EIFFAGE

2016
Registration
Document

Making the difference

A group with solid foundations

€14 Bn
in revenue

€12 Bn
order book
at January 1st 2017

€416 M
net profit, Group share, excluding impact of non-recurrent deferred taxation (+€59 M)

A group in motion

63,164
employees in total

13,313
employees
outside France

1,731
employees aged under 26
recruited in France

An integrated group

4
divisions

7
business lines

100,000
projects per year

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ANNUAL REPORT

GENERAL INFORMATION AND FINANCIAL HIGHLIGHTS

More than a corporate mission, "making the difference" is the benchmark that our employees set themselves in all Eiffage activities, particularly at our worksites.

This mantra refers to the diversity and excellence of the skills and technical expertise applied to the many projects from small to the most complex operations, carried out by the Group all over the world. It reflects our determination to make our operational processes ever more effective and our synergies ever more efficient, enabling us to listen to our customers' needs and take their expectations and intended uses into account at an early stage. Making the difference also means taking part in the changes that are shaping tomorrow's society. It entails striking a balance between heritage and creativeness, between innovation and respect for traditional know-how, between anticipation and pragmatism.

It means inventing cities that take better care of people and nature alike. Cities built for today and for future generations. Supporting the transition to a connected, digital world. It also means striving to be a major player in mobility solutions, as both a construction contractor and concession operator. Making the difference means connecting people, whether by facilitating travel in urban environments or by breaking down barriers between areas.

Lastly and most importantly, it implies looking after the women and men, keeping them safe at our worksites, passing on our knowledge, securing their future through employee share ownership and striving for harmonious relationships everywhere we operate.

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Eiffage around the world

65
countries in which Eiffage operates

13,313
employees outside France
(at December 31st 2016)

€2.8 Bn
in international revenue in 2016,
including €400 M outside Europe

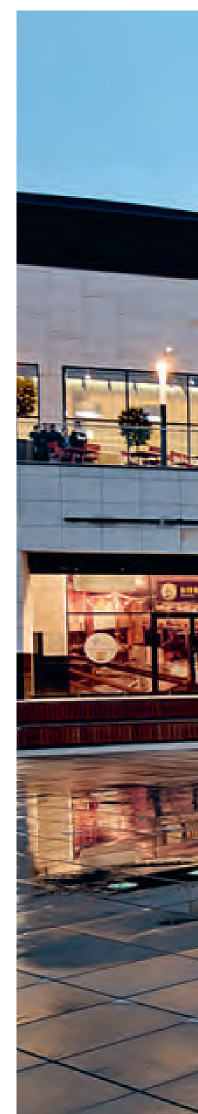

Norway
Sweden
Finland
United Kingdom
Denmark
Netherlands
Russia
Germany
Poland
Belgium
Austria
Luxembourg
Slovakia
Kazakhstan
France
Hungary
Switzerland
Romania
Georgia
Slovenia
South Korea
Spain
Italy
Turkey
Portugal
Greece
China
Algeria
Morocco
Qatar
United Arab
Emirates
Mauritania
Philippines
Mali
Cape Verde
Senegal
Burkina Faso
Guinea-Conakry
Benin
Nigeria
Sierra Leone
Togo
Côte d'Ivoire
Ghana
Equatorial Guinea
Gabon
Indonesia
Republic
of the Congo
Angola
Mauritius
Reunion Island
Mozambique
Madagascar
Australia

Bretagne-Pays de la Loire high-speed rail line

Sidoine Serraj
Project Director
Eiffage Énergie Systèmes
Ferroviaires

"The BPL high-speed rail line was an exceptional project, and our teams' motivation and commitment were among the keys to our success. Eiffage Énergie mobilised nearly 370 people, from craftsmen to engineers, to install electrical equipment and telecommunication and rail signalling systems along the line's full 214 km length. Testifying to our performance, the 120 technicians and management staff tasked with planning, executing and managing the work finished installing 3,000 km of cables and more than 9,000 catenary masts, as well as equipping 18 technical buildings in the spring of 2016, and successfully conducted all the requisite tests on the various technical systems."

Société Générale's "Les Dunes Technopôle" in Fontenay-sous-Bois, France



"As a Head Master Craftsman for the works on the Société Générale campus project, which was handed over in the autumn of 2016, I was responsible for supervising 140 of the 900 people working at the site. I also served as the process planning manager. This was an important position for this flagship architectural project featuring five buildings with sloping walls. To rise to this unusual construction challenge, we introduced special techniques and ordered custom formwork. Our professionalism, together with all the painstaking preparatory tasks during the various phases of the worksite were greatly appreciated by the architect, Anne Démians, and the developer, Sogeprom, which praised the exemplary work of our teams."

Antonio Machado
Head Master Craftsman
Eiffage Construction

Aneta Krawczyk
Works Coordinator
Eiffage Polska Budownictwo

"While working on the Posnania shopping centre in Poznań, which was handed over in the autumn of 2016, I came to truly understand the wisdom of the popular Polish proverb: "Alone, we go faster; together, we go further." The scale of this project was exceptional, with 320,000 sq. m of floor space to be built in only twenty-seven months. Completing the task successfully required total dedication by our best employees. Posnania owes its success to their team spirit and ability to overcome numerous technical challenges. We were also able to comply with very strict environmental criteria, by opting for eco-materials and by equipping the building with waste management and pollution reduction systems, resulting in a "Very good" BREEAM® international environmental rating. This structure is both exemplary and ultra-modern, equipped with 22 interactive walls and screens, as well as Europe's first giant transparent circular screen in the atrium."

Posnania shopping centre in Poznań, Poland

Eole western extension to the RER E rail line

Antoine Cumunel
Works Director
Eiffage Génie Civil

"The Eole railway extension to the west of Paris, which Eiffage Génie Civil and Eiffage Fondations are building *via* a consortium, is one of those projects that are exceptional in terms of both their scale and what is at stake, in this case, providing the Greater Paris region with ultra-modern infrastructure and facilitating travel. Considerable skills and energy will be invested in this venture, during the engineering, planning and works phases alike. Our teams' contribution includes digging a 6.1-km tunnel and building the new Porte Maillot station. We will be excavating under the Seine river and will have to manage the complexity of working in ground through which multiple RER and metro underground lines already run. It is an honour for Eiffage to receive orders for such works, and a sign that the Group inspires confidence in its ability to satisfy quality and schedule requirements while also preserving the environment. We will be spending sixty months at the site, following the green light for the execution phase given on January 31st 2017."

"Over the summer of 2016, we completely resurfaced the Aiguebelle (905 m) and Les Hurtières (1,183 m) tunnels on the A43 motorway. I helped to organise and execute this work, which involved laying 7,200 tonnes of coated aggregate. It took 20 workers thirteen days to place the various layers of aggregate for the base, binder and surface courses. We also used an extensive range of plant, including a finishing machine more than 8 m wide, specially designed for laying coated aggregate. Deadlines were tight and there were strict requirements relating to quality and concurrent working. We are proud that the Voglans office was able to successfully complete these two projects in less than two weeks, leaving a perfectly uniform coated aggregate surface with no joints or warping."

Julien Paulus
Assistant Works Supervisor
Eiffage Route

Aiguebelle tunnel on the A43 motorway

Extension and renovation of the Strasbourg courthouse

" Managing the Strasbourg courthouse worksite was a real privilege. We formed a consortium with the Energy division to restore this listed building, and in particular the jewels in the crown: its iconic stone façade and the public lobby. We also renovated more than 12,000 sq. m of premises and built more than 6,000 sq. m of new floor space to enable the building to meet the requirements of today's justice system. The project was an architectural challenge, due to the need to reconcile classical style and contemporary design. We used highly-qualified local workers to restore the façade and renovate the gilding and mosaics in the public lobby. It was also a challenge from a logistics perspective. We tailored our approach to comply with urban planning requirements and uphold a series of commitments to minimise inconvenience."

Arnaud Kaupp
Senior Works Engineer
Eiffage Construction

Installing air handling and air conditioning equipment
at Lascaux IV, a full-scale reproduction of Lascaux cave in Montignac

"We took part in the prestigious project to build a reconstitution of the prehistoric Lascaux cave. We installed air conditioning and air handling equipment that maintains a constant temperature of 16°C and 80% relative humidity, summer and winter alike, recreating the atmosphere of the original cave while protecting the elastomer shell of the replica and the reproduction cave paintings from damage. I have no doubt this project will be one of the most extraordinary in my career."

Jean-Luc Bouché
Business Manager
Eiffage Énergie Thermie

"We are proud to have been chosen to build the Hypérion composite wood-and-concrete tower in Bordeaux, the first structure of its kind in France. When completed in 2020, it will stand more than 50 m tall. We also handed over a solid wood-framed building containing 140 social housing units in Ris-Orangis, and are currently working on other projects as well as continuing to develop our wooden construction business. Wood, and the dry construction process more generally, has been singled out as a growth driver in our 2020 strategy plan, which is set to expand our market share in France and, we hope, in Northern Europe."

Jacques Bouillot
Innovation and Dry Process Director
Eiffage Construction

The planned Hypérion composite wood-and-concrete tower in Bordeaux

Building the A89-A6 motorway link road

"Developing the 5.5-km link between the A89 and A6 motorways to the northwest of Lyon is my first challenge as operations manager. Teams from Eiffage's Infrastructures division will have only twenty-three months to build three interchanges, a viaduct, a motorway fork, several roundabouts, one new section of motorway and several widened sections. This highly technical project is also a significant human endeavour: our team will be up to 250 strong at its peak. We are investing considerable effort to consult and explain the project to local residents, elected representatives and motorists, and work hard every day to keep our workers safe. Some 37,000 vehicles use the current two-lane road every day. We will be cutting the ribbon in February 2018!"

Isabelle Lacharme
Major Projects
Operations Manager
APRR

Illuminating Mane citadel

Stéphane Lale-Castain
Department Manager
Clemessy

"We carried out a long-awaited project to illuminate Mane citadel, one of Haute-Provence's most remarkable strongholds. The citadel is visible from almost 8 km away. Its proximity to an astronomical observatory prompted us to mount the 45 LED-based lighting modules on 4 m-tall posts, to advantageously illuminate the citadel walls without interfering with the astronomers' activities. Our electrical storyboard was also designed with attention to detail. The citadel's outline is illuminated as dusk falls, giving it the orangey yellow colour associated with sunset, before gradually fading out. We won second prize at the 2016 Lumières awards for this project."

"To the satisfaction of all concerned, AREA and its shareholders now own 100% of Adelac, the concession operator of the A41 North motorway. Every day, more than 27,000 vehicles travel along this motorway, which runs from Annecy to Geneva and is a lifeline for cross-border workers. After successfully refinancing Adelac's borrowings in September 2016, a year ahead of schedule, this was a new challenge for the teams from AREA that manage the A41 North's toll revenue from the toll centre in Cruseilles, and organise operations to keep the road open from the maintenance centre in Annecy. A real challenge in winter: despite being only 19.6 km long, this mountain motorway features a 3.3-km tunnel and four viaducts."

Michel Vistorky
Adelac CEO and Manager in charge
of all tunnels in the APRR-AREA network

"Construction work for the Kamoro bridge, located in remote bushland more than seven hours by road from Madagascar's capital Antananarivo, was completed in April 2017, two months ahead of schedule. This impressive achievement, representing an investment of €10 million, was part of a larger programme to renovate Madagascar's infrastructure. Each stage of the project was a real challenge. To anchor this 280 m-long suspension bridge, we installed 1,000 metres of piling three metres below the river level, cast 35 m-tall piers, and fitted and adjusted 90 km of cables. There was a significant social dimension to this project: more than 100 workers were recruited locally and trained. We would not have achieved our goals without the availability and energy of the whole team. We also renovated the old bridge to ensure that traffic can flow smoothly between Antananarivo and Mahajanga, the main port on the west coast, thereby facilitating Madagascar's economic development."

