which Eiffage is also a party

Adélac operates the A41 motorway concession.

Your company directly holds 24.99% of Adélac's capital.

In the second half of 2016, a financing agreement was concluded with Adélac's initial shareholders (Eiffage, AREA and Macquarie Autoroutes de France 2).

On June 30th 2017, AREA sold 49.9% of Adélac's share capital and voting rights to APRR, also transferring the corresponding shareholder loans. At the same time, your company signed an agreement recording that APRR had taken over the financing agreement concluded in the second half of 2016.

Due to the urgency of the sale, the Board of Directors was unable to authorise this agreement prior to its conclusion.

This agreement concerns:
→ Mr Benoit de Ruffray, Chairman and Chief Executive Officer of your company, and a member of the APRR and AREA Boards of Directors.

Please note that at its meeting of August 30th 2017, your Board of Directors decided to authorise this agreement retroactively.

Agreements and commitments already approved by the shareholders

We have not been informed of any agreements or commitments that were approved in previous financial years and were still in continuance during the last financial year.

The Statutory Auditors

Paris La Défense, April 3rd 2018
KPMG Audit IS

Neuilly-sur-Seine, April 3rd 2018
Pricewaterhouse-Coopers Audit

Baudouin Griton
Partner

Gérard Morin & Yan Ricaud
Partners

Report by the Board of Directors on corporate governance

(On the preparation and organisation of the Board's work and corporate governance.)

This report was prepared by the Board of Directors in conjunction with Group General Management and the Financial division. The information needed for it was obtained from the managers referred to herein. The report was approved by the Eiffage Board of Directors on February 28th 2018.

1. Introduction

This report has been prepared in compliance with Article L.225-37 of the French Commercial Code *(Code de commerce).*

Its purpose is *inter alia* to report on the preparation and organisation of the work performed by the Board, the compensation paid to corporate officers and information that may be relevant in the event of a public offering.

The Eiffage Group is headed by a holding company, Eiffage SA, which directly or indirectly controls a number of companies operating in four divisions encompassing various business lines: the Construction division for construction, property development and rehabilitation, the Infrastructures division for roads, civil engineering and metallic construction, the Energy Systems division for energy-related businesses and the Concessions division for public-private partnerships and motorway and other concessions.

The Chairman and CEO has the broadest powers to act in all circumstances in the name of the company, within the limits of the corporate purpose and subject to any powers that the law expressly reserves for general meetings and the Board of Directors.

2. Corporate governance – preparation and organisation of the Board of Directors' work

In the matter of corporate governance the company refers to the Code of Corporate Governance for listed companies published by the French Association of Private Companies (*Association Française des Entreprises Privées* – AFEP) and the French Confederation of Business Enterprises (*Mouvement des Entreprises de France* – Medef), as updated in November 2016, which is available on the Medef website, www.medef.com. However, the following recommendation is not applied:

Recommendation not applied	Reason and/or corrective action
It is recommended that the lead director be independent (recommendation no. 6.3).	Mr Roverato was appointed lead director (known as Senior Director within the Group) on January 18th 2016, but does not satisfy the independence criteria contained in the AFEP-Medef Code. The Board considers that his long-standing role within the Group and his contribution to its success make his continued presence essential. The Board also considers that his position as Senior Director has been — as was proved in Autumn 2015 — and is still a guarantee of stable corporate governance and of a proper balance between the powers of General Management and of the Board.

A. Composition of the Board of Directors

As at the date of this report, the Board of Directors is composed of ten members, six of whom are independent directors, one of whom is not independent, and one of whom represents employee shareholders, together with the Chairman and Chief Executive Officer and the Vice-Chairman and Senior Director. Four of the Board's members are female, meaning that the company complies with the gender parity requirements laid down in the law of January 27th 2011, as well as with the AFEP-Medef recommendation that half of the members of a board should be independent. Note that the director representing employee shareholders is not counted when calculating the number of independent members.

The Board of Directors aims to comply with the AFEP-Medef Code in terms of diversity of the Board and its committees.

According to the company's Memorandum and Articles of Association each director must hold at least one company share, although the internal regulations recommend that they each hold 100. The internal regulations require that the Chairman of the Board hold at least 1,000 Eiffage shares in registered form at all times, until he ceases to hold office.

Composition of the Board as at February 28th 2018

	Office	Term of office ends	Date of first appointment	Independence	Gender	Date of birth	Nationality
Benoît de Ruffray	Chairman and Chief Executive Officer	2019	Dec 9th 2015[1]	No	Male	June 4th 1966	French
Jean-François Roverato	Vice-Chairman, Senior Director	2020	Jan 22nd 1987	No	Male	Sep 10th 1944	French
Thérèse Cornil	Director	2021	Feb 24th 2011[2]	Yes	Female	Feb 27th 1943	French
Laurent Dupont	Director representing employee shareholders	2019	Apr 18th 2012	No	Male	Jan 29th 1965	French
Bruno Flichy	Director	2021	Apr 24th 2002[3]	No	Male	Aug 25th 1938	French
Jean Guénard	Director	2020	Sep 1st 2011[4]	Yes	Male	Apr 11th 1947	French
Marie Lemarié	Director	2021	Apr 18th 2012	Yes	Female	Jan 4th 1972	French
Dominique Marcel	Director	2021	Jun 25th 2008	Yes	Male	Oct 8th 1955	French
Isabelle Salaün	Director	2019	Apr 15th 2015	Yes	Female	Aug 25th 1961	French
Carol Xueref	Director	2021	Apr 16th 2014	Yes	Female	Dec 9th 1955	British
Number	10			6/9[5] i.e., 66.66% independent members	4/10 i.e., 40% female members		

1. Mr de Ruffray was appointed by the Board on December 9th 2015 to replace Mr Berger for the remainder of his term of office. The provisional appointment of Mr de Ruffray was ratified by the shareholders at the general meeting of April 20th 2016.

2. Ms Cornil was appointed by the Board on February 24th 2011 to replace Mr Michel. The provisional appointment of Ms Cornil was ratified by the shareholders at the general meeting of April 20th 2011.

3. Mr Flichy was a director between 2002 and 2015, and an advisory member of the Board (*censeur*) from 2015 to 2017. He was re-appointed as a director at the general meeting of April 19th 2017.

4. Mr Guénard was appointed as a director by the Board on June 15th 2011, to fill the seat that would be left vacant by the departure of Mr Kerboeuf on September 1st 2011.

5. Excluding the director representing employee shareholders.

Terms of office will be renewed in the following order from 2019 (no renewals in 2018):

Date	Directors concerned	
	Number	Name
2019	3/10	Benoît de Ruffray; Laurent Dupont; Isabelle Salaün
2020	2/10	Jean-François Roverato; Jean Guénard
2021	5/10	Thérèse Cornil; Bruno Flichy; Marie Lemarié; Dominique Marcel; Carol Xueref

There have been no changes to the Chairman of the Board or the members of General Management during the last financial year and up to the date of this report.

Changes in the composition of the Board and its committees during the last financial year and up to the date of this report are summarised in the next table:

Date	Outgoing members	New appointments	Members renewed in office
Members of the Board of Directors			
April 19th 2017			Thérèse Cornil
April 19th 2017			Marie Lemarié
April 19th 2017			Dominique Marcel
April 19th 2017			Carol Xueref
April 19th 2017		Bruno Flichy*	
April 19th 2017	Jean-Yves Gilet		
Member of the Audit Committee			
April 19th 2017		Bruno Flichy*	
Member of the Appointments and Compensation Committee			
April 19th 2017	Jean-Yves Gilet		
April 19th 2017		Bruno Flichy*	

* Mr Flichy was a director between 2002 and 2015, and then an advisory member of the Board *(censeur)* and member of the Audit and Strategy and CSR Committees from 2015 to 2017.

Composition of the Board committees as at February 28th 2018:

	Office	Audit Committee	Appointments and Compensation Committee	Strategy and CSR Committee	Number of shares held
Benoît de Ruffray	Chairman and Chief Executive Officer			Member	1,000
Jean-François Roverato	Vice-Chairman, Senior Director			Member	74,465[1]
Thérèse Cornil	Director		Chairman		100
Laurent Dupont	Director representing employee shareholders	Member	Member		1,894
Bruno Flichy	Director	Member		Chairman	5,500
Jean Guénard	Director		Member	Member	39,807
Marie Lemarié	Director	Member			1,000
Dominique Marcel	Director	Member			100
Isabelle Salaün	Director	Chairman			1,000
Carol Xueref	Director		Member	Member	300
Total	10	5	4	5	
Number		3/4, i.e., 75% independent members[2]	3/3, i.e., 100% independent members[2]	2/5 i.e., 40% independent members	

1. Taking into account his participating interests in Eiffage and Eiffage 2000, Mr Roverato owns directly and indirectly 0.19% of the capital of Eiffage, and 0.43% taking into account his beneficial interest in split ownership shares.
On March 2nd 2018, Mr Roverato sold 20,000 Eiffage shares.

2. Excluding the director representing employee shareholders.

CORPORATE GOVERNANCE

B. Role of the Vice-Chairman and Senior Director

The company has appointed a Vice-Chairman and Senior Director. His duties are defined in an appendix to the Board's internal regulations, and consist of:

- ensuring there is a proper balance of power between the Board and the Chairman and Chief Executive Officer;
- assisting the Chairman and Chief Executive Officer with his duties, including in particular the organisation and proper functioning of the Board and its committees, and the supervision of application of corporate governance rules and recommendations;
- chairing meetings of the Board of Directors if the Chairman and Chief Executive Officer is absent;
- advising directors who find themselves in a conflict of interest or potential conflict of interest situation, and informing the Board of any conflict of interest situations he may have identified;
- organising a Board meeting once a year, which is not attended by the executive corporate officer, to discuss the proper functioning of the Board and its committees;
- contributing to the annual assessment of the functioning of the Board.

The Vice-Chairman and Senior Director may ask the Chairman and Chief Executive Officer to call a meeting of the Board of Directors to discuss a specific agenda, and meets with the non-executive directors at least once a year. He must report to the Board on any such meetings and any suggestions made. The Board of Directors may also entrust him with special assignments, including representing the company, in compliance with the French Commercial Code.

The Vice-Chairman and Senior Director has access to all information necessary to carry out his duties, and is kept regularly informed by the Chairman and Chief Executive Officer of all material situations and events concerning the Group's business, including in particular those concerning strategy, organisation, financial reporting, major investment and divestment projects and major financial transactions, capital ownership and contacts with the current or potential main shareholders. He may attend meetings of all the specialised committees and, if agreed by the Chairman and Chief Executive Officer, meet with the Group's senior managers and executives and the Statutory Auditors.

The Vice-Chairman and Senior Director attends Board committee meetings and, as an auditor, meetings in divisions and at Group level. This allows him to remain informed about existing contracts and the economic situation and to meet key Group players. He submits any opinions and suggestions he may have to the Chairman and Chief Executive Officer, with whom he meets frequently, and to the Board of Directors and Board committees. He maintains contacts with each director, including in particular the independent directors and the director representing employee shareholders. He represents the Group if the Chairman and Chief Executive Officer is not available, and attends events both within and outside the Group. The Vice-Chairman and Senior Director attended approximately 40 meetings in 2017.

C. Independence of the Board members

Following a proposal by the Appointments and Compensation Committee, the Board of Directors decided that Marie Lemarié, Thérèse Cornil, Isabelle Salaün, Carol Xueref, Dominique Marcel and Jean Guénard could be considered independent, as they satisfy the independence criteria set out in the AFEP-Medef Code, used as a reference document by the company.

The next table lists the independence criteria:

	Independence criteria
1	The director is not and has not been in the past five years: – an employee or executive corporate officer of the company; – an employee, executive corporate officer or director of a company that is a consolidated subsidiary of the company; – an employee, executive corporate officer or director of the company's parent company or a company consolidated by the parent company.
2	The director is not an executive corporate officer of a company in which the company holds office, directly or indirectly, as a director or in which a designated employee or an executive corporate officer of the company (currently or in the past five years) holds office as a director.
3	The director is not a significant customer, supplier, investment banker or commercial banker of the company or its Group or for which the company or its Group represents a significant share of his, her or its business.
4	The director does not have any close family ties with a corporate officer.
5	The director has not been the company's Statutory Auditor during the past five years.
6	The director has not been a member of the company's Board for more than 12 years (directors lose independent status after 12 years).
7	The director is not one of the shareholders controlling the company or its parent company (maximum of 10% of the capital or voting rights).

The next table shows the situation of the independent directors with regard to the independence criteria:

Independence criteria	Thérèse Cornil	Jean Guénard	Marie Lemarié	Dominique Marcel	Isabelle Salaün	Carol Xueref
1	–	–	–	–	–	–
2	–	–	–	–	–	–
3	–	–	–	–	–	–
4	–	–	–	–	–	–
5	–	–	–	–	–	–
6	–	–	–	–	–	–
7	–	–	–	–	–	–
Conclusion	**Independent**	**Independent**	**Independent**	**Independent**	**Independent**	**Independent**

The following table shows the situation of the non-independent directors with regard to the independence criteria:

Independence criteria	Benoît de Ruffray	Jean-François Roverato	Laurent Dupont	Bruno Flichy
1	No	No	No	–
2	–	–	–	–
3	–	–	–	–
4	–	–	–	–
5	–	–	–	–
6	–	No	–	No
7	–	–	–	–
Conclusion	**Non-independent**	**Non-independent**	**Non-independent**	**Non-independent**

To the best of the company's knowledge, the independent directors do not have any type of business relationship with the Group.

D. Organisation of the Board of Directors' work

Table showing attendance of directors at meetings:

	Office	Independence	Board	Audit Committee		Appointments and Compensation Committee		Strategy and CSR Committee	
			Number of meetings = 5	Number of meetings = 4	Number of attendees and effective percentage	Number of meetings = 5	Number of attendees and effective percentage	Number of meetings = 5	Number of attendees and effective percentage
Benoît de Ruffray	Chairman and Chief Executive Officer	No	5 (100%)					Member	5 (100%)
Jean-François Roverato	Vice-Chairman, Senior Director	No	5 (100%)					Member	4 (80%)
Thérèse Cornil	Director	Yes	5 (100%)			Chairman	5 (100%)		
Laurent Dupont	Director representing employee shareholders	No	5 (100%)	Member	4 (100%)	Member	5 (100%)		
Jean-Yves Gilet[1]	Director	Yes	1 (100%)			Member	2 (100%)	Chairman	1 (100%)
Jean Guénard	Director	Yes	5 (100%)			Member	5 (100%)	Member	5 (100%)
Marie Lemarié	Director	Yes	5 (100%)	Member	4 (100%)				
Dominique Marcel	Director	Yes	5 (100%)	Member	4 (100%)				
Isabelle Salaün	Director	Yes	5 (100%)	Chairman	4 (100%)				
Carol Xueref	Director	Yes	5 (100%)			Member	5 (100%)	Member	5 (100%)
Bruno Flichy[2]	Director	No	3 (100%)	Member	3 (100%)			Chairman	4 (100%)
Bruno Flichy[2]	Advisory member	No	2 (100%)	Present	1 (100%)			Present	1 (100%)

1. Mr Gilet's appointment as chairman of the Strategy and CSR Committee was not renewed on expiry of his term of office on April 19th 2017.
2. Mr Flichy's current term of office as a director began on April 19th 2017. He was previously an advisory member of the Board (*censeur*) from 2015 to 2017 and a director from 2002 to 2015. Article 20 bis of the Memorandum and Articles of Association contains information on the appointment and duties of advisory Board members.

Attendance of Board and committee meetings by directors has improved since 2016.

E. Information on the members of the Board of Directors

The main function and any other functions and offices held by members of the Board and the General Management team in other companies as at December 31st 2017 and during the past five years are shown in the following table:

Name of director or member of General Management Main function	Other offices held as at December 31st 2017	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Benoît de Ruffray Chairman and Chief Executive Officer Benoît de Ruffray does not hold any other office in a listed company.	Within the Eiffage Group, chairman of: Eiffage Participations, Clemessy, Eiffage Énergie Télécom and Fondation d'Entreprise Eiffage Within the Eiffage Group, director of: APRR, AREA, Eiffarie (SAS), Financière Eiffarie (SAS)	Chairman of: Bouyguesstroi, Bypolska Property Development S.A, Karmar S.A., Terre Armée Internationale Director of: BMP Project Consulting, Bouygues Bâtiment International, Al Montazahah Contracting Company Ltd, Asiaworld-Expo Management Ltd, BMP Holding Ltd, Bouygues Construction Australia Pty Ltd, Bouygues Construction Qatar LLC, Bouygues Hungaria Fovallalkozasi KFT, Bouygues Shangai Engineering CO. Ltd, Bouygues Thaï Ltd, Byma PTE Ltd, BYMA Myanmar Ltd, Byme Engineering Hong – Kong Ltd, Byme Engineering Hub PTE Ltd, Byme Singapore Private Company Ltd, BySolar Asia Ltd, Dragages Hong-Kong Ltd, Dragages Investments Holdings Ltd, Dragages Investments Ltd, Dragades Macau Limitada, Equiby, IEC Investments Ltd, Medunarodna zracna luka Zagreb d.d., PT Dragages Indonesia, VCES a.s, VCES Holding s.r.o, ZAIC – A Ltd, Freyrom, Freyssinet Asia Pacific Ltd, Freyssinet PSC (M) Sdn Bhd, The Reinforced Earth Company, Nuvia Ltd, Bermingham Foundation Solutions Ltd.
Jean-François Roverato Vice-Chairman, Senior Director Jean-François Roverato does not hold any other office in a listed company.	Within the Eiffage Group, director of: Eiffarie (SAS)	Chairman of: Eiffage (SA), Eiffarie (SAS), Financière Eiffarie (SAS), Apollinaire Participation (SAS) Director of: APRR, AREA
Thérèse Cornil Independent director	–	–
Laurent Dupont Director representing employee shareholders Chief Operating Officer	Chairman of: Sicavas d'Actionnariat Salarié Eiffage 2000, FCPE Eiffage Actionnariat	Chairman of FCPE Eiffage 2011
Bruno Flichy Non-independent director	Director and honorary chairman of Crédit Du Nord	Director of: Aviva Participations, Aviva France, Eiffage, Association École Sainte-Geneviève Chairman of: L'Association du Grand Montreuil
Jean Guénard Independent director Chairman of Fondation INSA (Lyon)	Honorary deputy chairman of FNTP	Secretary of the Syndicat des Entrepreneurs des Travaux Publics de France (union representing public works firms), chairman of Eiffaime

Name of director or member of General Management Main function	Other offices held as at December 31st 2017	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Marie Lemarié Independent director Head of Investments, Groupama	Chairman of: SCEPAR (Société Centrale d'Etudes et de Participations) Director of: Groupama Assicurazioni (Italy), Gan Assurances, Gan Prévoyance Permanent representative of: Groupama Investissements on the boards of: Le Monde Entreprises, Cofintex 6, AssuVie Groupama SA on the boards of: Groupama Investissements (chairman), Scima-GFA (manager); Sofiproteol (director) Cofintex 2 on the boards of: Groupama Immobilier, Groupama Asset Management Member of the supervisory board of Groupama Biztosito (Hungary)	Permanent representative of Aviva Assurances on the boards of: Aviva Investors Real Estate France, Aviva Europe Permanent representative of Aviva Vie on the boards of: Afer-Sfer, Aviva Investors Britannia, Betelgeuse Member of the investment committee on the board of Aviva Investissements Director and chair of the board of Victoire Sirius Permanent representative of Groupama Gan-Vie on the boards of: Groupama Private Equity, Assu-vie, Groupama Gan Paris la Défense Office, OFI GB2 Permanent representative of Groupama Investissements on the board of Gan Outre-mer IARD Director of: Groupama Immobilier, Cegid Group, Gan Patrimoine Permanent representative of: Gan Prévoyance on the board of Groupama Asset Management Groupama Gan Vie on the board of Compagnie Foncière Parisienne
Dominique Marcel Independent director Chairman and chief executive officer of La Compagnie des Alpes, listed on Euronext	Chairman of La Compagnie des Alpes Domaines Skiables (CDA-DS) Chairman of the Board of Directors of Grévin et Compagnie SA Chairman of the supervisory board of Société du Parc du Futuroscope	Permanent representative of CDA on the board of La Compagnie du Mont Blanc (CMB)
Isabelle Salaün Independent director Chair of Nirine conseil	Director of SMTPC	–
Carol Xueref Independent director Chair of Floem SAS	Director of Ipsen, listed on Euronext Director of foreign subsidiaries in the Essilor International SA group, listed on Euronext	Director of French and foreign subsidiaries in the Essilor International SA group
Former director		
Jean-Yves Gilet Chairman of Gilet Trust Invest SAS	Director of Eramet, listed on Euronext	Director of CDC Entreprises Corporate officer of FSI Director of: FSI PME-Portefeuille, CGG, listed on Euronext, Orange, listed on Euronext, Eiffage SA

The directors' expertise and professional experience is summarised in the next table:

Name	Expertise and professional experience
Benoît de Ruffray Chairman and Chief Executive Officer	**Qualifications:** A graduate of the management and engineering schools Ecole Polytechnique and Ecole des Ponts ParisTech, Benoît de Ruffray also holds a Master's degree from Imperial College, London. **Career:** He began his career in 1990 as project manager at Bouygues, and was appointed Head of Bouygues Latin America in 2001. He served as Managing Director of Dragages Hong Kong between 2003 and 2007. In 2008, he was appointed Deputy Chief Executive Officer of Bouygues Batiment International. In March 2015, Benoît de Ruffray was appointed Chief Executive Officer of the Soletanche Freyssinet group. He accepted the office of Chairman and Chief Executive Officer of Eiffage in January 2016.
Jean-François Roverato Vice-Chairman, Senior Director	**Qualifications:** A graduate of the management and engineering schools Ecole Polytechnique and Ecole des Ponts ParisTech, Jean-François Roverato also holds a Master's degree from Imperial College, London. **Career:** Engineer in the construction department, French Ministry of Equipment (1969-72). Technical Advisor to the French Secretary of State for Housing (1971-72). Senior manager at HLM du Val-de-Marne, a social housing company (1972-74). From 1975 onwards, Jean-François Roverato held various offices at Guiraudie and Auffève SA and within the Fougerolle group, renamed Eiffage in 1993: Senior manager (1975-80) and then Managing Director (1980-82) at Fougerolle Construction, Managing Director – France (1982), Managing Director of Fougerolle International (1984), Managing Director (1985-87), Chairman and Managing Director (1987-2011), Chairman (2015-2016) following the death of Pierre Berger. Chairman and Chief Executive Officer of the APRR group (2006-11), Chairman of AREA (2006-12). Chairman and Chief Executive Officer of Forclum (1987-89 and 1991-94), Société chimique de la Route (SCR), Gerland routes (1994-95) and Société Auxiliaire d'entreprises (SAE) (1996-98). Chairman of the Board of Governors of ENPC engineering school (2006-09), Chairman of the Board of Directors of the Cité nationale de l'histoire de l'Immigration Museum (Porte Dorée) (2007-09), Chairman of Asfa, the French association of motorway companies (2009-12).
Thérèse Cornil Independent director	**Qualifications:** Master's degree in private law, Lille. **Career:** Various positions in the real estate, construction and urban development sectors, in semi-public companies. 16 years at RIVP, initially in functional roles (development of agreements, Board secretary), and then operational roles (property acquisitions and development and promotion projects). She held the office of Chief Executive Officer of SEMAPA, the company responsible for developing the Austerlitz-Masséna district of Paris. In 2004, she was appointed Chairwoman and Chief Executive Officer of RIVP, where she oversaw its capital and assets restructuring. From 2008 to 2012, she served as Chairwoman of CNVF, the French railway development board, which was created to facilitate sales of development land between the SNCF and local authorities.
Laurent Dupont Director representing employee shareholders	**Qualifications:** Two technical degrees (DUT) in civil engineering and in management (1986). **Career:** Works Supervisor, 1988-2000. Works Manager, 2000-2002, Area Manager, 2002-2007, Deputy Chief Operating Officer, 2007-2012, Chief Operating Officer, 2012-2018, responsible for the following major projects: Vache Noire shopping centre, 2005-2007, Ateliers Hermès, 2009-2011 and Centre Bus P14°, 2014-2017.
Bruno Flichy Non-independent director	**Qualifications:** A graduate of the management and engineering schools Ecole Polytechnique and Ecole des Ponts ParisTech, Bruno Flichy also obtained a Master of Engineering from Berkeley University, California. **Career:** He worked as Engineer for the French Ministry of Equipment from 1964 to 1969. He then served as Chief of Staff at the French Treasury from 1969 to 1972. Société Générale (1972-2002): Deputy Director of Major Corporate Accounts (1981-1984); Head of Africa, Latin America, Continental Europe (1984-1987); Head of French Network (1991-1995); Deputy Managing Director, Retail and Corporate Clients (1995-1997); Chairman and Chief Executive Officer, Crédit du Nord (1997-2002). Member of the Board, Conseil de la concurrence [French competition authority] (2002-2008), member of the board of directors of Dexia Banque Belgique (2003-2010), Aviva France (2002-2016) and Crédit du Nord (since 1997).

Name	Expertise and professional experience
Jean Guénard Independent director Chairman of Fondation INSA (Lyon)	**Qualifications:** Diploma in Civil Engineering, Institut National des Sciences Appliquées (Lyon). **Career:** 2 years with the Hauts-de-Seine public works directorate (DDE): road and town planning. 12 years at EMCC: river and maritime works, docks, harbours, dredging, pipelines, special foundations, civil and industrial engineering. He held positions as Works Manager, Branch Manager, Area Manager and Head of Subsidiary, in France and abroad. 30 years in the Eiffage group: Regional Manager and then Chief Executive Officer, Quillery. Chairman of Eiffage TP and then of Eiffage Travaux Public. Chairman of Compagnie Eiffage du viaduc de Millau. Deputy Chairman of the FNTP and the Syndicat des Entrepreneurs de TP de France (unions representing public works firms).
Marie Lemarié Independent director Head of investments, Groupama	**Qualifications:** Graduate of Ecole Polytechnique and ENSAE schools of management and economics, and of Boston University (Master in Economics). **Career:** She began her career as an economist (Rexecode) and in asset management (State Street Banque) before joining the international insurance group Aviva in 2003. She then set up and headed the Investment Department at Aviva France, leaving in 2011. In 2012, she joined the French insurance group Groupama, where she heads investment management, mergers & acquisitions, financing and capital management for the Group.
Dominique Marcel Independent director Chairman and chief executive officer of La Compagnie des Alpes	**Qualifications:** A qualified inspector general of finances, Dominique Marcel holds a university diploma (DEA) in Economic Science and is a graduate of the IEP school of politics (Paris). **Career:** After his studies at the ENA school of administration, he joined the French Treasury in 1983 as a civil administrator, advising a number of government departments. In 2000, he joined the Prime Minister's office as Deputy Chief of Staff. He was appointed Head of Finance and Strategy at Caisse des Dépôts in November 2003. During that time, he also sat on the boards of companies including Accor, Dexia and CNP Assurance, and played a key role in the reorganisation of the Banque Populaire and Caisse d'Epargne networks. Chairman of La Compagnie des Alpes' Supervisory Board and Strategy Committee since 2005, he accepted the office of Chairman of the management board in October 2008 and then that of Chairman and Chief Executive Officer in March 2009.
Isabelle Salaün Independent director Chair of Nirine conseil	**Qualifications:** Graduate of Ecole Normale Supérieure, and a doctor of mathematics. **Career:** A lecturer and researcher at Paris 6 University, Isabelle Salaün began her career as an engineer at Alcatel and then spent fifteen years in investment banking, at CCF, Merrill Lynch and Deutsche Bank. In 2006, she joined Natixis as Head of Mergers & Acquisitions. She was then appointed Head of Financial Communications and joined the management board. Managing Director at UBS, in charge of the Paris primary equity markets. Lecturer at HEC business school, Paris. She has set up her own consultancy firm, Nirine Conseil.
Carol Xueref Independent director Chair of Floem SAS	**Qualifications:** She holds a Master's degree in private law and a post-graduate diploma (DESS) in International Trade from Paris II University (Assas). **Career:** Carol Xueref was assistant to the Trade Attaché at the British Embassy in Paris (1982-1986). Head of Division at the International Chamber of Commerce (1986-1990). She was appointed Director for Legal and Tax Affairs at BPROP in 1990. From 1993 to 1996 she headed a legal department at Crédit Lyonnais and then served as Head of Legal at CDR Immobilier. From 1996 to 2016, Carol Xueref was Head of Legal Affairs and Group Development and then Secretary General at Essilor International, where she is also a member of the Executive Committee. She has been a Board member of the French competition authority (*l'Autorité de la concurrence*) since 2006.

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F. Additional information on the corporate officers

There are no family ties between the company's corporate officers. For the performance of their duties, the members of the Board of Directors and General Management have elected domicile at the company's registered office, 3-7 Place de l'Europe, 78140 Vélizy-Villacoublay, France.

As at the date of preparing this document, the company is not aware that, over the last five years, any of the members of the Board of Directors or General Management have been convicted for fraud or associated with a bankruptcy, seizure of assets or liquidation, the object of any charge or official public sanctions ordered by a corporate body or regulatory authority, or prevented by a court from acting as a member of a management, governing or supervisory body or from participating in the management or running of the business of any issuer.

G. Conflicts of interest involving directors

As far as the company is aware, as at the date of preparing this document:

- no conflict of interest has been identified between the duties of the members of the Board of Directors or General Management in their capacity as corporate officers of Eiffage and their private interests or other duties. The Board's internal regulations expressly provide that each director must inform the Chairman of the Board of any conflict of interest and must agree not to take part in the voting on any related resolutions;
- no service contracts or agreements exist between members of the governing or General Management bodies and Eiffage or any of its subsidiaries;
- no arrangements or agreements have been entered into with any of the main shareholders, customers or suppliers by virtue of which any of the directors or any member of General Management has been selected for such a position;
- the directors and members of General Management are not bound by any restrictions regarding the sale of their interests in Eiffage (save for the shares to be kept in registered form by the Chairman and Chief Executive Officer until he ceases to hold office and/or specific provisions in the Group employee savings plans).

In the November 2017 edition of its annual report on corporate governance and executive compensation (page 39), the AMF cited Eiffage as an example of good practices for its management of conflicts of interests.

H. Special agreements

The agreements entered into by Eiffage with companies having the same management concern transactions that are standard between companies belonging to the same group. This is also the case for new agreements entered into since the end of the 2016 financial year, except for one agreement relating to the ADELAC financing agreements, which APRR had to take over when AREA sold its shares in ADELAC to APRR. Eiffage is also a party to these financing agreements.

I. Functioning of the Board of Directors

The Board held five meetings in 2017, two of which were not held at head office.

One of the off-site meetings was held in Rennes, to coincide with the inauguration of the Bretagne–Pays de la Loire high-speed rail line on June 20th 2017 in Cesson-Sévigné, which was attended by all the project's stakeholders.

Examples of the Board's work in 2017 include:

Financial statements and everyday management:

- review of the work of the Audit Committee;
- examination and approval of the annual consolidated and company financial statements as at December 31st 2016 and the interim consolidated financial statements, and review of the Statutory Auditors' reports;
- approval of the sustainable development report;
- approval of the report on transparency of extractive industries;
- examination of the effectiveness of the whistle blower procedure;
- approval of the contents of its various reports to the shareholders, preparation and convocation of the ordinary and extraordinary general meeting of April 19th 2017, approval of the agenda and resolutions to be put to the shareholders, and approval of the reports to be put to the general meeting;
- regular reviews of the work and recommendations of the Audit Committee, the Appointments and Compensation Committee and the Strategy and CSR Committee;
- approval of the principle that the Statutory Auditors may provide services other than the statutory auditing of the financial statements and delegation of authority to ratify such arrangements to the Audit Committee;
- regular reviews of the Group's activities, current developments, financial situation, plans and indebtedness;
- review of CSR feedback from the BPL project;
- examination of changes in laws and regulations and changes affecting reporting to general meetings;
- authorisation of the renewal of the powers granted to the Chairman and Chief Executive Officer for sureties, endorsements and guarantees, and approval of guarantees;

- ratification of a regulated agreement between Eiffage SA and APRR SA on ADELAC.

Corporate governance and compensation:

- review of the work of the Appointments and Compensation Committee;
- assessment of the independence of its members in line with the AFEP-Medef Code criteria;
- definition of Mr de Ruffray's variable compensation for the 2016 financial year, and discussion about the neutralisation of additional profit on non-current deferred tax when calculating his compensation;
- confirmation that the formula used to calculate Mr de Ruffray's variable compensation for the 2016, 2017 and 2018 financial years, as adopted by the shareholders at the 2017 general meeting, would continue to apply for the 2017 and 2018 financial years;
- confirmation of Mr de Ruffray's fixed compensation and long-term variable compensation (principles, eligibility criteria and amounts);
- approval of the plan for the succession of the executive corporate officer;
- approval of modifications to its internal regulations to take account of changes to the laws and regulations ("market abuse" directive, "Sapin II" Act and legal framework applying to services provided by Statutory Auditors other than the statutory auditing of financial statements);
- modification of the composition of the Audit Committee, the Appointments and Compensation Committee and the Strategy and CSR Committee;
- definition of the timetable for Board and Board committee meetings in 2018;
- a meeting, which was not attended by the executive corporate officer, chaired by the Vice-Chairman and Senior Director;
- discussion of action to be taken in view of the votes cast at the general meeting of April 19th 2017;
- discussion on the functioning of the Board;
- consideration of the remarks on the Audit Committee's self-assessment, and decision to systematically organise a fifth Audit Committee meeting each year, which will focus on compliance with the Sapin II Act and cyber security within the Group.

Employee share ownership:

- definition of the subscription price for shares to be issued under the Group savings plan;
- review of the results of the 2017 employee shareholding programme;
- definition of the price and terms and conditions of a bonus share plan.

Strategy and external growth:

- review of the work of the Strategy and CSR Committee;
- review of Group strategy;
- examination and, where appropriate, approval of a number of external growth opportunities within the contracting and concessions activities in France and abroad;
- validation of a binding offer concerning the privatisation of Belgrade airport;
- validation of binding offers concerning various external growth transactions;
- validation of the acquisition of Saipem's maritime works activities.

The Board also:

- examined changes to share capital;
- authorised the share buyback programme;
- examined the Group's shareholder structure;
- authorised the cancellation of three million company securities;
- authorised the extension of expired sureties and guarantees for the Group's operating divisions;
- authorised the issue of sureties and guarantees.

At its meeting on February 28th 2018, the Board also elected its chairman, Mr de Ruffray, as the director responsible for shareholder relations.

At its meeting on December 13th 2017, the Board carried out an assessment of its work, including an assessment of the effective contribution of each director to the Board's work. It discussed the activities of the Vice-Chairman and Senior Director as well as his contribution to and relations with the Board.

An analysis of the assessment questionnaires completed by the directors revealed that:

- the composition of the Board is consistent with the AFEP-Medef recommendations followed by the company;
- recommendations made following previous assessments of the Board (directors' terms of office, increased number of female Board members, minutes of committee meetings) have been implemented; the chart below records recommendations made in 2016 and action taken;

Suggested improvements made in 2016	Follow-up action
Strategy: – a more detailed annual review of strategic orientations requested	Implemented
CSR and innovation: – a more detailed annual review of Group initiatives in this area requested	Implemented
Directors' liability: – more information and perhaps training on this topic requested	Implemented

- the Board members are generally very satisfied or satisfied with the Board and its functioning, although they have suggested certain additional improvements:
  - strategy: they would like an enhanced annual review of strategic orientations;
  - composition: they would like an independent director with an international profile and industry experience to be appointed to the Board.

Following this assessment, the Chairman and Chief Executive Officer submitted two proposals, which were accepted by the Board:

- one concerned the organisation of a Board meeting at an operational site, which will be considered as part of the enhanced review of the Group's strategic orientations;
- the second was that the shareholders would be asked at the general meeting of April 25th 2018 to appoint Odile Georges-Picot as an independent director, voting on a proposal by the Board after validation by the Appointments and Compensation Committee. Odile Georges-Picot was Chief Operating Officer at Cofiroute and, more recently, SANEF. Her independence and industry experience would enable her to make a positive contribution to the Board's work.