Benoît Turmine
Works Director
Eiffage Génie Civil

Bridge over the river Kamoro in Madagascar

Cogeneration plant in Nantes

"We installed our first cogeneration plant, fuelled by natural gas, at a market garden in Morlaix in 2006. We have since won contracts all over France, and now have 84 cogeneration plants in operation, from Brest to Arles, with a combined capacity of 300 MW. Market gardeners can sell the electricity they generate to the power utility EDF, halving the cost of heating their greenhouses, which is their second-largest operating cost. In 2016, we notably won a contract with one of Nantes region's largest market gardens and received the honours of local elected officials. I am very proud of the development of this business."

Gilles Marguerat
Office Manager
Eiffage Énergie

Christèle Million
Innovation and Development
Project Manager
APRR

"In November 2016, in partnership with iDVroom, we began a six-month programme of trials on the A43 motorway, aimed at facilitating car-pooling for commuters travelling between Lyon and Bourgoin-Jallieu. We created eight stopping points between the two towns, as on a public transport route. The Pop & Vroom mobile app lets drivers and passengers contact each other easily and very flexibly. However modestly, this solution is helping to improve mobility in suburban areas, and in eastern Lyon in particular. The goal is to facilitate access during rush hours, while encouraging the use of car-pooling areas on the approaches to the motorway. By the end of February 2017, the application had more than 350 registered users and more than 500 trips logged. The next step is to form new partnerships to expand public transport services to the stops along this car-pooling route, which will enhance their appeal and increase their use."

Car-pooling trials on the A43 motorway

Renovation of the ventilation system in the Caluire tunnel

"Our new business centred on ventilation systems for underground structures, launched in 2014, is proving to be a great success. Ventilation in new and existing tunnels is a strategic business. Effective ventilation is crucial in case of fire, and maintains air quality during everyday operation. We won major contracts, with significant safety implications, for the Caluire tunnel and the Fréjus tunnel, France's longest. We also won two projects back-to-back in Belgium, operating in synergy with Clemessy and with Yvan Paque, VSE and Valens (three Belgian subsidiaries of Eiffage), including a €32 million rail project that augurs well for the Grand Paris strategic development programme."

Benoît Houseaux
Underground Ventilation
Business Manager
Eiffage Énergie

Élise Flaquet
Cost Controller
Clemessy Services

"I am fascinated by industrial endeavours. What I like most is the fact that no two days ever seem the same. From June 2016 to March 2017, I managed the budget for a project for the chemical manufacturer Kem One in the Bouches-du-Rhône department. A consortium of entities from the Energy division, led by Clemessy Services, helped to modernise the electrolysis unit at the plant in Lavéra. This was a real challenge, as we had only four months to prefabricate 13 steel modules and prepare to install the 400 tonnes of structural elements, 40 tonnes of pipes and 2.5 km of electrical cables. These "skids" were pre-assembled at the Eiffage Métal plant in Fos-sur-Mer. This project is a fine illustration of our ability to work in synergy."

Modernisation of the electrolysis unit at the Kem One chemicals plant in Lavéra

" After initially providing support to gardens in our organic market gardening-centred employment integration network, in Salles-sur-Garonne and Saint-Just-Saint-Rambert, the Eiffage Foundation agreed to a national partnership with us. We now support 4,000 gardeners on integration programmes at our 120 gardens each year. Unlike many foundations that provide one-off grants, the Eiffage Foundation is with us for the long term. This partnership will help us to develop a national headquarters and a training centre for all our employees, on the Plateau de Saclay."

Jean-Guy Henckel
National Director of the Jardins de Cocagne gardening network

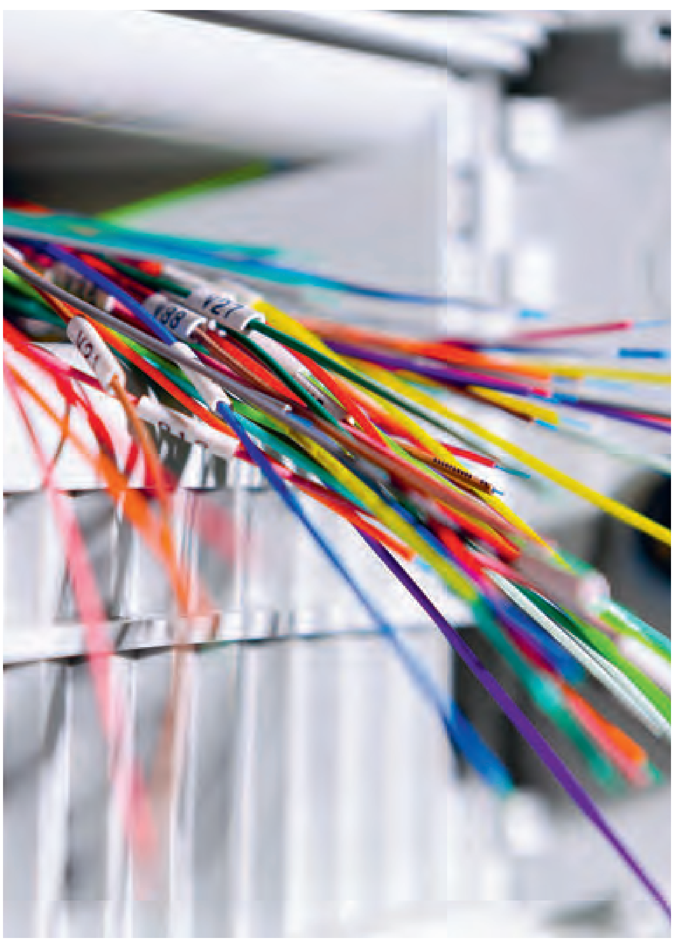
Partnership between the Eiffage Foundation and the Jardins de Cocagne network

Cocoon'Ages intergenerational residential developments

"The Cocoon'Ages intergenerational residences, that we developed in partnership with the social engineering consultants at Récipro-Cité, are the only properties of their kind. Our aim was to create a caring, friendly environment for residents, with a particular focus on seniors, bearing in mind that by 2050 almost one in three French people will be aged over 60. The apartments are designed to suit an ageing population. Each residence includes a common area with a shared kitchen, patio and garden to foster a vibrant community spanning multiple generations. A Récipro-Cité manager organises leisure activities and watches over the older residents. Through this approach, we do more than just build real estate, instead we help to weave the social fabric and enhance our relationship with communities."

Frédéric Henry
Île-de-France region Deputy Director
Eiffage Immobilier

Deploying fibre optic cable networks



"When I took charge of the FTTH (Fibre to the Home) department, we had a staff of around 30. Now there are 200 of us. Creating so many jobs in a Group with genuine values is a source of great satisfaction as we build the next-generation telecom network called for by France's ultra-broadband plan. We offer telecom operators and local authorities turnkey solutions covering everything from project design by our design department (with a staff of 146) to installation by our technicians and maintenance carried out by dedicated teams. Wherever possible, we harness the expertise and ability of other Group subsidiaries—such as Eiffage Énergie Infrastructures Réseaux and Eiffage Énergie Loire Auvergne—to carry out civil engineering and works as part of an end-to-end Eiffage solution."

Hicham El Asri
FTTH Department Manager
Eiffage Énergie Télécom

The Eiffage Dakar Motorway Marathon

Missira Keita
Director of Quality, Health, Safety, the Environment and CSR
Eiffage Sénégal

"On February 13th and 14th 2016, we celebrated the 90th anniversary of the Group's presence in Senegal by staging the Eiffage Dakar Motorway Marathon, a particularly appropriate choice of event given that West Africa's first toll motorway, designed and operated by Eiffage, measures 42 km (26 miles) in length. In all, 20,000 people representing 65 different nationalities entered this event, which was a big first for a private company and a popular festive occasion, featuring races and activities for all ages, art and cultural exhibitions, as well as stands devoted to sustainable development. This celebration, organised in a responsible manner with particular attention paid to waste management, is a source of great satisfaction for Eiffage and for Senegal."

"We have fully structured the operation to renovate the Grande Arche in La Défense, an iconic feature of the Grand Paris strategic project, and have been managing the project since September 30th 2014. In entrusting us, *via* a public-private partnership, with the role of client for this operation, the French State could be sure that the schedule would be met and, once handed over, the building would comply with its requirements and meet the agreed performance targets. We have been responsible for orchestrating the project at each stage, from designing the solution to supervising the works, followed by commissioning and the subsequent maintenance phase. The work, which we entrusted to teams from Eiffage Construction, Eiffage Énergie and the façade specialist Goyer, an Eiffage subsidiary, was completed in late March, 2017. The work matched the scale of this 112 m-tall glass and steel cube, which had 11,000 sq. m of façades, 70,000 sq. m of offices and 8,000 sq. m of space in the roof of the arch in need of complete renovation. Eiffage Services personnel will now take over and maintain the building until 2034."

Étienne Housset
Operations Director
Eiffage Concessions

Renovation of the Grande Arche in La Défense

Offshore wind farm foundations

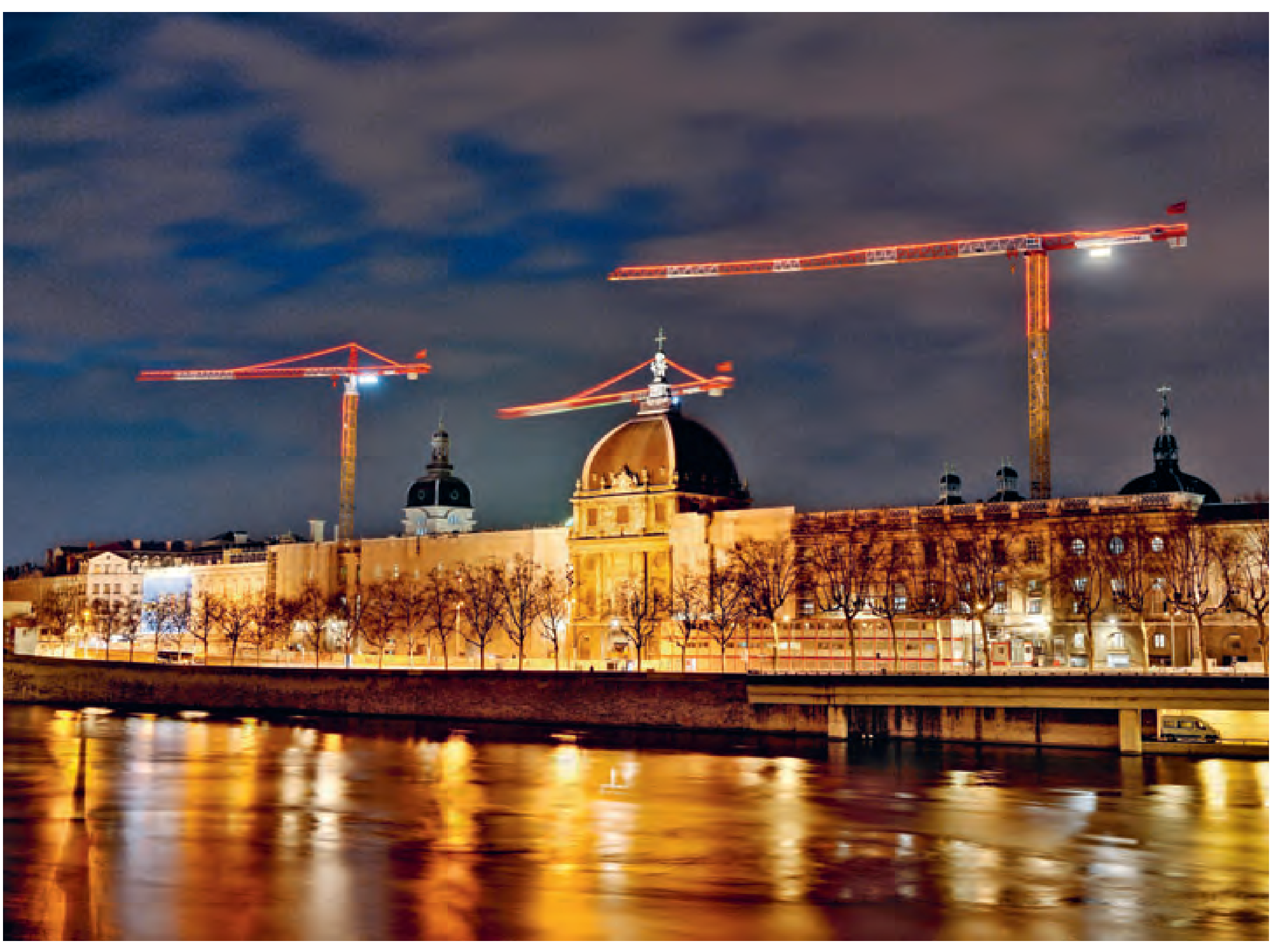
"We are proud to be taking part in the construction of Beatrice, one of the largest offshore wind farms currently under construction off the coast of Scotland. The farm features eighty-four 7 MW turbines, and we have been chosen to manufacture 28 jackets, which are deepwater foundation structures on which turbine towers are mounted. This €160 million contract, awarded in June 2016 by Seaway Heavy Lifting, is an exceptional order for Smulders Group. Be aware that we have only eighteen months in which to deliver these gigantic metal components, each weighing nearly 1,100 tonnes and standing 70-80 m tall. Meeting this tight schedule requires total commitment from our subsidiaries in Belgium, Poland and the UK. Between 350 and 400 people will be working on the order throughout the production period."