The following table shows the situation of Odile Georges-Picot with regard to the independence criteria:

	Independence criteria	Odile Georges-Picot
1	The director is not and has not been in the past five years: – an employee or executive corporate officer of the company; – an employee, executive corporate officer or director of a company that is a consolidated subsidiary of the company; – an employee, executive corporate officer or director of the company's parent company or a company consolidated by the parent company.	–
2	The director is not an executive corporate officer of a company in which the company holds office, directly or indirectly, as a director or in which a designated employee or an executive corporate officer of the company (currently or in the past five years) holds office as a director.	–
3	The director is not a significant customer, supplier, investment banker or commercial banker of the company or its Group or for which the company or its Group represents a significant share of his, her or its business.	–
4	The director does not have any close family ties with a corporate officer.	–
5	The director has not been the company's Statutory Auditor during the past five years.	–
6	The director has not been a member of the company's Board for more than 12 years (directors lose independent status after 12 years).	–
7	The director is not one of the shareholders controlling the company or its parent company (maximum of 10% of the capital or voting rights).	–
	Conclusion	**Independent**

The Board is assisted by three specialist committees. The Board and its committees each have their own sets of rules and regulations, which broadly define, *inter alia*, the frequency of meetings, their main purpose and the information to be presented at such meetings. The Board reviews these rules and regulations from time to time, to ensure they remain compliant with industry practices and recommendations.

They were last updated at the Board meeting held on February 28th 2018. The Board of Directors' internal regulations are available on the Eiffage website (www.eiffage.com)

The Board's internal regulations also contain rules on attendance and confidentiality, together with rules on directors' ownership of and trading in the company's shares and other securities. They also list the decisions and commitments that require prior approval by the Board (major projects falling outside of the scope of the company's announced strategy, execution of any external growth project involving an investment of more than €30 million – although investments of less than €150 million may be approved by the Strategy and CSR Committee instead of the Board – or of any smaller acquisition project when the target company's type of business, revenue, number of employees, level of indebtedness or potential associated risks could have a material impact on the Group's business and profitability).

The internal regulations also stipulate that the following information must be regularly submitted to Board meetings or, if need be, to directors outside of the framework of a Board meeting:

- annual budgets and periodic plans;
- reviews of business activities, order books, revenue and results;
- financial situation, including in particular cash flow and commitments;
- occurrence of any event that may have a material impact on the Group's consolidated results;
- any document released to the general public, including in particular information for shareholders;
- developments in the markets and competitive environment and the main associated challenges, including in the areas of corporate social and environmental responsibility.

Each director may ask to meet with senior managers within the Group, without the presence of the Group management team if appropriate, provided the Chairman and Chief Executive Officer is given advance notice thereof.

With regard to the management of conflict of interest situations, the Board's internal regulations stipulate that whenever there is or may be a conflict between the company's interest and a director's direct or indirect personal interest or that of the shareholder or group of shareholders that he represents, the director must:

- inform the Board as soon as he becomes aware thereof;
- take the appropriate action with regard to his office. Accordingly, if need be, he must:

– refrain from voting on any related matters,

– or not attend meetings of the Board of Directors for so long as he is in a conflict of interest situation,

– or resign from his office as a director.

The director may be found liable if he fails to comply with these rules to abstain or withdraw. In addition, the Chairman of the Board of Directors may choose not to disclose to any director(s) that he has serious reasons to believe may be in a conflict of interest situation any information or documents relating to involvement in or signature of the agreement resulting in the conflict of interest, and will inform the Board of Directors of any such non-disclosure.

I. General management

The Board decided at its meeting on December 9th 2015 to combine the functions of Chairman and Chief Executive Officer with effect from January 18th 2016, on which date Mr de Ruffray took up office. The reasoning behind this decision was the simplification of the Group's operational management following Mr de Ruffray's appointment.

Concomitantly with the combination of the functions of Chairman and Chief Executive Officer, the Board decided at its August 29th 2012 meeting to create the office of Senior Director, with the title Vice-Chairman, with the tasks described above under the heading "Role of the Vice-Chairman and Senior Director".

During the temporary separation of functions, the office of Senior Director was suspended and was then reinstated on January 18th 2016. Jean-François Roverato is the Senior Director.

II. Board committees

The Board of Directors has set up three specialist committees to prepare the resolutions put to the Board, express opinions and make recommendations. Each committee's chairperson reports to the Board on its work, findings and recommendations. The Board's organisation chart is reproduced below:

Board of Directors

Audit Committee	Strategy and CSR Committee	Appointments and Compensation Committee
Created on Dec 17th 1997 Members as at Dec 31st 2017	Created on Sept 8th 2004 Members as at Dec 31st 2017	Created on Dec 17th 1997 Members as at Dec 31st 2017
Five members:	Five members:	Four members:
Isabelle Salaün Chairperson – Independent	**Bruno Flichy** Committee chairman	**Thérèse Cornil** Chairperson – Independent
Laurent Dupont Director representing employee shareholders	**Benoît de Ruffray** Chairman and Chief Executive Officer	**Laurent Dupont,** Director representing employee shareholders
Bruno Flichy Non-independent	**Jean-François Roverato** Vice-Chairman and Senior Director	**Jean Guénard** Independent
Marie Lemarié Independent	**Jean Guénard** Independent	**Carol Xueref** Independent
Dominique Marcel Independent	**Carol Xueref** Independent	

III. Audit Committee

Prior to their submission to the Board of Directors, the Audit Committee examines the company and consolidated financial statements, the internal procedures for compiling and checking accounting information, and the terms and conditions of any assignments carried out by external auditors. To this end, it meets with the Statutory Auditors without the presence of management at least once a year, including at each accounts closing.

It oversees the procedure for selecting and re-appointing the Statutory Auditors, and makes recommendations regarding their appointment and re-appointment.

It ratifies the provision by the Statutory Auditors of services other than the statutory auditing of the financial statements, after the Board has defined and validated the services in principle.

It has specific responsibility for monitoring the effectiveness of internal control and risk management systems, and periodically reviews the Group's audit and internal control policies as well as validating the related plans and resources. Twice a year it examines the work and findings of Internal Audit and Risk Management, as well as the management chart used to monitor implementation of the related recommendations.

The Committee is composed of five directors, three of whom, including the Chairman, are independent directors who are skilled in financial or accounting matters or in statutory auditing given their qualifications and/or professional experience.

The Audit Committee complies with the recommendation concerning the proportion of independent members sitting on it, as three-quarters of its members are independent directors, given that Mr Dupont is not included in the calculation because he is a director representing the employee shareholders.

The Audit Committee met four times in 2017. Meetings are held at least two calendar days before the Board meets. The main purpose of the meetings was to test goodwill and review the accounting methods, internal control and the preparation of the annual and interim financial statements to be presented to the Board of Directors.

The Statutory Auditors attended meetings to explain the main findings of the statutory audit and the accounting options used, and representatives of the Group's financial, accounting, tax, cash management and financing, and internal audit departments also attended. The Committee also interviewed the Statutory Auditors without the presence of management, as it does at each accounts closing.

The Audit Committee also specifically reviewed the following items:

Financial statements:
- modifications to the accounting principles and methods used in 2017, and new standards introduced in 2018 and to be introduced in 2019;
- the presentations by the Statutory Auditors explaining the main findings of the statutory audit and the accounting options selected.

Commitments:
- the Group's real property commitments;
- the budget for the BPL project;
- refinancing and hedging transactions;
- provisions in excess of €1 million and major disputes;
- outstanding receivables;
- compliance with financial covenants;
- changes in cash positions;
- reorganisation of the accounting function into a shared service centre;
- reorganisation of the pay function.

Financial communication:
- the 2018 financial communication calendar;
- the Group's financial communication materials.

Regulatory watch:
- consequences of the audit reform;
- consideration of various aspects of the approval procedure for services other than the statutory auditing of the financial statements;
- validation at each committee meeting of the Statutory Auditors' engagements performed since the last committee meeting, other than the statutory auditing of the financial statements;
- legal and regulatory changes;
- changes affecting reporting to general meetings;
- consideration of the report by the Chairman on the preparation and organisation of the Board's work, internal control and risk management for 2016.

Risk management:
- review of Internal Audit actions, 2017 results and the 2018 programme;
- risk management, with Internal Control and the Risks Committee;
- effectiveness of the New Business Risks Committee;
- implementation of measures required by the Sapin II Act;
- on-going initiatives to prevent fraud, and training on good practices;
- on-going cyber security initiatives;
- the Code of Conduct.

The Committee may also retain the services of independent auditors.

The Committee chairperson initiated an assessment of the Committee's work in the form of a self-assessment questionnaire. The following suggestions were made:
- the budget should be presented to the Board of Directors at the meeting held at the end of February;
- the Audit Committee should be res-

ponsible for monitoring compliance with the Sapin II Act;

- an additional committee meeting should be held in October each year to consider *inter alia* IT, digital and cyber security risks.

At its meeting of December 13th 2017, the Board of Directors approved these suggestions and included them in the February 28th 2018 version of the internal regulations.

IV. Strategy and CSR Committee

The Strategy and CSR Committee has responsibility for examining projects involving major acquisitions, investments and divestments. In accordance with Article 2 in Appendix 3 to the internal regulations, "it [the Strategy and CSR Committee] examines projects involving major acquisitions or investments and prepares, when necessary, the Board meeting prior to finalisation of said projects in accordance with Article 2 of the Board's internal regulations – .../... More specifically, the Board of Directors must meet prior to the finalisation of any acquisition involving an investment of over €30 million; however, projects involving an investment of less than €150 million may be referred to the Strategy Committee instead .../..."

The Committee is also consulted about major restructuring measures within the Group and it examines the management accounts prepared periodically as well as budgets and forecasts. The Committee has five members, two of whom are independent directors. The chairperson reports to the Board on the Committee's work, findings and recommendations.

Mr Gilet chaired the Strategy and CSR Committee until April 19th 2017, on which date his term of office as a director expired and was not renewed. Mr Flichy, whose term of office as a director began on April 19th 2017, served as an advisory member of the Board (censeur) since 2015 and as a director between 2002 and 2015, and had already been a member of the Strategy and CSR Committee. He replaced Mr Gilet as Committee chairperson.

Mr Roche, Deputy Chief Executive Officer, also attends all Committee meetings.

The Committee met five times in 2017, and specifically considered the following items:

1. The 2017 draft budget
2. Plans for acquisitions and disposals;
3. The Group's strategic plan
4. The Group's sustainable development policy
5. The Group's strategy concerning Grand Paris projects
6. The organisation and strategy of the Energy Systems division
7. The organisation and strategy of Eiffage Route
8. The organisation and strategy of the Construction division
9. The organisation and strategy of Eiffage in Europe
10. The CSR and innovation policy
11. The consequences for the Group of specific mergers and acquisitions in Europe

V. Appointments and Compensation Committee

The Appointments and Compensation Committee makes proposals concerning the appointment of, and fixed and variable compensation to be paid to, the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer(s), if any. When necessary, it issues recommendations on the total amount of board fees allotted to directors and the basis on which they are shared between the directors.

Lists detailing plans to allot share purchase or subscription options and to award bonus shares are submitted to this Committee before being presented to the Board of Directors.

The Committee vets applications and makes proposals to the Board of Directors regarding the re-appointment or appointment of Board members, in particular concerning the choice of independent directors and their independent status.

All the members of the Committee are therefore independent, as recommended by the AFEP-Medef Code, given that Mr Dupont is not included in the calculation because he is a director representing the employee shareholders. In addition, the executive corporate officer, Mr de Ruffray, works alongside the Appointments and Compensation Committee and presents to it, *inter alia*, the policy on compensation paid to the main executives who are not corporate officers.

The Committee held five meetings in 2017, one of which was not held at head office, and worked on:

1. The composition of committees
2. applications by candidates for seats on the Board of Directors and senior management positions within the Group
3. Compensation, including performance conditions associated with bonus shares awarded to the executive corporate officer
4. Mr de Ruffray's variable compensation for the 2017 financial year, and the neutralisation of profit on non-current deferred tax when calculating this compensation
5. Confirmation that the formula used to calculate Mr de Ruffray's variable compensation for the 2016, 2017 and 2018 financial years, as adopted by the shareholders at the 2017 general meeting, was still valid
6. Confirmation of Mr de Ruffray's fixed compensation and long-term variable compensation (principles, eligibility criteria and amounts)
7. Approval of the plan for the succession of the executive corporate officer
8. Implementation of a bonus share plan
9. Review of regulations on the transparency of compensation paid to corporate officers
10. Compensation paid to members of the Executive Committee
11. Organisation of the Energy Systems division

CORPORATE GOVERNANCE

12. Review of the independence of directors and applicants for seats on the Board of Directors in light of the criteria laid down in the AFEP-Medef Code of Governance

The Committee also discussed internally, and then with the Board, the action to be taken in view of the votes cast at the general meeting of April 19th 2017 and the company's correspondence with the AMF and also with the AFEP-Medef High Committee on Corporate Governance (HCGE), concerning the interpretation of compliance with the AFEP-Medef Code. The Committee took note of the additional improvements implemented since.

The Committee also took note of the November 2017 edition of the AMF's annual report on corporate governance and executive compensation, in which it cites Eiffage as an example of good practices for its management of conflicts of interests (pages 39 and 40). It also stipulates, on page 67, regarding long-term compensation: "the payment of long-term compensation is not conditional upon the satisfaction of demanding performance conditions over several consecutive years".

With regard to long-term compensation and, more specifically, the demanding nature of the performance conditions for the award of bonus shares as determined by the Board of Directors at its meeting on July 4th 2016, the company wishes to point out that the Board imposed performance conditions which it felt were demanding and in line with the interests of Eiffage investors. This is confirmed by the following:

- the number of shares that can be effectively acquired cannot exceed the number of shares initially awarded, and there are no outperformance options, meaning that the number of shares available is capped;
- the number of shares that can be effectively acquired decreases by twice as much as the ratio between the 2019 reference share price and the 2016 reference share price, without any neutralisation with regard to an index, thresholds being passed or irreducible minimum over this three-year period, which is followed by a one-year lock-in period.

The Committee has also pointed out that the AMF report post-dates the decision to approve implementation of a 2017 long-term compensation plan along the lines of the 2016 plan, and that it will take on board the implications of the AMF report if it introduces any new plans in 2018 or in later years.

For further transparency as regards the Committee's and the Board's work, the Committee decided to ask a specialist firm to conduct a comparative study of compensation structures (fixed, variable short-term, variable long-term and other benefits) in France and Europe, and to assess the representative's compensation package in light of the findings. The study used 2016 documents in all cases.

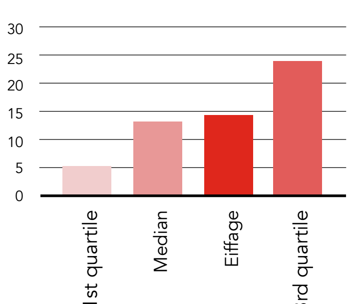
The Board validated the suggestion, and Eric Salmon & Partners was selected following a request for proposals. The comparative study and its findings are described below.

The comparative study used a panel of 21 listed companies (16 French companies, 4 foreign companies and Eiffage), with the following features:

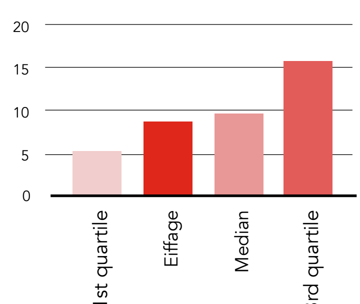
Sectors	Panel members other than Eiffage
Construction, real estate, building and construction materials, public utilities and concessions, multi-technical services, electrical and mechanical equipment	Alstom, Atlantia (Italy), Bouygues, Elior, Engie, Eutelsat, Ferrovial (Spain), Imerys, Legrand, Nexity, Rexel, Saint-Gobain, Schneider-Electric, Skanska (Sweden), Sodexo, Spie, Strabag (Austria), Suez, Veolia, Vinci

Eiffage is positioned at the median of the panel for the three key criteria used in the study (revenue, market capitalisation and headcount), as shown in the following charts, thus confirming the relevance of the panel.

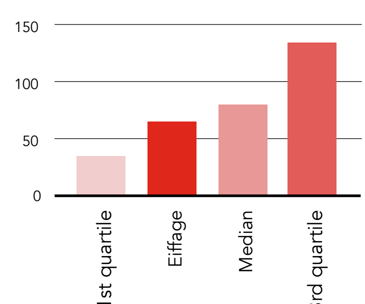
REVENUE
(in billions of euros)



MARKET CAPITALISATION
(in billions of euros)

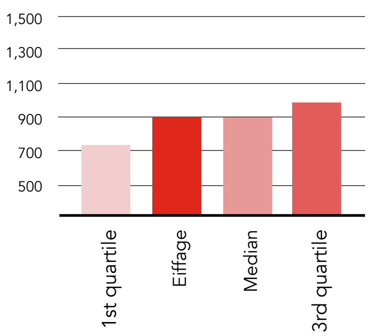


HEADCOUNT
(thousands of employees)

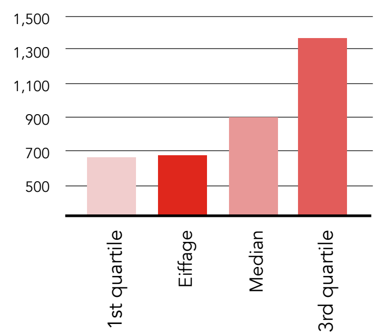


Summarised findings are represented in the following charts. Eiffage is positioned below the median for each of the four items examined, at the lower quartile for variable compensation and between the lower quartile and the median for the total compensation package.