Lieven van Hileghem
Senior Project Manager
Iemants, Smulders Group

Thierry Brossard
Project Director
Eiffage Construction

"The Grand Hôtel-Dieu operation in Lyon is the largest listed building conversion project ever undertaken by the private sector in France. This iconic work site is particularly complex, due to its city-centre location, the extensive archaeological excavations carried out, and the plan to build a five-star hotel in the property while restoring the historical parts of the listed buildings. "In many cases, it is the period features that dictate what can be done". Having said that, for me this is a fascinating project. We will be breathing new life into a prestigious property located in the heart of the erstwhile Gaulish capital, and opening up this five century-old institution to the general public. Shops, restaurants, offices, a hotel, apartments, the Gastronomy International Centre, a conference complex, ornamental gardens, etc.: all in all, more than 51,000 sq. m of floor space will have been completely renovated by the end of 2018, after three years of work involving more than 800 workers during the busiest period."

Grand Hôtel-Dieu in Lyon



Worksite facilities for the project to renovate the George V hotel in Paris

"We are giving a new lease of life to the George V luxury hotel in central Paris. Our craftsmen began by meticulously renovating the Michelin-starred restaurant and the most prestigious hotel suites. We then moved on to the demolition and reconstruction of the 1,800 sq. m spa facility, which includes a treatment room, fitness area and a swimming pool that will be completely redesigned. We are overseeing all aspects of the work, from concrete casting to the final coat of paint. We are working with noble materials such as brass, nickel and precious marble, as well as premium-quality paints and lacquers. Our team is constantly adapting to satisfy our customer's requests. We plan the work, which began in April 2015 and will conclude in the first quarter of 2018, to avoid causing any inconvenience to the hotel's guests. In particular, we set up an appropriately-decorated site installation through which we remove rubble and unload trucks carrying materials. We are also restoring a listed mansion in Rue de Courcelles to the same standard of luxury and specifications; for this project, we are creating 500 sq. m of floor space, a swimming pool and several basement floors, with a late 19th century-inspired interior decoration scheme."

Julien Guéna
Senior Works Director
Pradeau Morin

Four sustainable commitments in response to social and environmental challenges that are enabling us to build tomorrow's world today

Deploying

Developing

Improving

Building

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Deploying seven world-class business lines with a unified customer-facing model

Whether in construction, real estate, civil engineering, metallic construction, roads, energy or concessions, our strength lies in our ability to effectively marshal an extraordinarily diverse range of technical know-how and businesses for the 100,000 projects that we handle each year and the motorways that we manage. We are experts in project financing and have developed comprehensive financial engineering solutions that enable us to build prestigious and technically highly complex structures, conduct renovation projects that uphold historic traditions, anticipate the challenges facing sustainable cities and promote multiple forms of mobility.

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Developing commitment by our employees

We owe the outstanding quality of our structures to the devotion of our 63,000 employees and the 3,000 people who join us each year. Our personalised welcome and induction process, internal mobility and targeted training, backed by a dynamic human resources management policy, ensure that all employees are able to build a career with Eiffage. This creates considerable trust, enhanced by our unwavering focus on safety and our culture of employee share ownership.

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Improving the quality of life everywhere we operate

Creating sustainable, intelligent green towns and cities in which people can live together more harmoniously, breaking down barriers between communities and addressing needs locally are among the challenges tackled by our employees in the 65 countries in which we operate.
As a preferred partner of local authorities and investors, we adopt an all-round, integrated approach to designing and implementing systemic sustainable development at scale.
Whether developing innovative concepts and architecture, restoring urban heritage, producing renewable energy, eco-designing buildings or promoting urban farming, we are already actively inventing tomorrow's world.

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Building today and tomorrow's world

Well aware of our role in anticipating and providing support through profound social and economic changes such as the digital revolution, rapid urbanisation, global warming and changing mobility, we innovate to build a sustainable future for the generations to come. The culture of constant innovation that permeates all our businesses is amplified by our sustainable urban development research programme, Phosphore, and by our urban design software solution, Urbainable®.

"Our Eiffage 2020 strategic plan underscored the importance of balancing our works and concessions activities. It focuses clearly on our customers' expectations in each of our businesses and markets. This plan will be the locomotive that drives our success."

Benoît de Ruffray
Chairman and CEO, Eiffage

How would you sum up 2016?
We had an excellent year. Our works businesses were particularly resilient, and our concessions are well positioned. Our operating profit and margin increased for the fifth year in succession. Our order book increased by 5.1%, representing 12.6 months of activity for the works divisions.

What are Eiffage's strengths and specificities?
Eiffage is a compact organisation with very few management levels. This flat structure helps us to remain agile and efficient. Another of our strengths is our dense network of locations in France, which helps us to build strong local relationships with our customers. The success of our integrated offerings and

the enhanced dialogue between business lines are delivering mutual benefits and synergies. I would add that the scale of employee share ownership at Eiffage is a powerful cohesive factor that sets us apart from competitors.

What are your goals for the future?
When I took up this position in 2016, I initiated a strategic plan to set out a clear vision for Eiffage in 2020. This plan, which focuses on our customers' requirements in each of our business lines and markets, has been adopted across all operational units in France and internationally. This approach supported our solid organisation around seven core businesses. The bedrock of our success, delivering value for us and for our customers, is our expertise in these core businesses, relating to works—construction, real estate, civil engineering, metallic construction and energy—and concessions (including motorway concessions). Eiffage 2020 also restated our second axis of equilibrium—being both a local stakeholder and a global player. Our strong roots in the regions and countries in which we have chosen to operate are hugely important. They provide the necessary resilience to take business cycles in our stride. As a global operator, the Group's agility and compactness, excellent fit between businesses, cutting-edge engineering capabilities and cohesion around a set of strong, uncompromised values put us in a firm position to bid for major projects such as the Bretagne-Pays de la Loire high-speed rail link.

"The whole Group is heavily committed to harnessing today's profound digital and environmental transitions to leverage performance."

"Making the difference" is Eiffage signature. Can it stimulate innovation?
Innovation is a central feature of our strategy. Examples of the many innovative ideas developed for our customers include the Smartseille eco-neighbourhood, a digital campus in Brittany, applications of the Internet of Things, dynamic bus lane and urban asset management, dynamic car pooling and new service concepts at our motorway areas. The whole Group is heavily committed to harnessing today's profound digital and environmental transitions to leverage performance. Support functions are increasingly using digital solutions. At a time when new technologies are facilitating the industrialisation of construction processes, we have everything we need to move ahead of the field. Another driver for accelerating innovation is to open it to the research community and start-up businesses.

We are committed to cross-business innovation as a means of fostering innovative solutions, both within the Group and through partnerships with third parties.

Can you describe your international growth strategy?
Our priority is to strengthen our roots in Europe, which accounts for 21% of our works revenue (excluding France). We have permanent locations in a number of countries, including Germany, Spain, Belgium, Switzerland and Poland. In these countries, we are looking to develop all of our business, to enhance our visibility and attract top talent.

"Our priority is to strengthen our roots in Europe."

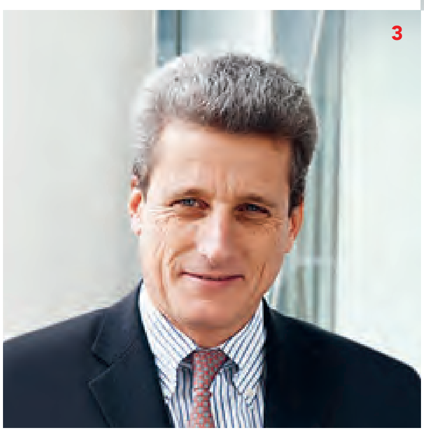
We have also been supporting our customers further afield for many years, and intend to step up our ability to provide our expertise in export markets, building on the areas in which we excel.

Eiffage aims to set an example for other companies to follow in the area of risk prevention. How does this translate in practice?
We refuse to accept that accidents are inevitable, and make safety a core consideration in all our decisions, when selecting customers and partners, as we work to ensure fair organisational structures, when designing, planning and executing our projects, and in the performance of our motorway monitoring and management missions. Effective risk prevention demands unerring commitment at every level of management. Safety and performance always go hand in hand. Our goal is to achieve zero-risk, zero-accident operation.

If you had to single out one of the Eiffage Group's strengths...
Eiffage is highly driven. It is vital for us to grow without compromising our exemplary environmental credentials, our commitment to corporate social responsibility or the dedication, loyalty, compassion and solidarity of our employees. Clearly, one of the key challenges is to develop our human potential across all regions and countries in which we operate. The Group's performance depends on our employees' satisfaction and ambition. Eiffage must continue to recruit and train for the future. Eiffage University is an essential tool for achieving this development. Last but not least, we must strive to preserve one of our greatest assets: our shared values.

Governance

A management team ready to tackle new challenges



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 division

2 **Christian Cassayre**
Chief Financial Officer, Eiffage

3 **Olivier Genis**
Chief Executive Officer and then Chairman of the Construction division from March 1st 2017

4 **Michel Gostoli**
Chairman of the Construction division until February 28th 2017

5 **Marc Legrand**
Chairman, Eiffage Rail Express

6 **Philippe Nourry**
Chairman and Chief Executive Officer, APRR and AREA

7 **Max Roche**
Deputy Chief Executive Officer, Eiffage, in charge of Concessions

8 **Jean-Louis Servranckx**
Chairman of the Infrastructures division

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, Eiffage

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

Thérèse Cornil
Independent director

Laurent Dupont
Director representing employee shareholders

Jean-Yves Gilet
Independent director

Jean Guénard
Independent director

Marie Lemarié
Independent director

Dominique Marcel
Independent director

Isabelle Salaün
Independent director

Carol Xueref
Independent director

Bruno Flichy
Non-voting member

2016 key figures

€14,008 M

Revenues

Revenues

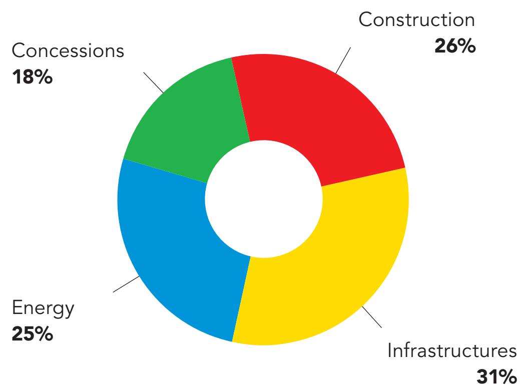
(in millions of euro, excluding IFRIC 12)

	2015	2016	Actual	LFL*
Construction	3,514	3,666	+4.3%	+3.4%
of which Real Estate	743	768		
Infrastructures	4,374	4,325	-1.1%	-2.5%
Energy	3,578	3,461	-3.3%	-4.1%
Total Contracting	**11,466**	**11,452**	**-0.1%**	**-1.2%**
Concessions (excl. IFRIC 12)	2,443	2,556	+4.6%	+4.7%
Total Group (excl. IFRIC 12)	**13,909**	**14,008**	**+0.7%**	**-0.2%**
Of which:				
France	11,272	11,246	-0.2%	-0.7%
International	2,637	2,762	+4.7%	+2.2%
Europe excl. France	*2,234*	*2,384*	*+6.7%*	*+3.7%*
Outside Europe	*403*	*378*	*-6.2%*	*-6.2%*
"Construction" revenues of Concessions (IFRIC 12)	206	272	n.s.	