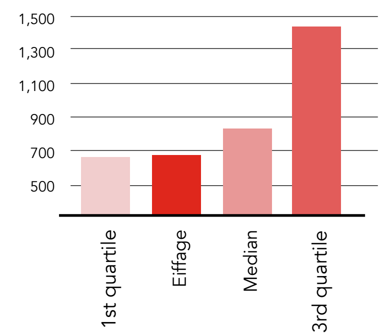
FIXED COMPENSATION
(in thousands of euros)



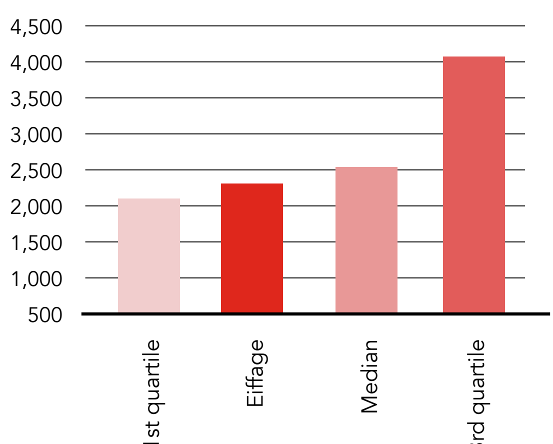
SHORT-TERM VARIABLE COMPENSATION
(in thousands of euros)



LONG-TERM VARIABLE COMPENSATION
(in thousands of euros)



TOTAL COMPENSATION
(in thousands of euros)



In a second comparison, the August 2017 long-term variable compensation (bonus shares only) was included with the other compensation received for 2016, as the amount allocated in August 2017 was greater than that for 2016, an incomplete and transitional year due to Mr de Ruffray's appointment. In the second comparison, the total 2017 compensation is slightly above the median.

The comparative study also revealed the following:

→ the short-term variable compensation is capped at 100% of the fixed compensation, which is only the case (capped at 100% or less) for one-fifth of the panel excluding Eiffage;

→ Mr de Ruffray is not eligible for:

– a supplementary pension scheme, whereas more than two-thirds of the panel have introduced a supplementary pension scheme for executive corporate officers;

– severance pay, whereas more than two-thirds of the panel make a severance payment in certain conditions (forced departure, change of control, etc.);

– a non-compete agreement, whereas almost one-third of the panel have agreed to pay non-compete indemnities.

CORPORATE GOVERNANCE

The study establishes that Mr de Ruffray's total compensation package is in line with average compensation packages within the panel, when all elements of compensation are taken into consideration. However, the Board wishes to make certain improvements, identified in the study:

- the formula used for short-term variable compensation will be reviewed as from 2019, at the end of the three-year commitment given to Mr de Ruffray for the 2016-2018 period. The commitment was approved by the ordinary and extraordinary general meeting of April 19th 2017, when it approved the principles and criteria applied for determining, apportioning and vesting the elements composing the total compensation package and benefits in kind payable for the office he holds.

  Possible improvements include, *inter alia*, changing one of the criteria used in the formula on the basis of annual objectives and capping each of the quantitative criteria (the qualitative criterion is already capped at 30% of the total);
- at its meeting of February 28th 2018, the Board approved the recommendation and proposal presented by the Appointments and Compensation Committee to change the performance condition applying to long-term variable compensation, and switch to a multi-criteria formula with effect from 2018. As a result, the criteria applied to determine whether the executive corporate officer will receive bonus shares in 2018 will be:

Criteria	Weight in the formula	Composition	Changes compared to 2016 and 2017
C1 Based on the absolute change in net earnings per share	50%	If the net earnings per Eiffage share increases by at least 25% between the plan's initial and final award dates, the criterion is satisfied. If net earnings per share increases by between 25% and 10%, the criterion is partially satisfied and a sliding scale will be applied to determine the number of shares finally awarded. Below 10%, the criterion is not satisfied and the corresponding part of the bonus share award will be cancelled.	New
C2 Based on Eiffage share price compared to CAC 40	25%	If the average Eiffage share price on the market over 100 days outperforms the average CAC 40 price over 100 days by at least 10% between the plan's initial and final award dates, the performance criterion is satisfied. If the Eiffage share outperforms or underperforms by between 10% and -10%, the criterion is partially satisfied and a sliding scale will be applied to determine the number of shares finally awarded. Below -10%, the criterion is not satisfied and the corresponding part of the bonus share award will be cancelled.	New
C3 Based on the absolute Eiffage share price	25%	If the average Eiffage share price on the market over 100 days as at the final award date is higher than the average price at the start of the plan, the performance criterion is satisfied. If the share price corresponds to between 100% and 50% of the initial price, the criterion is partially satisfied and a proportionate reduction will be applied. Below 50%, the criterion is not satisfied and the corresponding part of the bonus share award will be cancelled.	Pre-existing criterion
Vesting period		Three years after the initial award date.	Pre-existing criterion
Minimum lock-in period		Two years after the end of the vesting period.	Criterion introduced last year
Minimum number of securities to be held until officer ceases to hold office		The minimum number of securities that the executive corporate officer must hold until he ceases to hold office corresponds to 50% of each award, until he holds the equivalent of three times his fixed annual salary.	Previously 10% of an award
Use of hedging techniques		Prohibited until he ceases to hold office.	Pre-existing criterion

CORPORATE GOVERNANCE

› Details of C1 formula, for 50%:

- Initial net earnings per share (EPS-I): net earnings per share (EPS) in the last full financial year as at the time of the initial award;
- Final net earnings per share (EPS-F): net earnings per share in the last full financial year as at the time of the final award;
  — In both cases, net earnings per share are determined without any adjustment for non-current deferred tax. For example, the reference net earnings per share for the 2017 financial year are €5.38 per share;
- R = EPS-F / EPS-I:

Value of R	Final award
R > 1.25	100%
1.20 < R > 1.25	90%
1.10 < R > 1.20	50%
R < 1.10	0%

› Details of C2 formula, for 25%:

- Initial Eiffage share price (SP-I): average price over the 100 days preceding the initial award date;
- Final Eiffage share price (SP-F): average price over the 100 days preceding the final award date;
- CE = SP-F / SP-I
- Initial CAC 40: CAC 40 index corresponding to the average over the 100 days preceding the initial award date;
- Final CAC 40: CAC 40 index corresponding to the average over the 100 days preceding the final award date;
- CAC = Final CAC 40 / Initial CAC 40

Value of CE - CAC	Final award
CE - CAC ≥ 0.1	100%
0.1 > CE - CAC ≥ 0.08	90%
0.08 > CE - CAC ≥ 0.06	80%
0.06 > CE - CAC ≥ 0.04	70%
0.04 > CE - CAC ≥ 0.02	60%
0.02 > CE - CAC ≥ -0.02	50%
-0.02 > CE - CAC ≥ -0.04	40%
-0.04 > CE - CAC ≥ -0.06	30%
-0.06 > CE - CAC ≥ -0.08	20%
-0.08 > CE - CAC ≥ -0.1	10%
-0.1 > CE - CAC	0%

› Details of C3 formula, for 25%:

SP-F compared to SP-I	Final award
SP-F > SP-I	100%
If (50% SP-I) < SP-F < SP-I	SP-F / SP-I
If SP-F < (SP-I x 50%)	0%

› Detailed final award formula

- Final award (FA)
- Initial award (IA)

FA = (IA x 0.5 x C1) + (IA x 0.25 x C2) + (IA x 0.25 x C3)

Furthermore, the Committee has recommended that no changes be made as regards elements that do not currently form part of Mr de Ruffray's total compensation package (supplementary pension, severance pay, non-compete agreement, etc.).

J. Corporate officers' total compensation packages

On December 10th 2008, Eiffage's Board of Directors resolved to follow the recommendations set out in the AFEP-Medef Code concerning the compensation of executive corporate officers. The compensation paid to the executive corporate officers, and the board fees allocated to the members of the Board of Directors for the 2017 financial year are shown in the tables below.

In line with the recommendations set out in Article 26.2 of the AFEP-Medef Code on the corporate governance of listed companies, as updated in November 2016, which the company uses as a reference document, the fixed compensation and all the elements forming the compensation and benefits in kind payable to Eiffage's Chairman and Chief Executive Officer were approved by the ordinary and extraordinary general meeting of April 19th 2017, in the thirteenth resolution. This policy is valid for the 2016, 2017 and 2018 financial years, and the details set out below result from a strict application of this policy, as approved by the general meeting.

Moreover, the shareholders will be asked to vote again on the same provisions at the general meeting of April 25th 2018 (ex ante vote) and on their application for the 2017 financial year (ex post vote).

Note that with regard to stock options and bonus shares the currently valid authorisations place a specific cap on awards to executive corporate officers and prohibit use of hedging techniques, in line with the most recent recommendations of the AFEP-Medef Code.

The principles and criteria applying to the elements composing the total compensation and benefits in kind payable to the Chairman and Chief Executive Officer in that office, for the years 2016 to 2018, set by the Board of Directors further to the recommendations made by the Appointments and Compensation Committee, in light notably of the key compensation principles and criteria contained in the AFEP-Medef Code, and as approved by the general meeting of April 19th 2017, are listed below. Note that the shareholders will be asked to vote again on the same provisions at the general meeting of April 25th 2018 (ex ante vote).

Item	Description of the principles and criteria approved by the general meeting of April 19th 2017
1	Fixed compensation, currently amounting to €900,000 a year, unchanged for the Chairman and Chief Executive Officer of Eiffage since 2008.
2	Variable compensation, based on two financial components and one qualitative component. None of these components may be negative, while the third component must not exceed 30% of the annual fixed compensation and the three components, when taken in aggregate, must not exceed the annual fixed compensation for that year. i. The first corresponds to 1.5‰ of operating profit on ordinary activities in excess of €1,400 million (basis: December 2015); ii. The second corresponds to 4‰ of profit attributable to the equity holders of the parent in excess of 10% of average shareholders' equity during the year (average per the opening and closing balance sheets)*; iii. The third is qualitative and set by the Board of Directors in light of various non-financial criteria such as the Group's achievements in various areas: work safety record, personnel motivation, absenteeism, etc.**. * When there has been an increase or decrease in consolidated shareholders' equity during the year as a result of unusual financial transactions, the effects of these transactions will be adjusted. ** This component will also factor in external circumstances outside the control of Mr de Ruffray having influenced the company's results.
3	The Chairman and Chief Executive Officer has been provided with a company car.
4	The Chairman and Chief Executive Officer will be eligible for stock option plans and/or bonus share plans as may be decided by the Board of Directors, in every case subject to performance conditions.
5	The Chairman and Chief Executive Officer will not be entitled to: - board fees; - multi-annual variable compensation in cash; - indemnities payable on termination of office; - non-compete indemnities; - supplementary pension scheme or hiring benefits referred to in Article L.225-42-1.

Concerning Mr de Ruffray in his capacity as Chairman and Chief Executive Officer in 2017, the next chart summarises the compensation due or paid in respect of the year ended, in compliance with the principles and criteria approved by the general meeting of April 19th 2017. The shareholders will be asked to approve these elements at the ordinary and extraordinary general meeting of April 25th 2018. Note that as Mr de Ruffray took up office on January 18th 2016, 2017 was his first full year of office. Mr de Ruffray's compensation for 2016, as approved by the general meeting of April 19th 2017 within the framework of AFEP-Medef Code recommendation 26.2, is also detailed in the chart, for information purposes.

Items of compensation paid or awarded in respect of the year ended	Amount or accounting valuation put to the vote at the general meeting of April 25th 2018, in line with the principles and criteria approved by the general meeting of April 19th 2017	Remarks	Reminder of compensation for 2016, as approved by the general meeting of April 19th 2017
Fixed compensation	€900,000 (paid)	Amount is unchanged since the appointment of Mr de Ruffray.	€860,714[4]
Annual variable compensation	€900,000 (to be paid) [1]	The variable compensation paid to Mr de Ruffray is based on quantitative and qualitative criteria[2] and cannot exceed his fixed compensation.	€651,912
Multi-annual variable compensation in cash	None	No multi-annual variable compensation has been paid or is payable to Mr de Ruffray.	None
Extraordinary compensation	None	No extraordinary compensation has been paid or is payable to Mr de Ruffray.	None
Stock options, bonus shares and any other securities awarded	€1,848,600 (accounting valuation)	30,000 bonus shares were awarded to Mr de Ruffray, subject to performance conditions[3].	€688,950[4] (accounting valuation)
	None	No stock options or any other element of long-term compensation have been awarded to Mr de Ruffray.	None
Board fees	None	No board fees have been paid or are payable to Mr de Ruffray.	None
Benefits in kind	€2,790 (accounting valuation)	Mr de Ruffray was provided with a company car.	€2,790 (accounting valuation)
Indemnities payable on termination of office	None	The company has no commitment to pay any indemnities in the event Mr de Ruffray is removed or resigns from office as Chairman and Chief Executive Officer.	None
Non-compete indemnities	None	Mr de Ruffray does not have a non-compete agreement.	None
Supplementary pension scheme	None	Mr de Ruffray does not have a supplementary pension scheme.	None

1. The variable part of this compensation will only be paid to Mr de Ruffray after a resolution is adopted by the ordinary and extraordinary general meeting held on April 25th 2018 concerning the various elements of compensation paid or due to him for 2017 for the office he holds.
2. Details concerning the performance conditions determining Mr de Ruffray's variable compensation are provided below, and are consistent with the principles and criteria approved by the general meeting of April 19th 2017.
3. Details concerning these performance conditions are provided below.
4. 2016 was an incomplete and transitional year due to the appointment of Mr de Ruffray on January 18th 2016.

It was decided that Mr de Ruffray would receive an annual gross fixed compensation as Chairman and Chief Executive Officer of €900,000. The fixed compensation paid to Eiffage's Chairman and Chief Executive Officer amount is reviewed every year, but has remain unchanged since 2008 and will be the same amount in 2017 and 2018.

Mr de Ruffray's variable compensation for 2017 is detailed below, and is based on two financial components and one qualitative component. None of these components may be negative, while the third component must not exceed 30% of the annual fixed compensation and the three components, when taken in aggregate, must not exceed the annual fixed compensation for that year.

Item	Details of 2017 variable compensation, which is capped at the amount of fixed annual compensation paid for 2017, which has not changed since 2008	Amount for 2017 put to the vote at the general meeting of April 25th 2018, in line with the principles and criteria approved by the general meeting of April 19th 2017	Reminder of compensation for 2016, as approved by the general meeting of April 19th 2017[3]
1	1.5‰ of operating profit on ordinary activities in excess of €1,400 million (basis: December 2015)	€456,782[4]	€282,409
2	4‰ of profit attributable to the equity holders of the parent in excess of 10% of average shareholders' equity during the year (average per the opening and closing balance sheets)[1]	€480,555[5]	€309,503
3	Qualitative element, set by the Board of Directors in light of various non-financial criteria such as the Group's achievements in various areas: work safety record, personnel motivation, absenteeism, etc.[2]	€60,000	€60,000
	Capping of variable compensation in line with maximum fixed compensation	€(97,337)[6]	€0
Total		**€900,000**	**€651,912**

1. When there has been an increase or decrease in consolidated shareholders' equity during the year as a result of unusual financial transactions, the effects of these transactions will be adjusted.
2. This component will also factor in external circumstances outside Mr de Ruffray's control that influenced the company's results.
3. 2016 was an incomplete and transitional year due to the appointment of Mr de Ruffray on January 18th 2016. 2017 was his first full year in office.
4. Details of the formula:
   - 1.5‰ X [1,728,592 – (1,400,000 (101.76/100.04))]
5. After neutralisation of the impact of adjustments for non-current deferred tax in 2016 and 2017, the formula is:
   - 4‰ X [511,869 - 10% ((4,251,594 + 3,642 3,583,013)/2)]
6. Mr de Ruffray's variable short-term compensation is capped at the amount of his fixed compensation, i.e., €900,000, which led to an adjustment after application of the formula.

Changes to aggregate amounts used in the variable short-term compensation formula since 2015 (formula reference year for 2016, 2017 and 2018) are listed below:

In millions of euros	2015 (Δ 2014)	2016 (Δ 2015)	2017 (Δ 2016)
Operating profit on ordinary activities	1,431 (+6.2%)	1,597 (+11.6%)	1,729 (+8.3%)
Net profit, Group share	312 (+13.5%)	416* (+33.3%)	512* (+23.1%)
Shareholders' equity at end of year	3,197 (+10.2%)	3,642 (+12.2%)	4,285 (+17.7%)

* After neutralisation of the impact of adjustments for non-current deferred tax, giving an additional profit of €59 million for 2016 and €33 million for 2017.

For the 2017 financial year, at its meeting of February 28th 2018, in compliance with the above-mentioned principles and criteria and in view of his satisfaction of the performance criteria, the Board discussed and approved a proposal by the Appointments and Compensation Committee to set Mr de Ruffray's variable compensation for 2017 as Chairman and Chief Executive Officer at €900,000 (compared with €651,912 for 2016).

Neither the executive corporate officers nor any Group employees are entitled to a hiring bonus, severance payment or a specific supplementary pension scheme.

As required by law, the variable part of this compensation will only be paid to Mr de Ruffray after a resolution is adopted by the general meeting of Eiffage shareholders held on April 25th 2018 concerning the various elements of compensation paid or due to him for 2017 for the office he holds.

Shares and stock options

Mr de Ruffray is the only corporate officer to have received bonus shares as at December 31st 2017 under the bonus share plans introduced by Eiffage SA. There are no bonus share plans in place in any of the other Group companies. At its meeting of August 30th 2017, and pursuant to the authorisation granted to it by the general meeting of April 20th 2016, the Board approved the introduction of a bonus share plan for a significant number of Group employees and for Mr de Ruffray. The plan is open to almost 1,200 people (i.e., almost 2% of Group employees) and consists of three sub-plans providing a total of 285,505 shares, i.e., 0.29% of the capital, as follows:

- for the "Managers" plan (which includes Mr de Ruffray), if the share price falls, the final number of shares awarded at the end of the vesting period will be reduced in a proportion representing twice the amount of the fall in the share price, without any applicable floor;
- for the "Group" plan, if the share price falls, the final number of shares awarded at the end of the vesting period will be reduced in a proportion equal to the amount of the fall in the share price, but must be at least equal to 50% of the number of shares initially awarded;
- for the "Challenges" plan, which is only open to winners of the Eiffage business division competition, there are no performance conditions.

Plan name	Number of beneficiaries	Number of shares awarded
Managers	10	71,000
Group	1,059	213,580
Challenges	118	925
Total	1,187	285,505
of which, awarded to the ten Group employees who are not corporate officers and who were awarded the greatest number of shares		42,500

With regard to Mr de Ruffray, the features and performance conditions of the plan are the same as for the plan introduced in July 2016.

	Number of bonus shares awarded to Mr de Ruffray	Performance condition
July 2016 plan	15,000	Yes
August 2017 plan	30,000	Yes

2016 was an incomplete and transitional year due to the appointment of Mr de Ruffray on January 18th 2016.

The performance criterion applying to Mr de Ruffray's bonus shares is described below:

- To take into account the company's performance, the final number of shares awarded as at September 1st 2020 will be calculated by applying to the number of shares initially awarded by the Board of Directors on August 30th 2017, the percentage change in the Eiffage reference share price as determined on the date of the initial award in relation to a second reference price for the same share determined at the latest on September 1st 2020;
- The 2017 reference share price is equal to the average opening price of the Eiffage share for the 100 trading sessions preceding the date the shares were awarded, i.e., August 30th 2017, amounting to €80.21;
- The 2020 reference share price will be equal to the average opening price of the Eiffage share for the 100 trading sessions prior to September 1st 2020;
- If the 2020 reference share price is

greater than or equal to the 2017 reference share price, the final number of shares awarded will be equal to the number of shares initially awarded;

- If the 2020 reference share price is lower than the 2017 reference share price, the final number of shares awarded will be equal to the number of shares initially awarded x (2020 reference share price/2017 reference share price) x 2 - 1).

The number of vested shares cannot therefore exceed the number of shares initially awarded, and there are no outperformance options, meaning that the final number of shares awarded is capped. Furthermore, the final number of shares awarded will be reduced by a proportion representing twice the amount of the fall in the Eiffage share price, without (i) any neutralisation with regard to an index, (ii) trigger threshold, or (iii) "roll-over" after September 2020 if the final number of shares awarded is less than the number initially awarded. Moreover, an initial award in 2017 may give rise to a final award three years later, in 2020, but the shares may only be disposed of one year later, i.e., in 2021, due to the one-year minimum lock-in period from the vesting date. This means the plan has a minimum length of four years.

The following simulation shows the results of application of the formula, depending on whether the share price varies by +25%, -25% or -50%:

Change compared to reference price	Change in final number of shares awarded compared to shares initially awarded	Initial award as at Aug 30th 2017	Final award as at Sep 1st 2020
+25%	0% due to cap	30,000 shares	30,000 shares
-25%	-50% as the reduction in shares awarded is twice the amount of the fall in the share price	30,000 shares	15,000 shares
-50%	-100% as there is no floor	30,000 shares	0 shares

As in 2016, Mr de Ruffray was not awarded any stock options in 2017.

K. Directors' compensation and board fees

At the Eiffage general meeting of April 17th 2013, the shareholders raised the total amount of board fees to €900,000.

A board fee unit equals €30,000. This amount has remained unchanged for over seven years. Board fees are allocated between the directors, advisory board members and committee members as follows, subject to actual attendance, which is the only criterion applied to determine the amount of fees to be paid.

The attendance criterion applies to the full amount of fees; there are no minimum board fees. None of the Group's subsidiaries distribute board fees.

	Board member	Committee chairperson	Committee member
Director	1	1	1/2
Advisory member	2/3	–	1/3
Vice-Chairman, Senior Director	9.67		

L. Tables summarising compensation received by executive corporate officers and other corporate officers in 2016 and 2017

Table 1: Summary of compensation, stock options and shares received by each executive corporate officer (in euros)

Mr de Ruffray Chairman and Chief Executive Officer since January 18th 2016	From 18/01/2016 to 31/12/16	From 01/01/2017 to 31/12/17
Compensation payable for the financial year (detail in table 2)	1,515,416*	1,802,790
Value of multi-annual variable compensation awarded during the financial year	None	None
Value of stock options awarded during the financial year (detail in table 4)	None	None
Value of bonus shares awarded during the financial year (detail in table 6)	688,950*	1,848,600
Total	**2,204,366**	**3,651,390**

* 2016 was an incomplete and transitional year due to the appointment of Mr de Ruffray on January 18th 2016.

Table 2: Summary of compensation received by each executive corporate officer (in euros)

Mr de Ruffray Chairman and Chief Executive Officer since January 18th 2016	For 2016		For 2017	
	Due	**Paid**	**Due**	**Paid**
Annual fixed compensation	860,714[1]	860,714[1]	900,000	900,000
Variable compensation	651,912	-	900,000[2]	651,912
Multi-annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Board fees	-	-	-	-
Benefits in kind (company car)	2,790	2,790	2,790	2,790
Total	**1,515,416**	**863,504**	**1,802,790**	**1,554,702**

1. 2016 was an incomplete and transitional year due to the appointment of Mr de Ruffray on January 18th 2016.
2. The variable part of this compensation will only be paid to Mr de Ruffray after a resolution is adopted by the general meeting held on April 25th 2018 concerning the various elements of compensation paid or due to him for 2017 for the office he holds.

Table 3: Board fees (in euros)

Director	Gross fees awarded for 2016 (paid in 2017)	Gross fees awarded for 2017 (paid in 2018)
Benoît de Ruffray	–	–
Jean-François Roverato	274,945	274,737
Thérèse Cornil	60,000	60,000
Laurent Dupont	45,000	60,000
Bruno Flichy[1]	40,000	65,750
Jean-Yves Gilet[2]	75,000	18,000
Jean Guénard	45,000	60,000
Marie Lemarié	24,643	45,000
Dominique Marcel	32,679	45,000
Isabelle Salaün	52,500	60,000
Carol Xueref	57,000	60,000
Béatrice Brénéol[3]	36,964	-
Demetrio Ullastres[3]	51,964	-
Total	**795,695**	**748,487**

No non-executive Board members received any compensation other than the board fees in 2016 and 2017, except for the representative of the employee shareholders and Mr Roverato, in his capacity as Chairman of the Board for the period from January 1st to 16th 2016.

1. Mr Flichy was an advisory member of the Board (*censeur*) in 2016 and until April 19th 2017, and has been a full member of the Board since that date.
2. Mr Gilet was a member of the Board until April 19th 2017.
3. Ms Brénéol and Mr Ullastres resigned from the Board on August 31st 2016.

Table 4: Stock subscription or purchase options awarded to each executive corporate officer by the issuer and by any Group company during the financial year

Name of executive corporate officer	Plan no. and date	Type of options (purchase or subscription)	Value of stock options using the same method as for the consolidated financial statements	No. of bonus shares awarded during the financial year	Exercise price	Effective award date
Benoît de Ruffray	None	None	None	None	None	None

Table 5: Stock subscription or purchase options exercised during the financial year by each executive corporate officer

Name of executive corporate officer	Plan no. and date	Number of options exercised during the financial year	Exercise price
Benoît de Ruffray	None	None	None

Table 6: Bonus shares awarded to each executive corporate officer by the issuer and by any Group company during the financial year

Name of executive corporate officer	Plan no. and date	Type	Value of bonus shares using the same method as for the consolidated financial statements	No. of bonus shares awarded during the financial year	Exercise price	Effective award date[1] -------- End of lock-in period[2]
Benoît de Ruffray	2017 plan Date: Aug 30th 2017	Bonus shares	€1,848,600	30,000	€80.21	Sept 1st 2020 -------- Sept 1st 2021

1. Three years after the initial award date, provided an attendance condition and the performance condition described in this document have been satisfied as at that date.
2. At least one year after the final award date.

Accordingly, an initial award in 2017 may give rise to a final award in 2020, but the shares may only be disposed of in 2021, at the earliest. This means the plan has a minimum length of four years.

Table 7: Vested bonus shares available to each corporate officer

Vested bonus shares available to each corporate officer	Plan no. and date	Number of shares vested during the financial year	Vesting conditions
Mr de Ruffray	None	None	None
TOTAL	**None**	**None**	**None**

Table 8: Summary of existing stock purchase or subscription option plans

	2011 plan	2012 plan	2014 plan	2015 plan
Type of plan	Purchase	Purchase	Purchase	Purchase
Date of general meeting	Apr 21st 2010	Apr 20th 2011	Apr 17th 2013	Apr 16th 2014
Date of Board meeting at which options were awarded	Feb 24th 2011	Dec 13th 2012	Feb 26th 2014	Feb 25th 2015
Number of shares that can be purchased[1]	162,100	692,040	780,800	796,950
of which, by corporate officers [2]	100,000	100,000	100,000	100,000
of which, by the ten employees awarded the most options	47,500	114,500	107,300	114,000
Expiry date	Mar 9th 2018[3]	Dec 13th 2019	Feb 26th 2021	Feb 25th 2022
Purchase price (average of 20 opening prices preceding the date of the Board meeting at which the plans were approved)	€41.24	€29.00	€45.43	€46.405
Number of shares purchased as at Dec 31st 2017	76,040	512,094		
Options cancelled or expired in 2017	2,800	4,450	50,200	46,800
Outstanding options as at Dec 31st 2017	83,260	175,496	730,600	750,150

NB: all figures have been adjusted to take into account bonus share issues and the division of the nominal value of shares since the creation of the plans.

1. Adjusted to reflect options cancelled or expired as at Jan 1st 2016.
2. At its meeting of February 25th 2015, the Board of Directors extended the exercise period for the February 2011 plan to March 9th 2018.
3. Mr Berger, Chairman and Chief Executive Officer until October 22nd 2015, for all four plans. Following Mr Berger's death, and pursuant to the laws and regulations applying to the 2011, 2012, 2014 and 2015 plans, his beneficiaries were entitled to exercise his stock options within six months of his death. Furthermore, on October 26th 2015 the Board of Directors decided, on the basis of a proposal by the Compensation Committee, to waive the performance condition for Mr Berger's stock option plans.

Table 9: Table summarising options to subscribe for or purchase shares awarded to the ten employees who are not corporate officers who were awarded the greatest number of options, and options exercised by them

	Total number of options awarded/shares subscribed for or purchased	Weighted average price	2011-02_POA of Mar 11th 2011	2012-12_POA of Dec 14th 2012
Options awarded during the financial year by the issuer or any company concerned by the option plan to the ten employees of the issuer, or of any of these companies, who received the greatest number of options	0	0	0	0
Options issued by the issuer and the above-mentioned companies exercised during the financial year by the ten employees of the issuer, or of any of these companies, who purchased or subscribed for the greatest number of options	86,355	€29.57	4,000	82,355

Table 10: History of bonus share plans

Date of general meeting	April 20th 2016	April 20th 2016
Date of Board of Directors' meeting	Jul 4th 2016	Aug 30th 2017
Total number of bonus shares awarded, of which number awarded to Benoît de Ruffray as the executive corporate officer	234,030 15,000*	285,505 30,000*
Vesting date	Jul 5th 2019	Sept 1st 2020
End of lock-in period	Jul 8th 2020	Sept 1st 2021
Number of shares purchased as at Dec 31st 2017	0	0
Aggregate number of shares cancelled or lapsed	12,390	1,565
Outstanding bonus shares awarded as at end of financial year	221,640	283,940

* These shares are awarded subject to the conditions described in detail in this document.

Table 11: Employment contracts, specific pension plans, severance pay and non-compete agreements

Executive corporate officers	Employment contract		Supplementary pension scheme		Severance payment or other payments or possible payments upon departure or change of function		Indemnities under a non-compete agreement	
	Yes	No	Yes	No	Yes	No	Yes	No
Benoît de Ruffray Chairman and Chief Executive Officer First appointed on: Jan 18th 2016 Term of office expires on: 2019		X		X		X		X

Table 12: Transactions involving securities issued by the company carried out by each corporate officer or other individual required by the AMF's General Regulation to notify such transactions

Notifier	Office	Financial instrument	Type of transaction	Unit price in euros	Amount of the transaction in euros
Benoît de Ruffray	Chairman and Chief Executive Officer	FCPE Eiffage	Subscription	50.0000	386,000.00
Jean-Francois Roverato*	Vice-Chairman, Senior Director	Shares	Sale	79.3898	317,559.20
Max Roche	Deputy Chief Executive Officer	Eiffage shares via Sicavas and FCPE Eiffage Shares Shares FCPE Eiffage Shares Shares	Sale Sale Sale Subscription Sale Sale	67.1000 69.0000 69.8105 50.0000 91.2700 92.0000	47,708.10 48,300.00 188,627.97 17,052.83 228,175.00 227,500.00
Christian Cassayre	Chief Financial Officer	Stock-options** FCPE Eiffage** Stock-options** FCPE Eiffage** FCPE Eiffage SICAVAS	Exercise** Sale** Exercise** Sale** Subscription Subscription	29.0000 154.2260 29.0000 186.2470 50.0000 146.0200	319,000.00 348,475.19 116,000.00 123,254.80 120,000.00 20,000.00
Jean Guénard	Director	Shares	Sale	91.6755	550,053.00

* This corresponds to the exercise of options financed by the sale of units in the FCPE Eiffage fund for the same amount, net of social security contributions.
** These transactions are exercised options financed by the sale of FCPE Eiffage shares for the same amount, net of any social security contributions.

M. Other governance-related information

I. Loans and guarantees granted to managers

None.

II. Mandatory and discretionary profit-sharing plans

Most Group companies have discretionary employee profit-sharing plans *(accords d'intéressement)*. These plans, which are governed by the Decree of October 21st 1986 on discretionary and mandatory employee profit-sharing, underline Eiffage's desire for employees to be closely involved in the development of the company they work for and, when the company prospers, that they receive part of the profit for the year over a predetermined level.

In addition to the above, the employees benefit from mandatory employee profit-sharing plans *(accords de participation)* under the conditions laid down by law. These are applied on an individual company basis. A collective agreement has not been negotiated at Group level.

Employee investment funds *(Plans d'épargne entreprise)* have existed in each company for many years. Amounts due in respect of the employee profit-sharing plans may be invested, at the employee's discretion, in investment funds or Group employee share ownership vehicles, namely Sicavas Eiffage 2000 (the open-end employee investment trust) or the company investment fund set up in the form of a *fonds communs de placement d'entreprise* (FCPE Eiffage Actionnariat) to enable employees to subscribe for shares available under capital increases reserved for them.

Amounts paid by the Group to its employees under the employee profit-sharing plans amounted to €77 million in respect of the 2017 financial year, which is unchanged from the amounts paid during 2016 and 2015.

III. Share purchase option plans – Bonus share awards

→ At the ordinary and extraordinary general meeting of April 17th 2013, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors used this authorisation in part on February 26th 2014, granting 538,750 options, and again on February 25th 2015, granting 461,250 options.

→ At the ordinary and extraordinary general meeting of April 16th 2014, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors used this authorisation in part on February 25th 2015, granting 473,500 options.

→ At the ordinary and extraordinary general meeting of April 20th 2016, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000 (including 250,000 for the company's executive corporate officers). This authorisation was granted for 38 months; as at the date of this document the Board has used it in part, awarding 519,535 shares.

→ At the ordinary and extraordinary general meeting of April 19th 2017, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000 (including 250,000 for the company's executive corporate officers). This authorisation was granted for 38 months; as at the date of this document the Board has not made use of it.

IV. Information that may be relevant in the event of a public offering

→ The capital ownership structure and all direct or indirect shareholders known to the company are set out above, together with all relevant information;

→ The Memorandum and Articles of Association do not place any restrictions on the exercise of voting rights or the transfer of shares, other than that voting rights may be stripped if the shareholder fails to declare the crossing of an ownership threshold, and the company is not aware of any agreements disclosed in compliance with Article L.233-11 of the French Commercial Code;

→ The company is not aware of any agreements or other arrangements between shareholders;

→ No securities give their holders any special controlling rights;

→ The voting rights attached to shares held by employees through the Sicavas Eiffage 2000 and FCPE Eiffage Actionnariat investment funds are all exercised at general meetings by the authorised representatives appointed by the board of directors of the Sicavas and the supervisory board of the FCPE fund:

- The Sicavas' management is supervised by its board of directors, composed of shareholders who are employees of Eiffage group companies. The board is primarily responsible for examining the fund's management report and annual financial statements, reviewing its financial, administrative and accounting management, exercising voting rights attached to shares held in the portfolio when necessary, deciding whether to contribute securities to a public offering, making decisions on any merger, demerger or liquidation, and granting prior authorisation for any amendments to the fund's memorandum and articles of association in those cases provided in that document. The Sicavas is managed by PRO BTP Finance;
- The FCPE's supervisory board is composed of ten members, five of whom are employee unitholders representing unitholders who are or were employ-

ees, who were elected directly by the unitholders, and five of whom represent Eiffage and were appointed by Eiffage's management team. The number of members representing Eiffage never exceeds the number of members representing unitholders. The FCPE's supervisory board meets at least once a year, in order to examine the management report and annual financial statements, review its financial, administrative and accounting management, approve its annual report, exercise voting rights attached to securities in the fund's portfolio of assets and decide whether to contribute securities. The financial management of FCPE Eiffage Actionnariat has been delegated to Amundi Asset Management;

→ The rules governing the appointment and dismissal of the members of the Board of Directors are the rules laid down by law and those set out in Articles 17 to 20 of the Memorandum and Articles of Association;

→ Powers currently delegated to the Board of Directors are described in the Directors' report and in the table summarising authorisations to increase the capital;

→ The company's Memorandum and Articles of Association are amended in accordance with the applicable laws and regulations;

→ The credit facilities described in this document (in the section "Liquidity risks") may be cancelled in the event of a change to the control of the company;

→ No specific agreements provide for the payment of compensation to corporate officers when they leave office.

As required by law, all fully paid-up shares for which proof is produced that they have been held in registered form in the name of the same shareholder for at least two years will enjoy double voting rights.

V. Shareholder attendance at general meetings

The conditions governing shareholder attendance at general meetings are detailed in Article 30 of the Memorandum and Articles of Association.

3. Resolutions that will be put to the vote at the general meeting

Presented below is the section of the Directors' report concerning the resolutions that will be put to the vote at the ordinary and extraordinary general meeting of April 25th 2018.