* At constant scope and exchange rate.

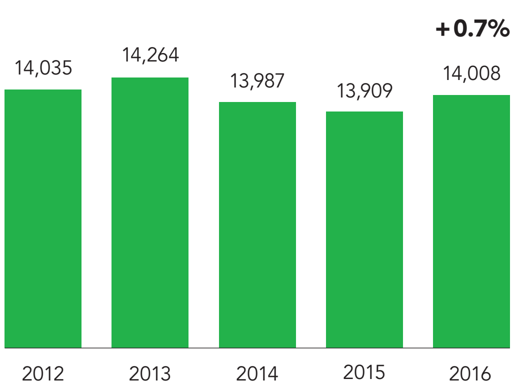
Revenues by business line

(in %)



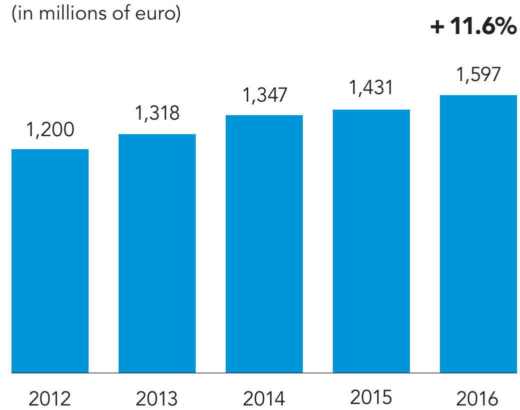
Revenues

(in millions of euro, excl. IFRIC 12)



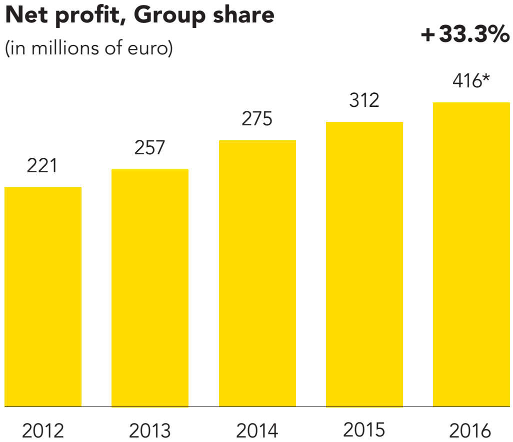
Operating profit on ordinary activities

(in millions of euro)



Net profit, Group share

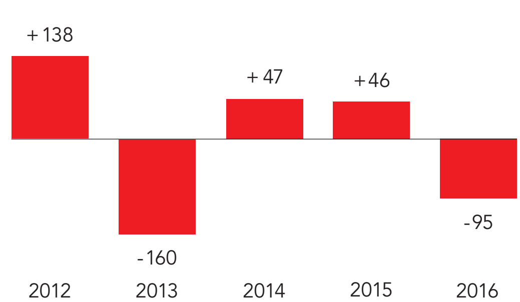
(in millions of euro)



* Excluding adjustments for non-recurrent deferred taxation (+€59 M).

Change in working capital requirements

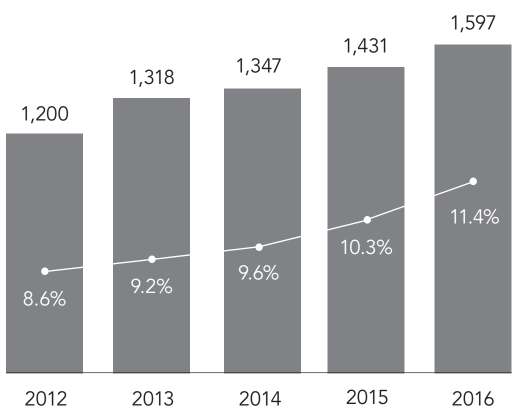
(in millions of euro)



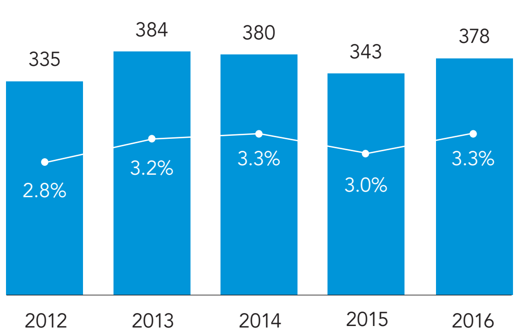
+: cash generated
–: cash consumed

Operating margin

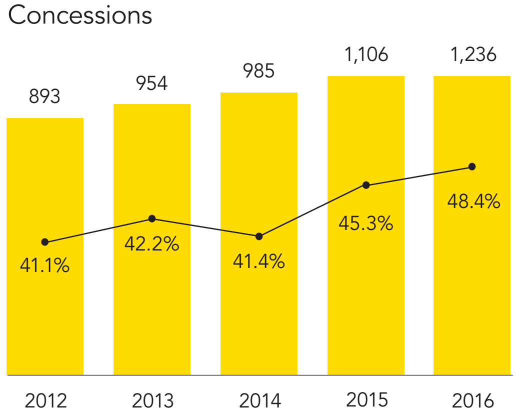
Steady growth in Group's operating profit
(in millions of euro) and operating margin (in %)



Contracting



Concessions



Cash flow

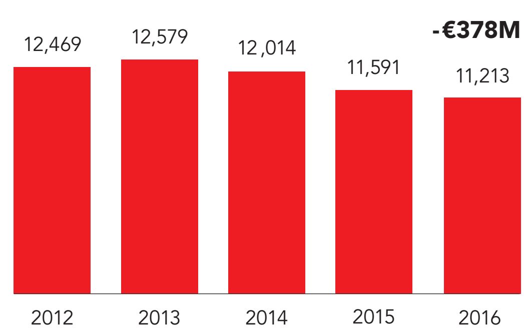
(in millions of euro)

	2015	**2016**
Operating cash flow	1,230	**1,167**
CAPEX flow	-748	**-750**
Free cash flow	482	**417**
Acquisitions and disposals	-33	**-108**
Dividends	-121	**-145**
Capital increase	40	**56**
Change without flows of funds	55	**158**
Change in net financial borrowings*	423	**378**

* Excluding fair value of CNA debt and swaps.

Net debt*

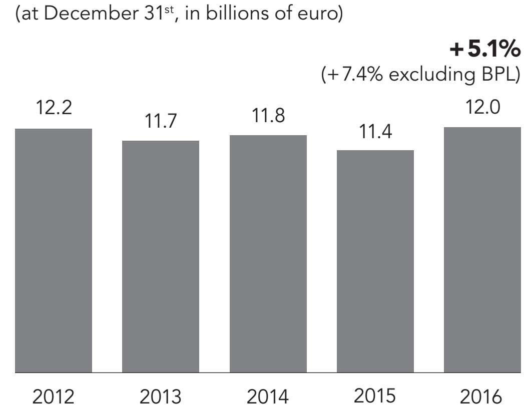
(at December 31st, in millions of euro)



* Excluding fair value of CNA debt and swaps.

Contracting order book*

(at December 31st, in billions of euro)

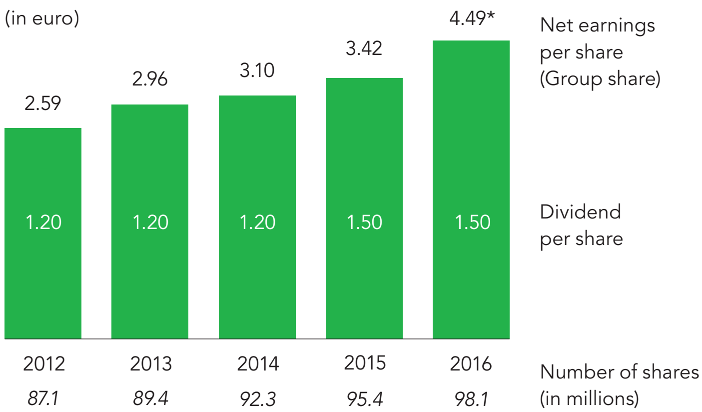


* Unaudited figures.

Market information and shareholder structure

Net earnings and dividends per share

(in euro)



* Excluding adjustments for non-recurrent deferred taxation.

LISTING
Euronext Paris
Compartiment A

ISIN CODE
FR 0000 130452

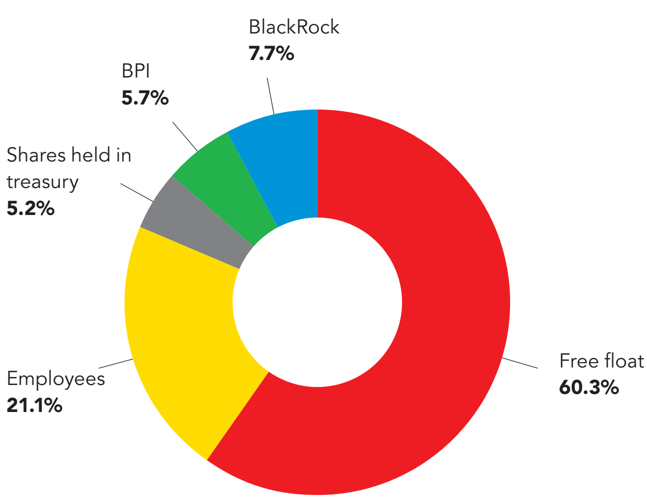
Eligible for inclusion in French personal equity plans (PEA) and for deferred settlement service (SRD)

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

CODES
Bloomberg: FGR FP
Reuters: FOUG. PA

Shareholder structure

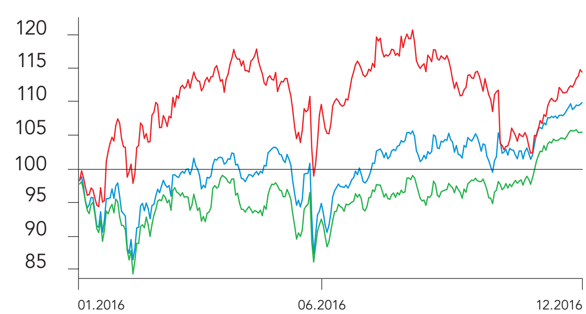
(at December 31st 2016)



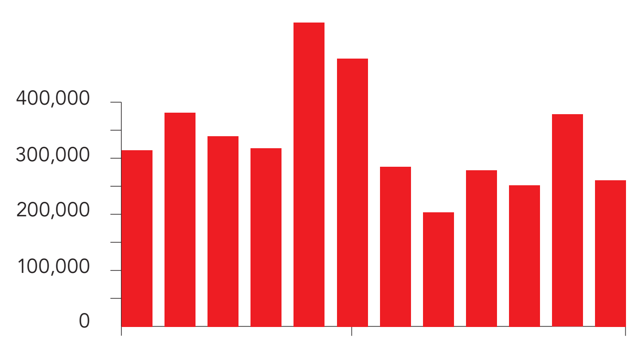
Eiffage share price performance since January 2016

(rebased to SBF 120 and Euro Stoxx Construction & Materials)

- Eiffage share
- SBF 120 index
- Euro Stoxx Construction & Materials



Eiffage share monthly average daily trading volume since January 2016 (on Euronext Paris)