The first four resolutions concern the approval of the company and consolidated financial statements for 2017, the 2017 dividend and the regulated agreements:

→ **Resolutions 1 and 2:** The general meeting is invited to approve the company financial statements for the year ended December 31st 2017, showing a net profit of €253 million, as well as the consolidated financial statements for the financial year ended December 31st 2017, showing a net profit (Group share) of €545 million, which the Board approved at its meeting of February 28th 2018 after their review by the Audit Committee;

→ **Resolution 3:** Appropriation of the net profit would result in the distribution of a gross dividend of €2 per share, which represents a 33% increase over one year. The coupon would be detached on May 22nd 2018, with payment of the dividend on May 24th 2018. This dividend would be distributed in respect of all 98,003,766 shares in issue at February 28th 2018, and of the shares that will be created in connection with the capital increase reserved for employees decided by the Board of Directors on February 28th 2018.

Details of dividends paid in respect of the three previous financial years are provided in the table below:

Financial year	2014	2015	2016
Number of shares	95,433,991	98,082,265	98,003,766
Total dividend	€114,520,789.20	€147,123,397.50	€147,005,649
Dividend per share	€1.20	€1.50	€1.50

→ **Resolution 4:** The general meeting is also invited to approve and ratify each of the agreements regulated by Article L.225-38 of the French Commercial Code *(Code de commerce)*, as presented in the Statutory Auditors' special report contained in the 2017 Registration Document, as submitted to the general meeting.

The fifth resolution concerns the appointment of a new, female, independent director. Information on Odile Georges-Picot's career and independence can be found in section H of the report by the Board of Directors on corporate governance.

Applications for seats on the Board put to the general meeting have been approved by the Board of Directors following proposals by the Appointments and Compensation Committee or by the Sicavas' board of directors or FCPE Eiffage's supervisory board, in the case of directors representing employee shareholders. None of the terms of office of current members of the Board of Directors expire at this general meeting.

Following the Board's vote on the proposal made by the Appointments and Compensation Committee, the shareholders are invited to appoint Ms Georges-Picot as an independent director. Ms Georges-Picot was Chief Operating Officer at Cofiroute and, more recently, SANEF. Her independence and industry experience would enable her to make a positive contribution to the Board's work. She will be appointed for a four-year term of office to expire in 2022, at the close of the ordinary general meeting called to vote on the financial statements for the previous financial year.

At the close of the general meeting, the Board of Directors will have 11 members: seven independent directors (i.e., 70%, as the director representing employee shareholders is not counted), one non-independent director, one director representing employee shareholders, the Chairman and Chief Executive Officer and the Vice-Chairman. Since five of the 11 directors will be women, i.e., 45% of the Board, the Board's composition will comply with applicable legal requirements and it will have met its gender parity targets.

→ **Resolution 5:** The shareholders are invited to appoint Odile Georges-Picot as a director.

As required by Articles L.225-37-2 and L.225-100 II of the French Commercial Code (*Code de commerce*), the general meeting is invited to approve two resolutions. The first (6th) concerns the ex ante approval of the policy on the Chairman and Chief Executive Officer's compensation, which is identical to the policy approved by the 2017 general meeting and which applies to 2016, 2017 and 2018. The second (7th) concerns the ex post approval of the compensation due or paid to the Chairman and Chief Executive Officer for the past financial year for the office he holds, in line with the principles approved by the 2017 general meeting, which is described in section I of the report by the Board of Directors on corporate governance:

→ **Resolution 6:** Approval of the principles and criteria applied for determining, apportioning and vesting the fixed, variable and extraordinary elements composing the total compensation package and benefits in kind payable to the Chairman and Chief Executive Officer, on the understanding that these principles and criteria are identical to those approved by Eiffage's general meeting of April 19th 2017, which applies to the 2016, 2017 and 2018 financial years.

→ **Resolution 7:** Approval of the fixed, variable and extraordinary elements composing the total compensation package and benefits in kind paid or due to Mr de Ruffray, Chairman and Chief Executive Officer, in application of the principles and criteria approved by Eiffage's general meeting of April 19th 2017.

As regards financial matters, the general meeting is invited to adopt resolutions delegating powers and authorisations enabling the Board of Directors, should it consider this useful, to buy back shares, cancel shares held in treasury (within the limit of 10% of the capital in both cases) and make such issues as may be needed in connection with the company's development (see the chart listing the delegations of authority and authorisations put to the vote).

Note that, with the exception of the two delegations and authorisations relating to employee share ownership:

– all financial delegations and authorisations put to the general meeting will be suspended in the event of a public offering.

– the three financial delegations and authorisations (12th, 13th and 15th resolutions) proposed that provide for the waiver of preferential subscription rights will be included when calculating the maximum overall ceiling of 10% of the capital, referred to in the 16th resolution.

Note also that the delegation and authorisation relating to the possibility of increasing the share capital by the issue of shares and/or transferable securities giving access to capital, while maintaining preferential subscription rights, provides for a cap corresponding to 38.26% of the capital (11th resolution).

Accordingly, the general meeting is invited to:

→ **Resolution 8:** Renew, for a period of 18 months, the authorisation given to the Board of Directors to buy back company shares within the limit of 10% of the share capital and for a maximum price of €150 per share, i.e., a maximum amount of €1,470,056,400 in total, for the purposes of maintaining the liquidity of the Eiffage share, financing acquisitions, covering employee shareholding needs and those relating to any transferable securities providing access to the capital, and cancelling the acquired shares within the limits and conditions set by applicable regulations. No transaction may take place during a public offering initiated by a third party involving company shares.

→ **Resolution 9:** Authorise the Board of Directors, for a period of 26 months, to cancel, as and when it sees fit, on one or more occasions, within the limit of 10% of the capital (determined on the date of cancellation, taking into account any shares cancelled during the previous 24 months), company shares that are held or come to be held in treasury following purchases made in connection with the share buyback programme, and to reduce the share capital accordingly, in accordance with applicable laws and regulations. No transaction may take place during a public offering initiated by a third party involving company shares.

→ **Resolution 10:** Delegate authority to the Board of Directors, for a period of

26 months, to increase the share capital by capitalising reserves, profits and/or premiums and issuing and awarding bonus shares to the shareholders and/or increasing the nominal value of the shares, within the limit of €80 million (independent ceiling representing 20.41% of the capital). No transaction may take place during a public offering initiated by a third party involving company shares.

→ **Resolution 11:** Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares giving, when applicable, access to ordinary shares and/or other transferable securities giving access to ordinary shares to be issued, while maintaining preferential subscription rights, within the limit of a nominal capital increase of €150 million (representing 38.26% of the capital). When issuing transferable securities representing claims against the company and giving access to the capital, the nominal amount of these transferable securities shall not exceed €1.5 billion. The Board of Directors may not make use of this delegation from the moment a third party submits a public offering for company shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

→ **Resolution 12:** Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares giving, when applicable, access to ordinary shares and/or other transferable securities giving access to ordinary shares to be issued via a public offering waiving preferential subscription rights, with the Board of Directors being given the possibility to offer shareholders the possibility to exercise pre-emptive rights.

The total nominal amount of all capital increases, now or in the future, shall not exceed €39,201,504 (representing 10% of the capital). This amount will be included when calculating the maximum overall ceiling of €150 million stipulated in the 16th resolution.

When issuing transferable securities representing claims against the company and giving access to the capital, the nominal amount of these transferable securities shall not exceed €1.5 billion. This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued stipulated in the 16th resolution.

It is stipulated that, in the event shares are issued with the waiver of preferential subscription rights further to this delegation of authority, the amount paid or to be paid to the company in respect of each of the ordinary shares shall be determined in accordance with applicable laws and regulations and will therefore be at least equal to the minimum amount required by Article R.225-119 of the French Commercial Code *(Code de commerce)* (weighted average share price during the three preceding trading sessions, possibly reduced by the application of a 5% discount) at the time the Board of Directors exercises the delegation of authority.

In the event securities are issued as remuneration for securities tendered to a public exchange offer, the Board of Directors shall be authorised, within the limits set above, to draw up the list of securities tendered to the offer, set their issuance conditions, the exchange parity and, when applicable, the amount of the balancing cash payment to be paid, and determine the related terms of issuance. The Board of Directors may not make use of this delegation from the moment a third party submits a public offering for company shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

→ **Resolution 13:** Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares giving, when applicable, access to ordinary shares and/or other transferable securities giving access to ordinary shares to be issued waiving preferential subscription rights, when making a share offering governed by Section II of Article L.411-2 of the French Monetary and Financial Code *(Code monétaire et financier)* dealing with private placements.

The total nominal amount of all capital increases, now or in the future, shall not exceed €39,201,504 (representing 10% of the capital). This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued stipulated in the 16th resolution.

When issuing transferable securities representing claims against the company and giving access to the capital, the nominal amount of these transferable securities shall not exceed €1.5 billion. This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued stipulated in the 16th resolution.

It is stipulated that, in the event shares are issued with the waiver of preferential subscription rights further to this delegation of authority, the amount paid or to be paid to the company in respect of each of the ordinary shares shall be determined in accordance with applicable laws and regulations and will therefore be at least equal to the minimum amount required by Article R.225-119 of the French Commercial Code *(Code de commerce)* (weighted average share price during the three preceding trading sessions, possibly reduced by the application of a 5% discount) at the time the Board of Directors exercises the delegation of authority.

The Board of Directors may not make use of this delegation from the moment a third party submits a public offering for company shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

→ **Resolution 14:** Authorise the Board of Directors, in connection with the above-mentioned delegations of authority for public offerings and private placements, to increase the number of securities to be issued within a limit of 15% of the number of securities in the initial issue, under the terms and conditions laid down by applicable laws and regulations at the time of the issue and subject to the ceilings mentioned in the 11th,12th and 13th resolutions and the overall ceiling mentioned in the 16th resolution for the issues decided pursuant to the 12th and 13th resolutions. The Board of Directors may not make use of this delegation from the moment a third party submits a public offering for company shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

→ **Resolution 15:** Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares or other transferable securities giving access to the capital within the limit of 10% of the capital at the time of issue, as remuneration for securities tendered to the company and consisting of equity instruments or transferable securities giving access to the capital. This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued stipulated in the 16th resolution. The Board of Directors may not make use of this delegation from the moment a third party submits a public offering for company shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

→ **Resolution 16:** Set at €39,201,504 (representing 10% of the capital) the total nominal amount of the shares that may be issued, now or in the future, pursuant to the delegations of authority with waiver of preferetial subscription rights via public offerings or private placements and as remuneration for securities tendered to the company (12th, 13th and 15th resolutions), and at €1.5 billion the total nominal amount of the debt securities that may be issued pursuant to those resolutions.

In accordance with its policy on employee share ownership, which has been one of the hallmarks of the Eiffage Group over the past 28 years, as a result of which employees collectively constitute the Group's main shareholder with almost 20% of the capital as at December 31st 2017, and with a view to consolidating this situation, the shareholders are asked to approve two delegations and authorisations. The purpose of the 17th resolution is to authorise a capital increase reserved for members of a Group employee savings plan through an FCPE fund, corresponding to 3.83% maximum of the capital, and the purpose of the 18th resolution is to authorise the award of bonus shares corresponding to 1.02% maximum of the capital, and to maintain the unused part (0.49% of the capital) of the current authorisation.

→ **Resolution 17:** In accordance with applicable laws, delegate authority to the Board of Directors, for a period of 26 months, to increase the capital, on one or more occasions, by issuing ordinary shares or transferable securities giving access to the capital to employees of the company or affiliated companies who are members of company savings plans, in the conditions set out in Article L.225-180 of the French Commercial Code *(Code de commerce)* and Article L.3344-1 of the French Employment Code *(Code du travail)*, within the nominal limit of €15 million (representing 3.83% of the capital), this ceiling being independent of any other that may be set by the general meeting. Such a capital increase is dependent on the shareholders waiving their preferential subscription rights in favour of the employees concerned. The general meeting is informed that the price at which any shares are issued shall be determined in accordance with the conditions and limits set by applicable laws and regulations.

→ **Résolution 18 :** Authorise the Board to award existing shares as bonus shares to certain employees and/or corporate officers of the company or affiliated companies. Under this authorisation, the total number of bonus shares that may be awarded would not exceed 1,000,000 (representing 1.02% of the capital), and the total number of bonus shares that may be awarded to executive corporate officers, subject to one or more performance conditions, would not exceed 100,000 of such shares. The final award of the shares would take place at the end of a vesting period to be determined by the Board, but which may not be less than three years. This authorisation would be granted for a period of thirty-eight months, to expire on June 24th 2021, and would not bring an end to the authorisation granted by the extraordinary general meeting of April 20th 2016 in the 22nd resolution. Accordingly, this resolution would only come into effect on the first of the following dates:

– the date on which the maximum number of bonus shares that can be awarded pursuant to the authorisation granted by the extraordinary general meeting of April 20th 2016 in the 22nd resolution (480,465 shares as at December 31st 2017, representing 0.49% of the capital) has been awarded,
– the date on which the Board records that the number of bonus shares that can be awarded pursuant to that authorisation is not sufficient to meet the needs of a given bonus plan (which will bring an end to the authorisation granted by the extraordinary general meeting of April 20th 2016 in the 22nd resolution),
– June 19th 2019, the date on which the authorisation granted by the extraordinary general meeting of April 20th 2016 in the 22nd resolution expires

As regards other miscellaneous resolutions:

→ **Resolution 19:** The general meeting is also invited to amend the Memorandum and Articles of Association, so as to bring these into line with the Sapin II Act as regards determination of the compensation received by the Chairman, the Chief Executive Officer and, if applicable, the Deputy Chief Executive Officers, in accordance with the applicable regulations.

→ **Resolution 20:** Finally, the general meeting (voting as an ordinary general meeting) is invited to grant powers to carry out formalities.

Summary of financial delegations that may result in a capital increase and currently valid authorisations to issue stock options and bonus shares

Nature of the delegation or authorisation	Date of the extraordinary general meeting	Expiry date	Nominal amount of capital increase authorised	Use in 2017	Remaining nominal amount by which the capital may be increased as at Dec 31st 2017
Delegation of authority to increase the share capital by capitalising reserves, profits and/or premiums	April 19th 2017	June 18th 2019	€80 million (20.41% of the capital**)	None	€80 million (20.41% of the capital**)
Delegation of authority to issue ordinary shares and transferable securities, maintaining preferential subscription rights	April 19th 2017	June 18th 2019	€150 million (38.26% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital)	None	€150 million (38.26% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital)
Delegation of authority to issue ordinary shares and transferable securities, with waiver of preferential subscription rights, by way of a public offering	April 20th 2016	June 19th 2018	€38,173,596 (9.74% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital*)	None	€38,173,596 (9.74% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital*)
Delegation of authority to issue ordinary shares and transferable securities, with waiver of preferential subscription rights, by way of a private placement	April 20th 2016	June 19th 2018	€38,173,596 (9.74% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital*)	None	€38,173,596 (9.74% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital*)
Authority to increase issue in the event of excess demand	April 20th 2016	June 19th 2018	15% of the amount of the initial issue, within the limit of the ceilings for the delegation of authority	None	15% of the amount of the initial issue, within the limit of the ceilings for the delegation of authority
Delegation of authority to increase the capital in order to remunerate contributions of shares or transferable securities	April 19th 2017	June 18th 2019	10% of the share capital*	None	10% of the share capital*
Delegation of authority to increase the capital by the issue of shares reserved for members of a company savings plan, with waiver of preferential subscription rights	April 19th 2017	June 18th 2020	€15 million (3.83% of the capital**)	None	€15 million (3.83% of the capital**)
Authorisation to issue stock purchase options	April 19th 2017	June 18th 2020	1,000,000 (1.02% of the capital**) (maximum number of shares that stock option holders may subscribe to) / 250,000 (maximum number of shares that stock option holders who are the company's executive corporate officers may subscribe to)	None	1,000,000 (1.02% of the capital**) (maximum number of shares that stock option holders may subscribe to) / 250,000 (maximum number of shares that stock option holders who are the company's executive corporate officers may subscribe to)
Authorisation to grant existing shares as bonus shares	April 20th 2016	June 19th 2018	1,000,000 (1.02% of the capital**) (maximum number of bonus shares that may be awarded) / 250,000 (maximum number of bonus shares that may be awarded to the company's executive corporate officers)	€285,505 (0.29% of the capital**)	480,465 (0.49% of the capital**) (maximum number of bonus shares that may be awarded) / 250,000 (maximum number of bonus shares that may be awarded to the company's executive corporate officers)

* Will be included when calculating ceilings for the delegation of authority to issue shares maintaining preferential subscription rights.
** On the basis of the capital as at February 28th 2018.

Summary of currently valid financial delegations that may result in a capital increase and authorisations to grant stock options submitted to the general meeting of April 25th 2018

Nature of the delegation or authorisation submitted to the general meeting of April 25th 2018	Date of the extraordinary general meeting	Expiry date	Nominal amount of capital increase authorised
Delegation of authority to increase the share capital by capitalising reserves, profits and/or premiums	April 25th 2018	June 24th 2020	€80 million (20.41% of the capital**)
Delegation of authority to issue ordinary shares and transferable securities, maintaining preferential subscription rights	April 25th 2018	June 24th 2020	€150 million (38.26% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital)
Delegation of authority to issue ordinary shares and transferable securities, with waiver of preferential subscription rights, by way of a public offering	April 25th 2018	June 24th 2020	€39,201,504* (10% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital*)
Delegation of authority to issue ordinary shares and transferable securities, with waiver of preferential subscription rights, by way of a private placement	April 25th 2018	June 24th 2020	€39,201,504* (10% of the capital**) (€1.5 billion for transferable securities representing claims against the company and giving access to the capital*)
Authority to increase issue in the event of excess demand	April 25th 2018	June 24th 2020	15% of the amount of the initial issue, within the limit of the ceilings for the delegation of authority
Delegation of authority to increase the capital in order to remunerate contributions of shares or transferable securities	April 25th 2018	June 24th 2020	10% of the share capital* and**
Delegation of authority to increase the share capital by the issue of shares reserved for members of a company savings plan, with waiver of preferential subscription rights	April 25th 2018	June 24th 2020	€15 million (3.83% of the capital**)
Authorisation to award existing shares as bonus shares to certain employees and/or corporate officers of the company, with waiver of preferential subscription rights, duration of the authorisation, ceiling, vesting period, including in the event of a disability	April 25th 2018	June 24th 2021	1,000,000 (1.02% of the capital**) (maximum number of bonus shares that may be awarded) / 100,000 (maximum number of bonus shares that may be awarded to the company's executive corporate officers)

* Included when calculating the overall ceiling pursuant to the 16th resolution.
** On the basis of the capital as at February 28th 2018.

The Statutory Auditors having submitted their reports on these various matters as presented to you, the Board duly invites you to approve the resolutions put to you.

The Board of Directors

General information

A. General information

Name	Eiffage SA
Registered office	3-7, place de l'Europe, 78140 Vélizy-Villacoublay, France Telephone: +33(0)1 34 65 89 89
Website	www.eiffage.com
Legal form and applicable legislation	Société Anonyme (public limited company) governed by French law
Duration	The company was incorporated on June 12th 1920. It will remain in existence until December 31st 2090 unless it is dissolved before then or its period of incorporation is extended.
Financial year	The financial year starts on January 1st and ends on December 31st
Registration numbers	Trade and Companies Register 709 802 094 Versailles SIRET 709 802 094 01148 VAT FR 20 709 802 094 APE 7010 Z LEI 969500OQXKE5WDM9M994 ISIN FR 0000 130452 Bloomberg FGR FP Reuters FOUG PA
Listing	Euronext Paris Compartment A, eligible for inclusion in French personal equity plans (PEA) and for the deferred settlement service (SRD)
Indices	SBF 120, CAC Next 20, CAC Large 60, Euronext FAS IAS and MSCI Europe
Share capital as at December 31st 2017	€392,015,064, divided into 98,003,766 shares with a nominal value of €4 each
Voting rights as at December 31st 2017	112,976,902 theoretical voting rights (including double voting rights)

The Memorandum and Articles of Association, registration documents, regulated information and other mandatory documents are available from the registered office, on the company's website and on the info-financiere.fr website. The Memorandum and Articles of Association and the internal regulations are available on the company's website.

Corporate purpose (Article 3 of the Memorandum and Articles of Association)

The company's purpose, directly or indirectly, in France and in all other countries, is:

- Any operations related to and undertakings involved in public works, private civil engineering contracts or the construction of buildings;
- The acquisition, utilisation and sale of processes, patents and licences of any kind;
- The design, construction, purchase, sale and operation of plants and quarries of any kind;
- The manufacture, use and sale of products of any kind necessary to achieve its corporate purpose;
- Any industrial, commercial, financial or property (personal and real) transactions

related directly or indirectly to its corporate purpose or similar or related purposes;

→ The involvement in any undertakings, economic interest groupings or companies in France or abroad, whether existing or to be created, related directly or indirectly to its corporate purpose or any similar or related purposes, notably undertakings, economic interest groupings or companies likely to facilitate or promote the company's corporate purpose, by any means whatsoever, notably via the contribution of, subscription to or purchase of shares or other ownership interests, mergers, joint ventures, groupings, alliances or partnerships.

Parent-subsidiary relationships

Eiffage SA, as the Group's parent company, provides the following services to its divisions through a dedicated management structure which is wholly-owned by Eiffage: Group General Management, internal audit and risk management, financial (cash management and financing, bookkeeping and consolidation, management control, tax, legal affairs, employee shareholding, investor relations), communications, employee relations and HR development, procurement, sustainable development and transversal innovation, and concessions. The IT department has a dedicated structure that manages all the Group's IT assets (hardware and software), networks and systems to ensure the highest level of service and security. It is also responsible for OS developments and maintenance.

Other functional tasks are carried out by and within each division. The parent company's dedicated management structure is remunerated by the payment of proportional fees based on each division's revenue.

Simplified organisation chart showing companies within the consolidation scope

<table>
<tr><th colspan="9">Eiffage SA[1]</th></tr>
<tr><th colspan="3">Construction and its subsidiaries</th><th colspan="3">Infrastructures and its subsidiaries</th><th>Energy Systems and its subsidiaries</th><th colspan="2">Concessions</th></tr>
<tr><td rowspan="8">Eiffage construction</td><td rowspan="8">Eiffage immobilier</td><td rowspan="8">Eiffage Aménagement</td><td rowspan="8">Eiffage Route</td><td rowspan="8">Eiffage Génie Civil</td><td rowspan="8">Eiffage Métal</td><td rowspan="8">Eiffage Énergie Systèmes and its subsidiairies</td><td>Motorway concessions</td><td>Other concessions and PPPs</td></tr>
<tr><td>APRR AREA[2]</td><td>BPL</td></tr>
<tr><td>Aliénor[2]</td><td>Pierre-Mauroy stadium</td></tr>
<tr><td>Viaduc de Millau[2]</td><td>Grande Arche de La Défense</td></tr>
<tr><td>Adélac[2]</td><td>Universities</td></tr>
<tr><td>SMTPC[2]</td><td>Middle schools</td></tr>
<tr><td>Tunnel du Prado Sud[2]</td><td>High schools</td></tr>
<tr><td>Autoroute de l'Avenir[2]</td><td>Others[3]</td></tr>
</table>

(1) A detailed list of subsidiaries and holdings is provided in the Notes to the consolidated financial statements.

(2) A summary of the main minority investors in motorway concessions is provided below.

(3) The main co-investors in PPPs in which Eiffage is a minority investor tend to be financial investors.

Name	Pourcentage held	Names of other investors	Company website
APRR AREA	50.0% +1 share	Macquarie Autoroutes de France	www.aprr.com
Aliénor/A65	65.0%	SANEF	www.a65-alienor.com
Adélac/A41	49.9%	Macquarie Autoroutes de France 2	www.liane-autoroute.com
Viaduc de Millau	51.0%	Caisse des dépôts et consignations	www.leviaducdemillau.com
SMTPC	32.9%	Vinci and free float	www.tunnelprado.com
Tunnel du Prado Sud	41.5%	Vinci	www.tunnelprado.com

APRR also has an EMTN bond programme. The corresponding prospectus, which is available on APRR's website (www.aprr.com) and on the Luxembourg stock exchange website (www.bourse.lu), contains detailed information on its financing and economic model.

Competition

Overview of the Group's main competitors per geographic area and contracting division

	Construction	Infrastructures	Energy Systems
	A leader on the construction market, which is occupied by a few major players, some medium-sized regional companies and a lot of small companies. Eiffage Construction is also one of the top French property development companies, alongside Eiffage Immobilier.	A leader on the infrastructure market (road and rail, civil engineering and metallic construction). This market is occupied by a few major players and a large number of regional and local companies. Eiffage Infrastructures is also present on the aggregates market, alongside road construction groups, cement manufacturers and hundreds of local contractors.	A leader on a fragmented market.
France	Bouygues Construction, Besix, Demathieu Bard, Fayat, Léon Grosse, Spie Batignolles, Vinci Construction, and medium-sized regional companies. Bouygues Immobilier, Cogedim, Icade, Nexity, Kaufman & Broad, Vinci Immobilier and a large number of property developers.	Roads and aggregates: Cemex, Ciments Français, Colas, Eurovia, Fayat, Lafarge Holcim, Vicat and medium-sized regional companies. Civil engineering: Bouygues Construction, Demathieu Bard, Fayat, NGE, Spie Batignolles, Vinci Construction, and medium-sized regional companies. Metal: Baudin-Chateauneuf, Matière and Fayat and foreign companies established in France.	Bouygues Énergies & Services, Dalkia, Engie Services, Snef, Spie, Vinci Énergies and medium-sized regional companies.
International	ACS/Hochtief, BAM, Besix, Bouygues Construction, Budimex, CFE, Vinci Construction, medium-sized regional companies and Asian and European companies.	ACS/Hochtief, BAM, Besix, Bouygues Construction, Balfour Beatty, Cemex, CFE, Colas, Eurovia, Kier, Lafarge Holcim, Porr, Strabag, Vinci Construction, ACS Dragados, and medium-sized regional companies and Asian and European companies.	Engie Services, Spie, Vinci Energies, medium-sized regional companies and Spanish companies.

Overview of the Group's main competitors per geographic area and type of concession

	Motorway concessions	Other concessions and PPPs
	A leader on the motorway concessions market in France and Europe, which is occupied by a few large industrial and financial players.	A leader on the concessions and PPP market in France and Europe, which is occupied by a few large industrial and financial players.
France	Abertis/SANEF, Bouygues, Demathieu Bard, Egis, Fayat, NGE, Vinci, Spie Batignolles as well as financial investors AXA, Ardian, CDC, DIF, OFI, PGGM, Macquarie, Mirova, TIIC, and Asian, Australian, Canadian, European and Middle Eastern players.	Bouygues, Demathieu Bard, Egis, Fayat, NGE, Vinci, Spie Batignolles and financial investors, AXA, Ardian, CDC, Demeter, DIF, OFI, PGGM, Meridiam, Macquarie, Mirova and TIIC.
International	Abertis/SANEF, Atlantia, BAM, Bouygues, Ferrovial, Strabag, Vinci and European players as well as financial investors AXA, Ardian, CDC, DIF, OFI, PGGM, Macquarie, Meridiam, Mirova and TIIC, and Asian, Australian, Canadian, European and Middle Eastern players.	ACS/Hochtief, BAM, Bouygues, Strabag, Vinci and European players as well as financial investors AXA, Ardian, CDC, DIF, Demeter, OFI, PGGM, Macquarie, Meridiam, Mirova, TIIC, and Asian, Australian, Canadian, European and Middle Eastern players.

Appropriation of profit (Article 32 of the Memorandum and Articles of Association)

The net profit is appropriated in the following manner:

→ First, at least 5% of the net profit is transferred to the legal reserve after deduction of any losses carried forward, in accordance with legal requirements, until this reserve represents one-tenth of the share capital.

→ An interim dividend is then distributed to the shareholders that represents 6% of the outstanding paid-in capital out of the remaining profit, plus any unappropriated earnings and any amounts drawn from available reserves for the purpose of distribution as may be decided by the shareholders, without any shortfall arising in one year leading to an additional deduction from the profits of the subsequent year(s).

The shareholders may decide at an ordinary general meeting to appropriate what amounts they deem reasonable out of any balance then remaining, either by carrying such amounts forward or transferring them to one or more optional, ordinary or extraordinary reserves, for or without a designated purpose. An extra dividend is distributed to shareholders out of any amount remaining after that.

The general meeting may offer shareholders the choice, for all or part of the amount being distributed, between payment of the dividend in cash and payment in shares. This option may also be offered in respect of any interim dividend.

General meetings (Articles 29 and 30 of the Memorandum and Articles of Association)

All shareholders are entitled to attend ordinary and extraordinary general meetings, regardless of the number of shares they own, provided all called-up capital relating to their shares has been paid in. General meetings are convened and held in accordance with the provisions laid down by law. The rules governing attendance at general meetings are those laid down by law.

Identity of shareholders (Article 9 of the Memorandum and Articles of Association)

The company may, at any time and in accordance with the terms and conditions laid down in the applicable legislation and regulations, request that the identity of holders of securities conferring an immediate or future right to vote at its general meetings be disclosed.

Statutory thresholds (Article 9 of the Memorandum and Articles of Association)

Pursuant to the decision taken by the extraordinary general meeting of June 26th 2001, any shareholder holding more than 1% of the capital or voting rights, or any multiple thereof, must disclose this situation to the company on crossing the threshold.

Article 9 of the Memorandum and Articles of Association, which contains this obligation, is reproduced below:

"Article 9: [...] Any individual or legal entity, acting singly or in concert, who/which directly or indirectly holds 1% of the capital or voting rights, or any multiple thereof, must disclose this situation to the company in a letter sent by recorded delivery (signed for), stating the number of shares held, within fifteen days of crossing any of these thresholds.

In the event a shareholder fails to comply with the disclosure requirements laid down in paragraph 4 of this article, those shares over and above the threshold that should have been disclosed shall be stripped of their voting rights at general meetings if non-disclosure is recorded by a general meeting and if one or more shareholders individually or collectively holding 5% or more of the capital request(s) this measure at said general meeting. These shares shall not have voting rights at any general meeting for a further two years after the crossing of the threshold has been duly and properly disclosed.

Shareholders must also inform the company, by the deadlines and under the conditions specified in paragraph 4 above, whenever their holding falls below any of the thresholds referred to in said paragraph."

Board of Directors (Articles 17 to 21 and 23 to 26 of the Memorandum and Articles of Association)

The company is governed by a Board consisting of at least three and no more than fifteen members. The Board of Directors also includes one director appointed from among employees who are members of the supervisory board of the Eiffage Actionnariat FCPE investment fund or of the board of directors of the Sicavas holding company shares.

- Directors are appointed for a term of four years. Article 18 of the Memorandum and Articles of Association provides for the partial renewal of the members of the Board of Directors every year;
- No more than one-third of the members of the Board of Directors may be aged over 75;
- The Board of Directors defines the company's business strategy and oversees its implementation; it meets as often as the company's needs require. The Board of Directors shall elect one of its members as Chairman for a term which must not exceed his term of office as a director. The Chairman of the Board of Directors shall organise and supervise its work and report thereon to the shareholders at general meetings.
- The age limit for the Chairman is 70. If the incumbent chairman reaches the age of 70, the Board of Directors may extend his appointment for a maximum period of three years.
- At its meeting of August 29th 2012, the Board decided to create the office of a senior director, with the title Vice-Chairman.
- The ordinary and extraordinary general meeting of April 15th 2015 authorised the appointment of one or more advisory members of the Board of Directors (*censeurs*). Advisory Board members are appointed by the Board of Directors for a renewable four-year term of office.

General management (Articles 22 and 27 of the Memorandum and Articles of Association)

The general management of the company shall be the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and given the title of Chief Executive Officer. The Board of Directors shall decide which method of general management it wishes to implement and for what duration. The Board of Directors, voting on a proposal by the CEO, may appoint one or more individuals to assist him, who shall be given the title of Deputy Chief Executive Officer.

The age limit for the CEO and any Deputy CEO is 70. If the incumbent officer reaches the age of 70 the Board of Directors may extend his appointment for a maximum period of three years.

The CEO shall have the broadest powers to act in all circumstances in the name of the company, within the limits of the corporate purpose and subject to any powers that the law expressly reserves for general meetings and the Board of Directors.

Voting rights (Article 30 of the Memorandum and Articles of Association)

The voting right attached to each share is determined in accordance with Article L.225-123 of the French Commercial Code.

As required by law, all fully paid-up shares for which proof is produced that they have been held in registered form in the name of the same shareholder for at least two years will enjoy double voting rights.

Beneficial owners of shares will validly represent legal owners *vis-à-vis* the company. However, voting rights are exercised by the beneficial owner at ordinary general meetings and the legal owner at extraordinary general meetings.

Changes to capital and shareholders' voting rights

The share capital and the rights attached to the shares that make up the capital may be modified in accordance with the law, as the company's Memorandum and Articles of Association do not contain any stricter conditions.

Provisions that may delay, postpone or prevent a change of control

The Memorandum and Articles of Association do not contain any provisions that may delay, postpone or prevent a change in the control of the company.

B. Authorised unissued share capital

A summary of financial delegations that may result in a capital increase and of currently valid authorisations to issue stock options and bonus shares is provided in section 3 of the report by the Board of Directors on corporate governance, presenting the resolutions that will be put to the general meeting.

C. Securities giving access to the capital, amount of capital and voting rights, and potential capital

At December 31st 2017 and at February 28th 2018, the share capital amounted to €392,015,064, divided into 98,003,766 shares representing 112,976,902 theoretical voting rights on that date, including double voting rights. There was no potential capital and no securities that give access to the capital on that date other than the 98,003,766 shares issued and outstanding. There has not been any material change in the capital since February 28th 2018.

Changes in capital over the last three years

Year	Nature of the transaction	Increase in capital		Share premium/ Reserves	Total capital	Number of shares
		Number	Nominal value (€)	€	€	Number
2015	Capital increase reserved for employees	3,162,525	12,650,100	104,774,453	381,735,964	95,433,991
2016	Capital increase reserved for employees	2,648,274	10,593,096	119,966,812	392,329,060	98,082,265
2017	Cancellation of shares	3,000,000	12,000,000	–	380,329,060	95,082,265
2017	Capital increase reserved for employees	2,921,501	11,686,004	148,266,176	392,015,064	98,003,766

D. Ownership of capital and voting rights

There are no provisions in the Memorandum and Articles of Association limiting voting rights.

The following table shows changes in share ownership and theoretical voting rights over the last three years:

	As at December 31st 2015		As at December 31st 2016		As at December 31st 2017			
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital	% of voting rights[1]	% of exercisable voting rights[2]
Free float	48,895,906	51.2%	59,198,171	60.3%	66,998,543	68.40%	60.5%	61.6%
Employee shareholders:								
FCPE Eiffage Actionnariat	7,558,184	7.9%	9,479,802	9.7%	11,355,659	11.6%	15.8%	16.1%
Eiffage 2000	13,478,132	14.1%	10,044,391	10.2%	6,492,482	6.6%	11.5%	11.7%
Employees direct ownership	1,602,786	1.7%	1,134,101	1.2%	1,332,002	1.4%	1.7%	1.7%
BlackRock	6,024,479	6.3%	7,550,600	7.7%	9,929,658	10.1%	8.8%	8.9%
BPI France Participations SA	13,194,500	13.9%	5,559,781	5.7%	–	–	–	–
Treasury shares	4,680,004	4.9%	5,115,419	5.2%	1,895,422	1.9%	1.7%	–
Total	95,433,991	100%	98,082,265	100%	98,003,766	100%	100%	100%

(1) Voting rights, including double voting rights (112,976,902 voting rights).
(2) Voting rights that can be exercised at general meetings, including double voting rights (112,976,902 voting rights) and after elimination of treasury shares.

Eiffage Group employees hold Eiffage shares through the Sicavas Eiffage 2000 investment fund and the FCPE investment fund Eiffage Actionnariat, which has merged with the FCPE Eiffage 2011 and Eiffage Classique funds, and was created specifically for the capital increases reserved for current and retired employees which were completed in April 2013, May 2014, May 2015, May 2016 and May 2017. Eiffage Group employees may also hold shares directly, notably through Group employee savings plans.