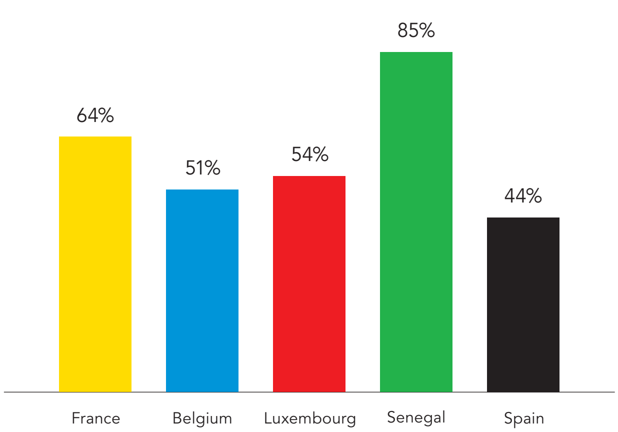


Employee share ownership, a sign of trust in the company

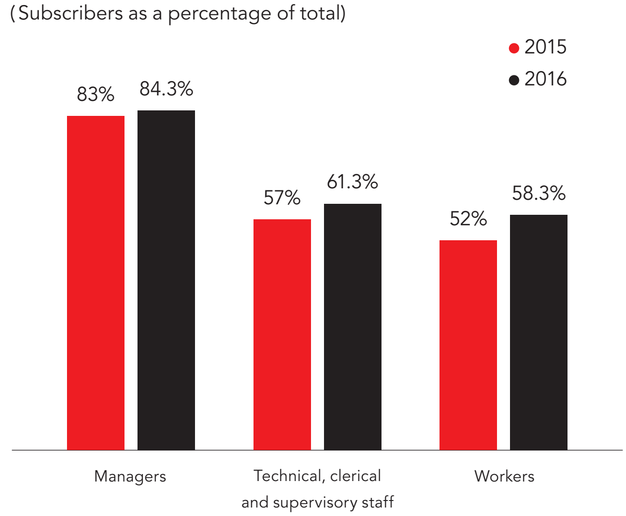
The 2016 Eiffage employee share ownership subscription campaign, which ran from March 14th to April 10th, once again set a new participation record. Some 37,715 Group employees subscribed, representing a take-up rate of 64.15% in France and 50.36% internationally. A total of €130.5 million was raised, and the average contribution was €3,462 per employee. The take-up rate by craftsmen also increased, further consolidating their adoption of employee share ownership. Participants benefited from preferential terms, including a 20% discount on the reference price, management costs borne by the Group and tax-friendly conditions.

Following on from the 2014 opening up of the subscription to the Group's subsidiaries in Belgium, Luxembourg and Senegal, a highlight of the 2016 campaign was the inclusion of the Spanish subsidiaries. The employees concerned by the change made a noteworthy *début*, with a take-up rate of 43.73%. Online subscription, a lower-cost, more environmentally-friendly solution was rolled out to a larger population of employees, in 2016. This option proved a great success, with 20,657 people (i.e. 45% of eligible employees) using this fast, easy-to-use service.

French and international subscription rates in 2016
(Subscribers as a percentage of active employees)



Subscription rates by socio-economic category in France
(Subscribers as a percentage of total)



Employee share ownership in 2016

Number of subscribers*	37,715
Proportion of subscribers** (in percentage of eligible employees)	62.81%
Amount subscribed* (in millions of euro)	130.5
Proportion of capital held by employees	21.1%

* Solely for the FCPE funds.

** France and international.

Investment
(by source of funds and by year)*

(in millions of euro)

	2015	2016
Employee contribution	14.7	17.1
Eiffage advance	6.1	6.3
Incentive schemes	17	18.2
Profit-sharing schemes	18.4	20.2
Reinvestment	61.4	68.7
Total	**117.6**	**130.5**

* Solely for the FCPE funds.

Deploying seven world-class business lines with a unified customer-facing model

Eiffage deploys its expertise through seven business lines —construction, real estate, roads, civil engineering, metallic construction, energy and concessions— structured as four divisions.

Deployi

ng

Construction contractor and concession operator

Construction

The Construction division coordinates a range of complementary businesses: urban development, real estate, construction, maintenance and works & services.
Through this comprehensive offering, the division supports public and private-sector customers across Europe at every stage of their projects, from land searches to asset maintenance.

2016 revenue
€3.7 Bn
(+4.3%)

Order book* (at December 31st 2016)
€4.7 Bn
(-1.8%)

Employees
11,287

Infrastructures

The Infrastructures division has end-to-end know-how in the design and construction of onshore and offshore infrastructures —from foundations to equipment installation.
The division also has expertise in engineering and erecting building shells and metal structures, as well as rolling out multi-technical solutions throughout the industrial sector.

2016 revenue
€4.3 Bn
(-1.1%)

Order book* (at December 31st 2016)
€4.4 Bn
(+14.7%)

Employees
22,447

* Unaudited figure.

The Group depends for its great stability on maintaining the balance between its contracting and concessions businesses. In addition to the strong financial fit between short-cycle and long-cycle businesses, this model excels itself when building new greenfield infrastructures (transport networks, educational facilities, etc.), the finest example of which is without doubt the exceptional contract for the Bretagne-Pays de la Loire high-speed rail link, which is to be handed over on May 15th 2017, after six years of works.

Energy

With expertise in all aspects of electrical, mechanical and thermal engineering as well as telecommunications, the Energy division provides customised multi-technical services tailored to the specific requirements of individual projects.
The division's teams design, build, operate and maintain socially and environmentally responsible energy and information systems and networks.

2016 revenue
€3.4 Bn
(-3.3%)

Order book* (at December 31st 2016)
€2.9 Bn
(+3.8%)

Employees
24,927

Concessions

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

2016 revenue
€2.6 Bn
(+4.6%)

Investment (in 2016)
€634 M

Employees
4,211

Construction

Eiffage Construction is a major player in the building construction sector, operating in France and the rest of Europe. The division has expertise in all aspects of construction, and a proven ability to complete even the most complex projects for public and private-sector clients alike.

An all-round offering covering all market segments
Eiffage Construction's good activity levels in 2016 were driven in part by major projects and by the integrated offering approach, which harnesses the expertise of all Group business lines from an early stage. Already present in the La Défense business district near Paris, where it is renovating the Grande Arche, Eiffage Construction is intensifying its activity with projects to restructure 38,500 sq. m of Window offices and to renovate and build additional storeys on the Carré Michelet building.

In addition to a long tradition of new-build operations, Eiffage Construction has extensive renovation expertise, bolstered by major design-build-operate-maintain (DBOM) projects with related energy performance contracts. The company is now the leading operator in this area, helping it to maintain a high level of activity in the housing sector, which accounts for 40% of revenue.

Applying innovation in design and construction methods
Eiffage Construction's ability to innovate has regularly been a decisive factor in winning new orders.
In particular, the company's expertise in dry construction processes has made it a recognised player in the market for wooden buildings. For example, in 2016, Eiffage Construction won the contract to build the Hypérion tower in Bordeaux, one of the tallest timber-framed housing developments, and handed over Europe's largest-ever solid-wood apartment building, in Ris-Orangis near Paris. Last but not least, Eiffage Construction employees will remember 2016 for the major shift in project management brought about by the rollout of BIM.


1

Outlook
In line with the main thrusts of its strategic plan and backed by a solid order book, Eiffage Construction aims to expand all its businesses in step with the potential offered by local markets. Special emphasis will continue to be placed on major projects. It will also carefully examine opportunities in growth markets such as housing construction and renovation and intends to develop its expertise in maintenance and renovation works & services across all regions.

2


1
The La Fleuraye residence in Carquefou, a design-and-build project with Passivhaus energy certification.

2
The Health Care training centre built for the campus plan in Lille.

Real estate

Eiffage Immobilier is one of the ten largest French real estate developers. The company operates in the housing, commercial, commercial planning and hotel sectors. Adopting a combined construction contractor and developer model ensures that products are optimised at an early stage and enables effective technical management of projects. Eiffage Immobilier regularly bids for complex projects requiring financial engineering.

Housing sector in good health
Housing was once again Eiffage Immobilier's leading source of business in 2016, setting a new record of 4,134 units booked (+12.6% year-on-year). This strong marketing performance was driven by numerous block sales (totalling 2,104 units), mainly for the social housing sector. A number of large developments were also built, including the Bagnolet Serap project featuring more than 1,000 units, making it the biggest development launched in a single phase anywhere in the Paris region.

Fostering the sense of community
Together with its partners, Eiffage Immobilier is rethinking real estate development planning with a new, more socially-oriented approach. For example, 2016 saw the launch of "Kaps"—shared student apartments that are let on preferential terms in exchange for taking part in community projects—, as well as the completion of the first Cocoon'Ages intergenerational residence, in Aubagne. Around ten Cocoon'Ages projects are currently at the financial engineering stage, with a similar number at the design stage.

Growth in the commercial sector
In the commercial sector, Eiffage Immobilier sold almost 100,000 sq. m of office space in 2016. The company noted the return of investors willing to purchase properties without tenants in waiting, as was the case with the Opalia office development in Saint-Ouen and the Nework offices in Nanterre. In 2016, ground was broken on the future offices of Orange's regional headquarters at the site of the Pierre-Mauroy stadium in Villeneuve-d'Ascq.

Eiffage Immobilier also consolidated its presence in one of its strategic growth areas: hotels. Several projects are in progress in this area, including the five-star Intercontinental at the Grand Hôtel-Dieu site in Lyon, and the three-star Mama Shelter hotel in Toulouse's historical city centre. In addition, 2016 saw numerous complex projects in major city centres, such as the renovation and extension of the Debat-Ponsan hall in Bordeaux, which was sold off-plan to Crédit Agricole Assurances.

Outlook
Eiffage Immobilier has set a target of booking 5,000 homes per year by 2020, representing an increase of more than 20% compared with 2016. Ground is scheduled to be broken on 45 developments in 2017, with the combined potential of 27,000 units going a good way towards achieving the stated target. The company will also pursue its multi-product strategy. This diversification ensures steady, significant growth irrespective of the business cycles of the various products.

3 

4 

3
Renovation and extension of the Debat-Ponsan hall in Bordeaux.

4
Le Cœur des Loges, a 150-apartment tourist residence in Les Ménuires.

International

Eiffage Construction pursued its international development, with particular focus on consolidating and expanding its activities in the countries where it is already established. The company currently has operations in the Benelux countries, Great Britain, Poland and Slovakia.

Moving into new markets in the Benelux countries

Eiffage Construction is a top-tier player in Belgium, where Eiffage Benelux, which specialises in real estate development and construction, is expanding its activities throughout the country. In 2016, this subsidiary strengthened its base in western Flanders with the acquisition of Vuylsteke, a contractor with revenue of €45 million. Alongside this acquisition, another highlight of the year was the handover of the world's largest ship lock, in the port of Antwerp. Other successfully completed projects included the Waalse Krook cultural centre in Ghent and a phase of the Chirec hospital project in Brussels. Work also continued on the public-private partnership to build 22 schools in Flanders. Regarding real estate, Eiffage Benelux handed over a number of developments in Saint-Gilles, Liège and Antwerp. Marketing operations for the 500-home Greenwood development in Brussels are ongoing, and work is now underway on Galiléo, the company's first development in Luxembourg, following a successful marketing phase.

Bold projects in Poland

In Poland, Eiffage Polska Budownictwo, an Eiffage Construction subsidiary, handed over one of Central Europe's largest shopping centres, the 320,000 sq. m Posnania development. This one-of-a-kind project was completed in only twenty-seven months, eloquently demonstrating the ability of the company's local teams to handle huge projects on very tight schedules. These teams also have extensive expertise in the construction of mixed-use buildings featuring bold architecture, such as the Ovo mixed-use development in Wroclaw. Eiffage Polska Budownictwo also provides its services to industrial customers, and is currently working on extensions to a Unilever production facility in Poznań and a Michelin plant in Olsztyn. This entity also broke ground on its first real estate development project in Poland, and a 21,500 sq. m mixed-use development is at the financial engineering stage in central Warsaw.