In accordance with its policy on employee share ownership, which has been one of the hallmarks of the Group over the past 28 years, and in order to reinforce such share ownership, Eiffage decided to carry out a capital increase in May 2018 reserved for employees, without any company contribution but with a 20% discount, via an FCPE investment fund specifically created for that purpose, called FCPE Eiffage Actionnariat Relais 2018, which will be merged with FCPE Eiffage Actionnariat.

E. Crossing of ownership thresholds in the past financial year

Name	Notification number	Notification date	Date threshold was crossed	Direction	Threshold crossed	Other details
BPIFrance	217C0361	03/02/2017	31/01/2017	↑	5%	Indirect ownership of 5,559,781 Eiffage shares, representing 11,119,462 voting rights, i.e., 5.67% of the capital and 9.33% of the voting rights.
BPIFrance	217C0999	18/05/2017	16/05/2017	↓	5%	This company does not hold any shares indirectly. The threshold was crossed as a result of a sale of Eiffage shares which was part of an accelerated book building process.
BlackRock	217C0846	21/04/2017	20/04/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,761,090 Eiffage shares, representing the same number of voting rights, i.e., 10.27% of the capital and 8.45% of the voting rights*.
BlackRock	217C2299	02/10/2017	29/09/2017	↓	10%	Ownership, on behalf of clients and funds, of 9,774,159 Eiffage shares, representing the same number of voting rights, i.e., 9.97% of the capital and 8.62% of the voting rights*.
BlackRock	217C2341	05/10/2017	03/10/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,936,127 Eiffage shares, representing the same number of voting rights, i.e., 10.14% of the capital and 8.78% of the voting rights*.
BlackRock	217C2395	11/10/2017	09/10/2017	↓	10%	Ownership, on behalf of clients and funds, of 9,791,582 Eiffage shares, representing the same number of voting rights, i.e., 9.99% of the capital and 8.65% of the voting rights*.
BlackRock	217C2429	17/10/2017	13/10/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,807,039 Eiffage shares, representing the same number of voting rights, i.e., 10.01% of the capital and 8.66% of the voting rights*.
BlackRock	217C2583	07/11/2017	03/11/2017	↓	10%	Ownership, on behalf of clients and funds, of 9,767,243 Eiffage shares, representing the same number of voting rights, i.e., 9.97% of the capital and 8.63% of the voting rights*.
BlackRock	217C2615	10/11/2017	08/11/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,978,798 Eiffage shares, representing the same number of voting rights, i.e., 10.18% of the capital and 8.82% of the voting rights*.
BlackRock	217C2639	14/11/2017	10/11/2017	↓	10%	Ownership, on behalf of clients and funds, of 9,792,872 Eiffage2 shares, representing the same number of voting rights, i.e., 9.99% of the capital and 8.66% of the voting rights*.
BlackRock	217C2674	17/11/2017	16/11/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,870,934 Eiffage shares, representing the same number of voting rights, i.e., 10.07% of the capital and 8.72% of the voting rights*.
BlackRock	217C2685	20/11/2017	17/11/2017	↓	10%	Ownership, on behalf of clients and funds, of 9,762,250 Eiffage shares, representing the same number of voting rights, i.e., 9.96% of the capital and 8.63% of the voting rights*.
BlackRock	217C2698	21/11/2017	20/11/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,809,523 Eiffage shares, representing the same number of voting rights, i.e., 10.01% of the capital and 8.67% of the voting rights*.

Name	Notification number	Notification date	Date threshold was crossed	Direction	Threshold crossed	Other details
BlackRock	217C2797	30/11/2017	29/11/2017	↓	10%	Ownership, on behalf of clients and funds, of 9,764,328 Eiffage shares, representing the same number of voting rights, i.e., 9.96% of the capital and 8.63% of the voting rights*.
BlackRock	217C2813	01/12/2017	30/11/2017	↑	10%	Ownership, on behalf of clients and funds, of 9,929,958 Eiffage shares, representing the same number of voting rights, i.e., 10.13% of the capital and 8.78% of the voting rights*.
CDC	17C0359	03/02/2017	30/01/2017	↑	5%	Indirect ownership of 5,559,781 Eiffage shares, representing 11,119,462 voting rights, i.e., 5.67% of the capital and 9.33% of the voting rights.
CDC	217C1010	19/05/2017	16/05/2017	↓	5%	No longer indirectly owns any shares in the company. The threshold was crossed as a result of a sale of Eiffage shares which was part of a book building process.
PRO BTP	217C0584	02/03/2017	01/03/2017	↓	10%	Ownership, on behalf of Sicavas Eiffage 2000, of 9,807,611 Eiffage shares, representing 19,615,222 voting rights, i.e., 9.99% of the capital and 16.47% of the voting rights.
PRO BTP	217C0901	02/05/2017	27/04/2017	↓	15%	Ownership, on behalf of Sicavas Eiffage 2000, of 8,594,711 Eiffage shares, representing 17,189,422 voting rights, i.e., 9.04% of the capital and 14.88% of the voting rights.
Société Générale Gestion	217C1230	14/06/2017	10/06/2017	↑	10%	Ownership, on behalf of FCPE Eiffage Actionnariat, of 12,074,136 Eiffage shares, representing 16,850,639 voting rights, i.e., 12.32% of the capital and 15.21% of the voting rights**.
Artisan Partners, Alken, Amundi, AXA Investment Managers, CNP, Janus Capital Management, LLC, Norges Bank, SAFE, State Street Global Advisors, The Vanguard Group, Inc et UBS.				↑ and ↓	1%	Notifications of threshold crossings received in 2017.

* Declarations of intent: "BlackRock, Inc. has crossed the 10% Eiffage capital ownership threshold in the normal course of its portfolio management business, and does not intend to implement any specific strategy with regard to the company or to exert any specific influence over its management. BlackRock, Inc. has not acted in concert with another party and does not intend to take control of the company or to request the appointment of itself or one or more individuals as members of the board of directors, management board or supervisory board".

** Declaration of intent: "In application of Article L.233-7 VII of the French Commercial Code and of Article 223-17 of the AMF's General Regulation, Société Général Gestion declares, in the name and on behalf of FCPE Eiffage Actionnariat, that the crossing of thresholds as a result of the merger of FCPE Eiffage Actionnariat Relais 2017 and FCPE Eiffage Actionnariat did not necessitate any financing; it acted alone; it does not plan to make any further purchases; it does not intend to take control of Eiffage, as that would not be consistent with the purpose of an FCPE fund governed by Article L.214-165 of the French Monetary and Financial Code; it does not intend to modify Eiffage's strategy or any of the transactions listed in Article 223-17 I, 6° of the AMF's General Regulation. It does not have any strategy other than that stated in its prospectus; it has never entered into any agreement or instrument of the type listed in Article L.233-9 I, 4° and 4° bis, of the French Commercial Code; it has never been party to a temporary sale agreement concerning Eiffage shares and/or voting rights; it does not plan to request the appointment of one or more individuals as members of the board of directors, management board or supervisory board.

To the Board of Directors' knowledge, no other shareholder has disclosed that it directly or indirectly holds more than 1% of the capital or voting rights, either singly or in concert.

F. Other information

Pledge of shares:
→ The company has not been advised that any of its shares have been pledged as collateral.

Trading in the company's own shares:
→ Pursuant to authorisations given by the general meeting of shareholders, in 2017, Eiffage acquired 2,703,546 shares through cash transactions, disposed of 2,340,475 shares and cancelled 3,000,000 shares; 588,134 shares were transferred to employees or beneficiaries when stock options were exercised. As a result, at the end of the financial year, Eiffage held 1,895,422 of its own shares (1.9% of the capital), purchased at an average price of €69.90 (nominal value: €4).

G. Statutory Auditors

Office	Primary Statutory Auditors	
Name	KPMG AUDIT IS	PricewaterhouseCoopers Audit
Details	2, avenue Gambetta, 92066 Paris La Défense Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Versailles branch of the Institute of Statutory Auditors) Represented by Mr Baudouin Griton First appointed by the ordinary and extraordinary general meeting of April 18th 2007 Current appointment by the ordinary and extraordinary general meeting of April 17th 2013 Term of office expires at the close of the ordinary general meeting held to approve the financial statements for the year to end on December 31st 2018	63, rue de Villiers, 92200 Neuilly-sur-Seine Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Versailles branch of the Institute of Statutory Auditors) Represented by Mr Gérard Morin and Mr Yan Ricaud First appointed by the ordinary general meeting of April 25th 2001 Current appointment by the ordinary and extraordinary general meeting of April 17th 2013 Term of office expires at the close of the ordinary general meeting held to approve the financial statements for the year to end on December 31st 2018
Office	**Deputy Statutory Auditors**	
Name	KPMG Audit ID	Ms Anik Chaumartin
Details	2, avenue Gambetta, 92066 Paris La Défense First appointed by the ordinary and extraordinary general meeting of April 17th 2013 Current appointment by the ordinary and extraordinary general meeting of April 17th 2013 Term of office expires at the close of the ordinary general meeting held to approve the financial statements for the year to end on December 31st 2018	63, rue de Villiers, 92200 Neuilly-sur-Seine First appointed by the ordinary general meeting of April 17th 2013 Current appointment by the ordinary and extraordinary general meeting of April 17th 2013 Term of office expires at the close of the ordinary general meeting held to approve the financial statements for the year to end on December 31st 2018

A table showing fees paid for 2017 and 2016 to the Statutory Auditors who certified the consolidated financial statements can be found in the Notes to the consolidated financial statements, on pages 290 and 291 of this document.

Person responsible for information

Mr Christian Cassayre,
Chief Financial Officer
Eiffage
3-7, place de l'Europe
78140 Vélizy-Villacoublay
France
Telephone : +33(0)1 34 65 89 89

Appended information (documents available to the public)

During the period of validity of this Registration Document, the Memorandum and Articles of Association, the Statutory Auditors' reports and the financial statements for the past three financial years, together with all the reports, correspondence and other documents and financial records concerning the company and its subsidiaries in connection with the past three financial years, any valuations or statements prepared by experts, when such documents are provided for by law, and any other document provided for by law may be consulted at the company's registered office.

Pursuant to Article 28 of European Regulation 809/2004, the following information is deemed to form part of this Registration Document:

- The consolidated financial statements and the report of the Statutory Auditors on such consolidated financial statements as at December 31st 2015, appearing on pages 127 to 179 of the French version of the Registration Document no. D-16-0230 filed with the AMF on March 30th 2016.
- The consolidated financial statements and the report of the Statutory Auditors on such consolidated financial statements as at December 31st 2016, appearing on pages 206 to 256 of the French version of the Registration Document no. D-17-0254 filed with the AMF on March 29th 2017.

Other documents

The following documents have been included in this Registration Document and thus do not need to be published separately, in accordance with the AMF's General Regulation:

- Annual financial report:

– Company financial statements for the financial year ended December 31st 2017 – Page 304
– Statutory Auditors' report on the company financial statements – Page 318
– Consolidated financial statements for the financial year ended December 31st 2017 – Page 240
– Statutory Auditors' report on the consolidated financial statements – Page 298
– Directors' Report – Article 222-3 of the AMF's General Regulation – Page 116
– Declaration by the individuals accepting responsibility for the annual financial report – Page 370

- Report on corporate governance: page 324 *et seq*. of this Registration Document.

Certification by the person responsible for the Registration Document

I certify that, to the best of my knowledge and as far as I can reasonably ascertain, the information provided in this Registration Document is accurate and no information has been omitted that might alter the interpretation thereof.

I certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial situation and results of the company and all the companies consolidated by it, and that the Directors' Report reproduced on page 116 gives a true and fair account of the state of the business, results and financial situation of the company and all the companies consolidated by it, together with a description of the main risks and uncertainties to which they are exposed.

The Statutory Auditors have provided me with a "sign off document", in which they state that they have verified the information on the financial situation and financial statements included in this Registration Document and have read the entire document.

Vélizy-Villacoublay,
April 4th 2018

Benoît de Ruffray
Chairman & Chief Executive Officer

Cross-reference table

To assist readers of this Registration Document, the cross-reference table below indicates the pages on which can be found the main information as required by Annex 1 of European Commission Regulation (EC) no. 809/2004 of April 29th 2004.

This Registration Document was registered on April 4th 2018 with the French financial markets supervisory authority (AMF), in compliance with Articles 212-13 of the AMF's General Regulation. It may only be used in connection with a financial transaction if accompanied by an official memorandum approved by the AMF.

This document was prepared by the issuer and is binding on its signatories.

Cross-reference table for the annual financial report and the Directors' report required under the French Commercial Code

To assist readers of the annual financial report (AFR) and the Directors' report, the cross-reference table below shows the sections of the Registration Document where key information required under the French Commercial Code can be found.

Cross-reference table for the corporate governance report

Information	Pages
Information concerning remunerations	
Principles and criteria for determining, apportioning and attributing the fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to corporate officers by reason of their office Art. L.225-37-2 and L.225-82-2 of the Commercial Code	344
Total remuneration and benefits of all kinds paid during the year to each corporate officer by the company, by companies it controls and by the company that controls the company Art. L.225-37-3 of the Commercial Code	345
Commitments in favour of corporate officers related to the taking up, termination or changing of functions Art. L.225-37-3 and D.225-104-1 of the Commercial Code	345
Board's choice concerning conditions for holding free shares and/or shares issued on the exercise of stock options attributed to corporate officers Art. L.225-197-1 and L.225-185 of the Commercial Code	342

Information	Pages
Information on the Board's composition, functioning and powers	
List of all directorships and functions exercised in any company by each corporate officer during the year Art. L.225-37-4 1° of the Commercial Code	330, 331
Agreements entered into by any of the company's corporate officers or a shareholder holding more than 10% of the voting rights and a subsidiary of the company (other than agreements entered into in the ordinary course of business) Art. L.225-37-4 2° (X) of the Commercial Code	328, 334
Summary table of capital increase delegations granted by the general meeting of shareholders that remain in force Art. L.225-37-4 3° of the Commercial Code	358
Choice between the two methods of general management on the occasion of the first report or when a change has occurred Art. L.225-37-4 4° of the Commercial Code	337
Composition and conditions for the preparation and organisation of the work of the Board Art. L.225-37-4 5° of the Commercial Code	325, 329
Application of the principle of balanced representation of men and women on the Board Art. L.225-37-4 6° of the Commercial Code	325
Description of the policy for promoting diversity applied to board members, of its objectives, of the conditions for its implementation and results obtained, failing which the justification for not having such a policy Art. L.225-37-4 6° of the Commercial Code	325
Limits to the powers of General Management Art. L.225-37-4 7° of the Commercial Code	324, 337
Information on corporate governance code prepared to which the company refers, failing which justication for this and an indication of rules applied in addition to legal requirements Art. L.225-37-4 8° of the Commercial Code	324
Particular arrangements for shareholder participation at the general meeting of shareholders or provisions in the Memorandum and Articles of Association governing arrangements Art. L.225-37-4 9° of the Commercial Code	363

Information	Pages
Disclosure of factors likely to have an impact in the event of a tender offer	
Structure of the company's capital Art. L.225-37-5 of the Commercial Code	365
Restrictions provided for in the Memorandum and Articles of Association on the exercise of voting rights and share transfers or the clauses of agreements brought to the company's notice pursuant to Article L.233-11 of the Commercial Code Art. L.225-37-5 of the Commercial Code	364, 365
Direct and indirect interests in the company's capital of which it has knowledge by virtue of Articles L.233-7 and L.233-12 of the Commercial Code Art. L.225-37-5 of the Commercial Code	365
List of holders of any securities conferring special rights of control and description of these securities Art. L.225-37-5 of the Commercial Code	365
Control procedures provided for any employee share ownership plans when the employees do not exercise this control themselves Art. L.225-37-5 of the Commercial Code	353, 365
Shareholder agreements of which the company is aware that could restrict share transfers and the exercise of voting rights Art. L.225-37-5 of the Commercial Code	367
Rules applicable to the appointment and replacement of members of the Board of Directors (the management board or managing partners) and to the amendment of the company's Memorandum and Articles of Association Art. L.225-37-5 of the Commercial Code	364
The powers of the Board of Directors (the management board or managing partners), in particular regarding share issues or buybacks Art. L.225-37-5 of the Commercial Code	129, 358
Agreements to which the company is party that are amended or terminated in the event of a change of control of the company, save if this disclosure, except in the case of a legal obligation of disclosure, would cause serious harm to its interests Art. L.225-37-5 of the Commercial Code	325, 337, 354, 367
Agreements providing for the payment of compensation to members of the Board of Directors (or management board or managing partners) or employees in the event of their resignation or dismissal without real and serious cause or if their employment were to be terminated as a result of a tender offer Art. L.225-37-5 of the Commercial Code	344, 345, 352

Glossary

Term	Definition
Contraction activities order book	Portion of signed contracts not executed
Fair value of CNA debt and swaps	Fair value of loans provided by Caisse Nationale des Autoroutes (CNA) and of derivative instruments
Current operating margin	Current operating profit expressed as a percentage of revenue
Like-for-like (lfl)	Constant consolidation scope: calculated by neutralising: → the 2017 contribution made by companies consolidated for the first time in 2017; → the 2017 contribution made by companies consolidated for the first time in 2016, for the period equivalent to that in 2016 before consolidated for the first time; → the 2015 contribution made by companies deconsolidated in 2017, for the period equivalent to that in 2017 after they were deconsolidated; → the 2015 contribution made by companies deconsolidated in 2016. Constant exchange rates: 2016 exchange rates applied to 2017 local currency revenue.

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AUTORITÉ
DES MARCHÉS FINANCIERS
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This registration document has been filed with the *Autorité des Marchés Financiers* (French Financial Markets Authority) in accordance with Article 212-13 of its General Regulations, on April 4th 2018, under number D.18-0262. This document may only be used in connection with a financial transaction if it is supplemented by a transaction note (*note d'opération*) endorsed by the AMF. It has been drawn up by the issuer and is binding on its signatories.

The filing, in accordance with the provisions of Article L.621-8-1-I of the French Monetary and Financial Code (*Code monétaire et financier*) was carried out after the AMF verified if the document is complete and understandable, and if the information contained within is consistent. This does not mean the AMF has authenticated the accounting and financial information herein.

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