Outlook

In the coming years, Eiffage Construction's growth in export markets will be driven by the development of targeted high-potential businesses. The company is also studying new acquisition opportunities. Several acquisitions are likely to be made, in keeping with the goals set out in the strategic plan defined at corporate level and adapted within the division.

5

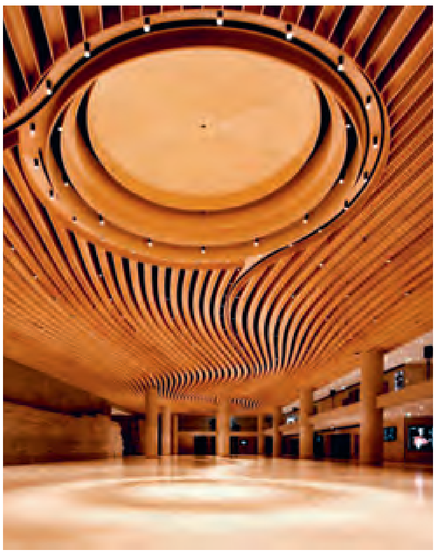
6

5
The Waalse Krook cultural centre, part of a larger renovation project led by AB, a subsidiary of Eiffage Benelux.

6
The Ovo mixed-use development in Wroclaw, featuring a five-star hotel, offices, homes, a restaurant and shops, with a combined floor area of 48,630 sq. m

7
Reconfiguring the reception areas at the Louvre Carrousel in Paris.

8
A new 39,000 sq. m neighbourhood centred on a marina in L'Isle-Adam.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Specialties

Urban development
Eiffage Aménagement, a recognised partner of local authorities with locations throughout France, has become one of the leading private-sector urban development stakeholders. The company is currently developing projects totalling 800,000 sq. m, with 650,000 sq. m at the construction or financial engineering stage. Its expertise is increasingly leading it to bid for jointly-managed public-private projects, a new model rapidly gaining in popularity. Smart city projects are another focus area, a good example of which is Eiffage Aménagement's role in the Smartseille eco-neighbourhood in northern Marseille.

Several ambitious operations were conducted over the course of the year. One good example was the signing of a pre-sale agreement for the planned 70,000 sq. m International Gastronomy and Wine Exhibition Centre in Dijon. In the Paris region, the design phase for the 137,000 sq. m Parc d'Affaires mixed development area in Asnières was initiated in 2016, and financial engineering continued for the 22,000 sq. m Cour des Marchandises project in Pontoise and the 83,000 sq. m Plaine Sud development in Clamart. In L'Isle-Adam, the marketing phase for the first homes built as part of the development project centred on a new marina was launched successfully.

Heritage restoration
Eiffage Construction, operating in particular through its subsidiaries Pradeau Morin and Eiffage Construction Équipements, confirmed its status as a recognised player in the field of restructuring and renovation projects involving outstanding heritage buildings. Several prestigious projects were completed in 2016. The restoration of the stone façades at the Quadrilatère Richelieu, a historic site of the Bibliothèque nationale de France (BNF) in Paris, was undoubtedly among the most iconic. Other highlights from 2016 include the project to renovate the Louvre Carrousel and install a glazed canopy, and the operation to renovate the Maison des Sciences de l'Homme in Paris. Additional works are being carried out at the George V hotel, including renovating several suites and creating a spa. The hotel has remained open to guests during the work. On Place Vendôme, work is underway to renovate the 5,000 sq. m LVMH flagship store.

Roads

1


After several years of shrinking markets, the road construction and maintenance business of Eiffage's Infrastructures division experienced a slight upturn in 2016. This recovery is attributable to an increase in the number of projects initiated by local authorities, among other factors.

Many other medium-sized orders were also won across France, both for road surfacing and for urban development works. Typical examples include the contract for the exterior works at the planned Toulouse exhibition centre, the public-private partnership relating to the construction of three secondary schools in the Var department, the project to develop the approaches to the High Court in Paris or the works relating to the busway in Pau. A number of other signification operations were also launched. The largest of these include the link road between the A6 and A89 motorways north of Lyon, work at the Istres airbase, the earthworks, engineering structures and communication restoration works for the project to widen the RN82 road to dual two-lane between Balbigny and Neulise, and re-routing the A9 motorway to Montpellier.

As heavily committed to R&D as ever, scientific research teams at Eiffage Route focussed much of their efforts on designing the "Roads of the Future". Responding to the request for proposals issued by Ademe[1] and the Commissariat-General for Investment, they joined with Ifsttar[2] and industrial partners to develop the I-Street innovation programme covering communication, digital integration, connected devices, energy systems and roads. The same teams also received awards in recognition of their work to develop innovative, more environmentally-friendly road construction processes.

For example, Aéroprène®, a next-generation bituminous concrete for aviation-related applications, received an award from the French road and street innovation committee, CIRR. Processes to bio-regenerate aggregate in coated aggregate (Recytal®) and to treat polluted road surfaces (Recyclean®) were also trialled in several experimental applications.

Outlook

The economic recovery observed in 2016 is expected to continue, holding out the prospect of a good year for Eiffage Route's various businesses (road surfaces, urban development, exterior works, material production, etc.). R&D teams intend to redouble their efforts. A scientific cooperation framework agreement with Ifsttar was signed on February 1st 2017, attesting to this focus on R&D.


2

1. Ademe: French environment and energy management agency.
2. Ifsttar: French institute of science and technology for transport, spatial planning, development and networks.

1
Widening a 3.5 km section of the RD 939 road "Route de la Mer" between Étrun and Haute-Avesnes.

2
Development of the O'Gliss aqua park in Moutiers-les-Mauxfaits.

Civil engineering

Following the winding-down of the Bretagne-Pays de la Loire high-speed rail link project, the largest ever tackled by Eiffage Génie Civil, the year was spent preparing for the ramp-up of the Grand Paris strategic urban development programme, which is set to be the flagship project for the coming decades.

In recent months, Eiffage Génie Civil has also had opportunities to showcase its expertise in tunnel boring and the construction of exceptional engineering structures. Examples of current projects include the extension of line 14 of the Paris Metro, the Chambon and Chat tunnels, the pilot tunnel between Saint-Martin-la-Porte and La Praz in preparation for the planned Tunnel Euralpin Lyon-Turin (TELT), and the Janots tunnel in Marseille. Turning to engineering structures, the most iconic highlights include the development works for the Paris ring road at Quai d'Ivry, for the underground railway in Rennes and for the "Route du Littoral" coastal road on Reunion island. The projects that were completed in 2016 were also representative of Eiffage Génie Civil's broad spectrum of expertise that enables the company to address customers' requirements. In addition to the tunnel and stations for the T6 tramway in Viroflay, Eiffage Génie Civil handed over a waste-to-energy plant in the Landes department, a geothermal power plant in Marseille, a penstock for a hydropower plant in Ariège, and BioSav, which is the latest stage of the project to modernise the Seine Aval sewage works in the Paris region.

Last but not least, Eiffage Génie Civil was proud to receive an award from the American Concrete Institute. This leading international concrete research organisation awarded the company its ACI Excellence in Concrete Construction Award, for the Notre Dame-de-Lorette memorial in Ablain-Saint-Nazaire, a BSI® ultra high-performance fibre-reinforced concrete structure inaugurated in 2014.

Outlook

The new orders booked in 2016—and those expected under the Grand Paris programme—should keep Eiffage Génie Civil busy in 2017 and beyond. The company's teams are working on numerous contracts relating to the Eole (RER line E) railway extension project in the Paris region, including platform and station disabled access compliance measures, works along 47 km of track between Nanterre-la-Folie and Mantes-la-Jolie, excavation of a 6.1 km tunnel, construction of a station at Porte Maillot, etc. To the east of Paris, in the ZAC Rive Gauche mixed development area, civil engineers have begun new road covering works, and in the Pyrénées-Orientales department, they are to widen the A9 motorway near Le Boulou for ASF.

3

4

3
Spillway at the Record dam.

4
The Grande Chaloupe viaduct on Reunion Island.

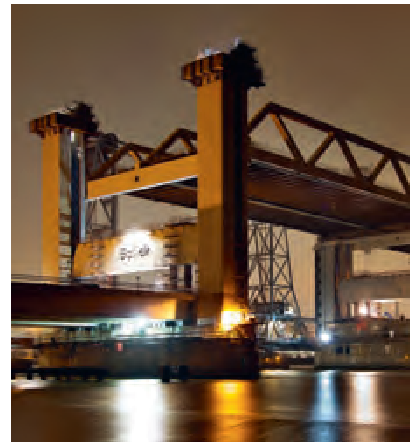
Metal

After completing its reorganisation in 2015, Eiffage Métal had strong foundations from which to deliver a combination of excellence and competitiveness. The company is again handling all aspects of clients' turnkey metallic construction projects in each of its three businesses: shells and façades, engineering structures and industrial facilities.

In 2016, Nexity chose Eiffage Métal to supply the glazed exterior façades for its Smart Side development. This property comprises three interlinked adjacent buildings located on the boundary between Paris, Clichy and Saint-Ouen. The division is also one of the principal industrial partners in the consortium selected by the French environment and energy management agency (Ademe) to build a pilot floating wind turbine farm off the coast of Leucate, the semi-submersible flotation modules for which will be built at the plant in Fos-sur-Mer. The division's teams are still very busy building the LUMA Arles arts complex.

In Europe, Smulders, a Belgian subsidiary of Eiffage Métal, scored a number of fine successes. In particular, it won large contracts to manufacture foundations and sub-stations for offshore wind turbines, which will among other things equip the Merkur field off the German coast, and the Aberdeen Bay and Beatrice fields off the coast of Scotland. South of the Pyrenees, Eiffage Métal's Spanish teams further consolidated their status as leaders in the construction of onshore wind turbine towers.

In Germany, Eiffage Métal —*via* its subsidiary SEH— received the special engineering award for the Botlek lift bridge at the European convention for constructional steelwork (ECCS). This combined road and rail bridge crosses the Meuse in Rotterdam's port area. Featuring two 3,900-tonne steel lifting decks, it is considered not only one of the largest bridges of its type in the world, but also one of the easiest to operate.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Outlook

The efficiency of the operating procedures implemented by Eiffage Métal has been reflected both in the orders won during the year in France and the rest of Europe, and in the projects being carried out around the world. The division's teams are set to confirm their positioning as complex project integrators and in the area of offshore wind power, *via* Smulders, as well as particularly technical developments such as the Kattwyk lift bridge in Hamburg, for which SEH won the contract.

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5
Botlek lift bridge in Rotterdam, Netherlands.

6
Viaduct on the Erasmus line in The Hague, Netherlands.

7

International

International projects represent one of the most significant growth vectors for Eiffage's Infrastructure division. In addition to Europe, the division is increasingly active in America, Africa and even Asia.

The division has two *modus operandi.* In export mode, it builds projects for its customers. In Africa, for example, its teams completed the reorganisation of part of the port of Lomé in Togo for a subsidiary of Bolloré Logistics. In Madagascar, following on from the Kamoro bridge, a second engineering structure is to be built on the island: the Mananjeba bridge, further to the north. In Angola, the project to install 104 steel footbridges is continuing in the capital, Luanda. In Asia, Eiffage Rail Deutschland won a major order in Hong Kong, where it is helping to build a section of the Shatin-Central Link underground railway line.

As well as carrying out export projects, the division is developing a network of permanent locations. It has numerous subsidiaries across Europe — in Germany (Heinrich Walter Bau in civil engineering, Faber in roads, Eiffage Rail and Wittfeld in rail and SEH in metallic construction), in Spain (Eiffage Infraestructuras, a road construction specialist and leading producer of aggregate and coated aggregate, and Eiffage Métal Iberica, which is particularly active in the onshore wind turbine tower market), in Belgium (*via* the Smulders group, a major European offshore wind power player) —, and in the Americas (ICCI and Puentes y Torones).
In Africa, Eiffage Sénégal celebrated the 90th anniversary of the subsidiary's creation in 2016, and the opening to traffic of the second section of the "Motorway of the Future" in Senegal was a highlight of the year.

In Colombia, Puentes y Torones, a company acquired in 2015, significantly increased its revenues. It won a contract to build the Honda bridge, a 407 m-long cable-stayed structure that will facilitate travel between the centre and north of the country, and work continued at the site of the Bucaramanga bridge in the north of the Eastern Ranges of the Andes. In Canada, ICCI saw revenues stabilise after five years of uninterrrupted growth. The company won several orders to build or renovate engineering structures in Ontario and Alberta, as well as leading the works at the Noden Causeway bridge and the Seaway ship lock on the Saint-Laurent river. Lastly, in a major success in French Guiana, work is under way on the multi-business project to build the launch pad for Ariane 6, the next-generation European space launcher, after winning a contract with CNES in July.

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7
Noden Causeway bridge in Ontario, Canada.

8
Breaking ground on the planned Dakar regional railway system in Senegal.

Specialties

On the right track
The Infrastructures division maintained its positioning in the rail industry. Following on from the 2015 takeover of Pichenot, which specialises in track maintenance and replacement, the division confirmed its intention to become a major player in the rail market. This prompted two strategic initiatives: the creation of a Catenary Systems department and the establishment of ERS, a subsidiary specialising in rail safety. Backed by the expertise of the German subsidiary Eiffage Rail Deutschland, the Group now has the necessary skills and resources to tackle all types of project. It is able to provide turnkey solutions to rail industry customers in Europe and around the world.

Foundations require dedicated expertise
With the creation of Eiffage Fondations, Eiffage's Infrastructures division now masters the full spectrum of civil engineering businesses, enabling it to provide comprehensive solutions to even the most complex and technical projects, anywhere in the world, deploying teams specialised in managing such operations. These specialist teams, operating in synergy with their colleagues from the roads and civil engineering businesses, intend to apply their know-how to best effect on the many underground works projects for the upcoming Grand Paris strategic development programme. In the interim, their presence has already been noted during many significant ground improvement (consolidation, sealing, filling, jet grouting, freezing, etc.) and underpinning operations, such as those at the Darse car park in Monaco, the Ariane 6 launch pad in Kourou, French Guiana, or the nuclear power plant in Gravelines, North of France.

Focus on Goyer

A world of façades
Goyer possesses unmatched expertise in the design and installation of aluminium and glazed façades. Already the market leader in France, the company is expanding its operations internationally, supported by an Export department set up in 2016. Goyer has tackled its first "post-Brexit" project in the United Kingdom, at Cambridge University. Goyer also obtained OHSAS 18001 certification in recognition of its safety and workplace accident prevention policy. Numerous new-build and renovation projects were handed over during the course of the year, including Résonance in Bagneux, the Parc du Millénaire in Paris and the Grande Arche in La Défense. The company also won many new orders: Smart Side in Clichy, the Window building in La Défense, the head office of the *Le Monde* publishing group in Paris, etc. These new contracts testify to customers' confidence in Goyer's capabilities.

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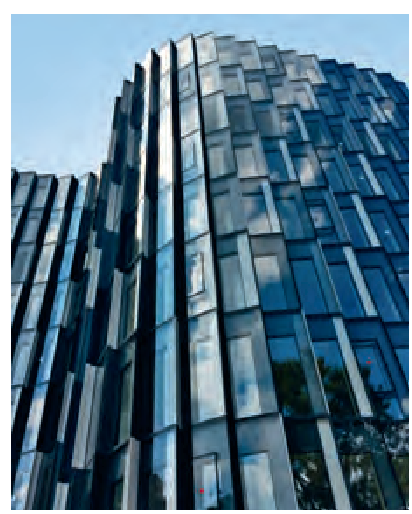
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Replacing track equipment in Brétigny-sur-Orge.

10
Foundations for the future Ariane 6 launch pad at the Guiana Space Centre in Kourou.

11
The 25,000 sq. m Résonance office building in the Victor-Hugo eco-neighbourhood in Bagneux, built with Eiffage Construction as the prime contractor, with the Eiffage subsidiary Goyer erecting the 9,100 sq. m of façades.

Energy

The Energy division serves local authorities, industrial customers and the service sector by building power generation, transmission and distribution facilities, installing networks and integrating energy and data systems. The division's diversified business offering enables it to provide multi-technical expertise ranging from design to operation and maintenance.

ELECTRICAL ENGINEERING

The challenges associated with smart cities are stimulating the market to adopt innovative solutions. Expercité®, a web-based urban asset management application designed and developed exclusively by Eiffage, now includes support for traffic management and has built up a loyal customer base among local authorities. A dynamic bus lane management solution coupled with a dual system of ground markings and traffic lights can be used to reserve a lane for approaching buses and then release it for use by other motorists. The first system of this type in France is currently undergoing trials in Lyon.
The solution has now been upgraded to include a "smart parking" module, featuring a staging system able to guide motorists to free spaces in real time and inform them about maximum stay lengths. Furthermore, concerning the division's traditional activities, despite steep cutbacks in public investment, local offices are still regularly handling network-related projects. Eiffage Énergie also remains a leader in France in the market for high-voltage power lines and substations.
In the transport sector, construction of the Bretagne-Pays de la Loire high-speed rail link is winding down. The unequivocal results obtained during speed trials reflect Eiffage's ability to conduct engineering and construction works on schedule, including activities requiring comprehensive expertise across all rail-related specialisms, including power supplies and signalling.
In the industrial sector, the highlight of 2016 concerned space exploration. Teams from Clemessy, an Energy division subsidiary that has been operating in French Guiana for half a century, have helped to build launch pads ELA1, ELA2, ELA3, and more recently the Soyuz and Vega launch pads. In 2016, the partnership with the European space industry continued with four significant contracts for launch pad ELA4, which will be used by the next-generation Ariane 6 launch vehicle.

HVAC

The goal for this specialist business is to become one of the two market leaders by capitalising on its expanded operational capabilities and reputation for reliability in all activity sectors. In the service sector, the synergies with other Eiffage Group businesses, particularly construction, continue to generate value, as reflected in the iconic projects completed in 2016, such as the Radisson Blu hotel in Lyon, the public-private partnership Campus in Lille and Aix-en-Provence, or the Quadrilatère Richelieu library renovation project in Paris. In a significant project in the art world, this entity carried out the heating, ventilation, air conditioning and technical integration work packages for Lascaux IV, a replica of the legendary cave of the same name, which was officially opened in December. In the industrial sector, the project to renovate the boiler facility at Renault's plant in Cléon was completed, and the cogeneration plant in La Richardière was also handed over. Eiffage Énergie also intends to continue developing in-demand cutting-edge specialist businesses. Illustrating this approach, the division has scored a number of fine successes in the area of ventilation solutions for tunnels and other underground facilities. Teams from Eiffage Énergie, the consortium leader, won the contract for the ventilation system at the Fréjus tunnel. Work on this road tunnel, the world's tenth-largest, is scheduled for completion in 2023.

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1
As part of phase one of the project to renovate the Quadrilatère Richelieu library in Paris, teams from Eiffage Énergie installed all the necessary electrical and air conditioning systems.

2
Eiffage Énergie installed air conditioning, air renewal and air handling equipment for the new Lascaux IV International Centre for Cave Art, in Montignac.

3

3
Telecommunications-related business grew strongly, driven by multiple orders from local authorities, OEMs and operators, both for conventional copper networks and for fibre optic, mobile, video and indoor networks.

4
Heating installation operation and maintenance by Eiffage Énergie.

TELECOMMUNICATIONS

The telecommunications-related business doubled its revenue year-on-year and aims to become one of the sector's five major players by 2020, serving a clientele of local authorities, OEMs and large operators. Highlights include a bandwidth upgrade contract from the utility Syndicat intercommunal d'énergies in Aveyron, and an order from Orange to install 55,000 FTTH (Fiber to the Home) connectors in around 30 towns and villages in the Lyon region. As bandwidth requirements increase, the early stages of the Internet of Things (IoT) revolution are already offering promising growth opportunities. In a prestigious example, Paris City Council awarded Eiffage Énergie the contract to roll out the capital's first IoT network. In this major first, which lays the foundations for a connected smart city, the division is to install approximately 10,000 autonomous sensors to collect data from energy meters at city facilities such as schools, crèches, offices, sports centres and swimming pools. Eiffage Énergie is also tasked with providing the data, which when processed can be used to provide new services and applications for Parisians.

OPERATION AND MAINTENANCE

Eiffage Énergie provides high added-value operation and maintenance solutions to commercial and industrial customers. In 2016, several major clients, including La Poste and Orange, contracted Eiffage Énergie to operate and maintain their facilities. Two new offerings were launched: Uptimum®, a five-pronged energy management solution based on energy audits, system control, energy coaching, asset enhancement and finance brokerage; and a "digital signage", solution featuring dynamic display screens installed at customers' premises. In industry, the division's teams are totally familiar with the processes of their customers in the petrochemicals, fine chemistry, agri-food and environmental management sectors, for example, enabling them to provide comprehensive offerings covering the full life cycle of customers' projects. Through this approach, they enhance the reliability of industrial production facilities, in particular by managing scheduled shutdowns in the power generation and instrumentation sectors.

Outlook

The service sector continues to drive the HVAC business, particularly in the health care sector, and smart cities, activities relating to the energy mix (including nuclear maintenance) and the boom in renewable energy are maintaining solid growth and overall performance in the electrical engineering business. In telecommunications, the aim is to target turnkey contracts, which generate higher added-value, and to position Eiffage Énergie as a full-spectrum provider of services for new use cases relating to the Internet of Things (IoT) and big data, covering everything from sensor design to data analysis. In the operation and maintenance sector, energy innovation is the key to standing out from competitors and becoming a go-to partner, including in industry; this entails providing ever more cost-effective, high-performance solutions, while maintaining a high level of local service.

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The Punta Palmeras wind farm in Brazil, built by Eiffage Energía.

5

International

International development is a key growth lever for Eiffage's Energy division. A two-pronged approach has been adopted. Firstly, by operating in export mode, from France to Africa and Latin America, for example, whether to carry out projects or to support our customers as they grow, and secondly, by establishing permanent locations.

For example, in Africa, the infrastructure sector conducted numerous projects, including building a 225 kV transformer sub-station and a 200 km-long 225 kV power line between Ghana and Burkina Faso. The division won a major national dispatching contract in Cape Verde. The Spanish subsidiary Eiffage Energía, which exports its know-how to other European countries as well as Latin America, managed several projects in Peru and Chile, concerning high-voltage power lines, a step-up transformer sub-station and a photovoltaic power plant. Renewable energy accounts for a significant share of the Energy division's export market share. It is helping to build a solar farm in Ouarzazate, Morocco, and in Mauritania, Clemessy and RMT are to build two photovoltaic power plants, one of which ranks among the largest in sub-Saharand Africa (50 MWp). Lastly, operating in a consortium with Eiffage Sénégal, RMT is to build a 30 MWp ground-array solar farm in Mekche, in north-east Senegal.

The Energy division also has a number of well-established European subsidiaries, in Germany (Elomech, Nat and Schwarz und Grantz), Belgium (Paque, Collignon and Fexim), Italy (Elettromeccanica Galli Italo) and Spain (Eiffage Energía). Electrical engineering, fire safety and heating drove activity in the commercial sector in many European countries in 2016, matching the high level of activity observed the previous year. The most significant projects in progress or handed over in 2016 include the Lateral Towers in Frankfurt, Germany, the 17-storey Torre 4 Porta Firal tower in Barcelona, Spain, and the 50-storey Torre Isozaki building in Milan, Italy. With effect from 2016, the division is also present in Switzerland, *via* the HVAC specialist, Yerly. This acquisition will enable the division to provide multi-business expert services throughout Switzerland.

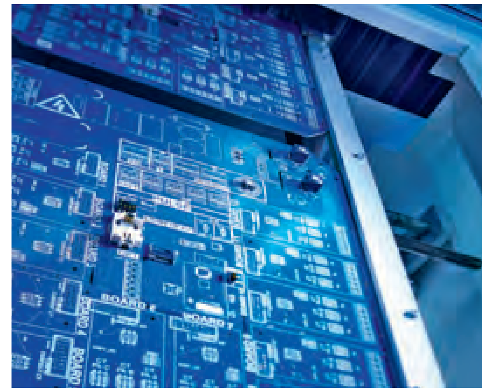
Outlook

The Energy division intends to seize all growth opportunities deriving from the continuous increase in energy demand. Its goal is to double its revenues outside of Europe by 2020. It intends to pursue its efforts to expand its footprint in mature economies and target markets in Europe, but also in Africa, and in Latin America *via* Spain. This will be achieved by exporting specialist expertise available in Europe (in the service sector, industry, infrastructure, renewable energy, etc.) and through acquisitions, among other measures.

Focus on technological niches

Hydropower expertise cluster
Hydrofluid designs, builds and maintains industrial and mobile hydropower plants. This subsidiary of Clemessy serves the offshore energy, steelmaking and public works sectors, as well as national defence, for which it began renovating the hydraulic systems on the Téméraire submarine in 2016. Clemessy is also very active in the area of testing systems for assessing the performance of components and equipment for car and aircraft manufacturers, as well as R&D laboratories. In 2016, Airbus contracted Clemessy to set up a test bed on the new A380 and A330 pylon production line, to test the pylon structures that connect jet engines to aircraft wings.

Preparing for the Internet of Things
Eiffage Énergie Électronique is known in France as a manufacturer of electronic boards and assemblies, covering the full life cycle from design to repair. The company has state-of-the-art industrial facilities, and was among the first to adopt Vacuum technology. In 2016, the company concluded a machinery renewal cycle, significantly increasing its production capacity. Eiffage Énergie Électronique is a trusted supplier to dozens of customers in a wide range of industries, including telecommunications, energy, "intelligent" transport, home automation, electronic banking, and the service, medical and smart lighting sectors. Its teams focus heavily on technologies relating to the Internet of Things.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Bespoke solutions for industrial customers
GER2I, a subsidiary of Clemessy Services, has been designing and implementing custom projects for industrial partners in a wide range of activity sectors, including vehicle manufacturing, petrochemicals, industrial chemicals, transportation, aviation, agribusiness and pharmaceuticals, for more than thirty-five years. The company focuses in particular on four businesses: utilities (pipe systems and HVAC[1]); industrial processes; product integration and fire protection. In 2016, its teams were particularly busy working with car manufacturers. Energy consumption optimisation and air purification systems were installed at the Renault plant in Cléon. Similarly, a system to apply corrosion inhibiting wax to the underbodies of Yaris cars manufactured in Valenciennes was designed, supplied, installed and commissioned for Toyota.


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Eiffage Énergie Électronique specialises in the industrialisation, manufacture and integration of electronic components, and has industrial facilities equipped with the latest technology.

7
Experts from GER2I's Special Fluids department provide special-purpose pipe solutions to support the cosmetics and pharmaceutical industries.

1. Heating, ventilation and air conditioning

Concessions

Building PPPs

As in previous years, Eiffage demonstrated the Group's ability to successfully manage complex projects via public-private partnerships.

Ample proof is provided by the four buildings in the Campus Grand Lille project and an initial complex at the Aix-en-Provence university campus, which were handed over in 2016, and Bretagne Loire University, which was handed over and subsequently inaugurated in January 2017 by the French Prime Minister, Bernard Cazeneuve. Good progress was also made on the work in progress at the University of Lorraine in Metz and Nancy. The signing in early 2016 of the PPP agreement relating to the construction and restructuring of three secondary schools in the Var department is another example of customers' confidence in Eiffage Concessions.

The Group's proposals for two other public-private partnerships, for an aquacentre in Amiens and an 8,000-seat arena in Tremblay-en-France, respectively, were also chosen, offering further evidence of Eiffage's expertise in the design, construction and management of sports and entertainment facilities, as illustrated by the many events (including Euro 2016 football matches and concerts by international stars) successfully staged at the Pierre-Mauroy stadium in Villeneuve-d'Ascq. Orange's decision to move its northern France regional headquarters to the site will further enhance its reputation and appeal.


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1
The new secondary school in Saint-Raphaël will accommodate 800 pupils when it opens at the start of the new school year in 2018.

2
The Pierre-Mauroy stadium is a versatile arena that hosted numerous matches and concerts in 2016.

3
UBL C@mpus, Europe's first multi-site e-campus, was officially opened in Brest on January 27th, at a ceremony attended by the French Prime Minister, Bernard Cazeneuve, and by Jean-Yves Le Drian, president of the Regional Council of Brittany.

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4
Track maintenance train on the Bretagne-Pays de la Loire high-speed rail link.

5
The Ten Merina solar power plant in Senegal.

Rail infrastructure

In the area of rail infrastructure, Eiffage—operating through its subsidiary Eiffage Rail Express (ERE)—completed its work on schedule for the Bretagne-Pays de la Loire high-speed rail link, the largest project ever handled by the Group.

The relevant high-speed trials (peaking at 352 km/h) were successfully conducted in late 2016. These were followed by signalling and safety testing, which began in early 2017. The line is expected to be handed over by the contractual deadline of May 15th, with the first 1h27-commercial services on the Paris-Rennes route planned for July 2nd 2017. On a less positive note, none of the submitted proposals for debt restructuring at TP Ferro—the company responsible for operating the Perpignan-Figueras line in which Eiffage has a 50% interest—were approved by the court of Girona, and a decision to wind up the company was handed down on September 29th 2016. All necessary measures were taken, however, to ensure continuity of service pending the takeover of its activities by SNCF Réseau and ADIF.

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Power generation

One of the final highlights of 2016 was the development of a project for a photovoltaic power plant with a capacity of 30 MWp (equivalent to the electricity consumption of 200,000 people) in Ten Merina, Senegal. This is the first project of its kind for Eiffage Concessions. The plant will sell its production to Senelec, the national power distribution utility.

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UBL C@mpus, which features 54 rooms in four buildings and is rated "Excellent" under the HQE environmental quality programme, will be maintained by Eiffage Concessions for a period of twenty-five years.

7
Eiffage Concessions is to maintain the Grand Lille Campus, which was handed over in July 2016, under the terms of a 25-year partnership agreement.

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Operation and maintenance contracting

Operation and maintenance
For the public-private partnerships agreed by Eiffage—in which Eiffage Services has a role—, a company in which the Group has a majority interest is created to "own" the project and finance, design, build, operate and maintain it. When the equity of this project company is sold to a third party after a few years of operation—a routine occurrence, of which the disposal in 2016 of Effigen, the company set up for the PPP to build and run the French national police headquarters in Issy-les-Moulineaux, is just one example—, Eiffage Services continues to uphold the various clauses of the back-to-back lease, which ensures that customers will benefit from the Group's capabilities and expertise until the end of the PPP.

Business consolidation
Although this operational approach has delivered exponential growth for Eiffage Services over several years, the focus in 2016 was on consolidating its business and improving its operating margin. Four flagship initiatives were undertaken to achieve this twin objective and optimise customer satisfaction. They relate to staff upskilling (in maintenance, energy management, major maintenance and equipment renewal) to build durable customer relationships; insourcing activities; consolidating the "Performance" department; and implementing an organisation able to fulfil the quality requirements stipulated in contracts.

Eiffage Services also initiated a major programme to enhance the profitability of contracts awarded to it. Significant investment was made at facilities under management in order to improve their reliability and optimise their operation. This strategy has paid dividends, resulting in a marked decrease in penalties payable for non-compliance with performance requirements in PPP agreements.

Outlook
Eiffage Services intends to continue consolidating its activities and pursue the process initiated in 2016 to open up to new businesses such as operational asset management, major maintenance and renewal of road infrastructure (following on from an initial contract with A'Liénor, which operates the A65 motorway), or the operation and maintenance of photovoltaic farms in Africa. Eiffage Services Sénégal, which was created in 2016 and is already active at a 30 MWp plant in Ten Merina, intends to target other power plants built nearby.

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Motorway concessions

Eiffage's Concessions division continued to expand its motorway activities in France, Germany and Senegal throughout 2016, a year marked by several notable events. For example, in April, the Group divested its 36% stake in Norscut (A24) in Portugal.

The motorway sections and engineering structures operated by the Concessions division throughout France performed in line with the Group's expectations in 2016. Traffic over the Millau Viaduct increased by 2.3% and modernisation works at the viaduct's service area began immediately after the amendment to the concession agreement with the French State was signed. In south-west France, traffic on the A65 motorway grew by 5.2%, aided by heavy goods vehicles adopting it in the wake of a ban on HGV traffic along competing routes in the three departments through which it passes. This motorway also received an award from the French Senate in late 2016, in recognition of the environmental offset measures implemented at the time of construction and subsequently monitored.

In Marseille, traffic through the Prado Carénage tunnel was impacted by the opening of the L2 orbital motorway at the end of the year, confirming the decrease in full-year tunnel traffic predicted for 2017. Although lower than initially forecast, traffic levels through the Prado Sud tunnel are steadily increasing. The concession operator SMTPC is in ongoing discussions with Marseille Provence Métropole concerning an extension to the tunnel concession in the direction of Boulevard Schloesing.

In Germany, work to build a 33-km section of dual two-lane motorway on the A94 is progressing in line with the schedule agreed in the PPP contract awarded by the Southern Bavaria motorway authority in late 2015. In Africa, the 16.5-km extension to the Motorway of the Future linking Dakar and Blaise-Diagne international airport opened to traffic in the autumn, after the Senegalese government contracted Eiffage to operate an additional 17 km not covered by the motorway concession.

Outlook

In 2016, Eiffage continued to develop and extend the maturity of its concession portfolio. The plan developed over the course of the year confirmed this strategy and rolled it out to new structures and services for the Group. In particular, Eiffage is examining opportunities in the area of airport concessions and is interested in above-ground parking management services. The Group has taken into account the French PPP market's

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recent shift away from hospitals and school, university and government buildings towards sports, art & entertainment and leisure facilities. After moving into Portugal, and more recently Germany, Eiffage is pursuing its efforts in the Benelux countries, as well as taking advantage of its presence in Colombia to examine the many motorway concession projects planned in the country. In Africa, the widely reported success of the Motorway of the Future in Dakar has prompted inquiries from other African countries and multilateral funding partners. With enough time and patience, other concession projects relating to power generation, transmission and distribution infrastructures may be built and operated as the result of Eiffage's expertise in this continent. In all these countries, and for all these projects, the Group's strategy is the same: submit integrated proposals that leverage the Group's compact organisation and synergies between divisions, when designing structures and during their subsequent construction and operation.

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The extension to the Motorway of the Future in Senegal was officially opened on October 24th 2016. Traffic increased 21% year-on-year, reaching an average of 60,000 vehicles per day.

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Work on a 33-km section of dual two-lane motorway on the A94 in Germany is progressing in line with the schedule agreed in the PPP contract awarded by the Southern Bavaria motorway authority.

Focus on APRR

APRR and its subsidiary AREA together form France's second-largest motorway group and the fourth largest in Europe, managing more than 2,300 km of network concessions. Their 3,600 employees spare no effort to provide a constantly expanding clientele with safe, efficient infrastructures.

Traffic levels, measured in kilometres travelled, increased by 3.7% in 2016, building on the performance achieved in 2015 (+ 2.7%). A 1.2% decrease in accidents resulting in injuries is another positive sign. Furthermore, AREA seized an opportunity to increase its equity interest in Adelac—the concession operator of the A41 Nord motorway between Annecy and the Swiss border—following the divestment of AREA's fellow founding shareholders.

Improving the motorway network

Improvement works were carried out in numerous locations along the network managed by APRR and AREA. One of the biggest operations concerned the 5.5-km link road between the A89 and the A6 motorways to the north of Lyon. Other initiatives included the launch of engineering studies and administrative procedures for the project to widen the A75 motorway south of Clermont-Ferrand and develop the 15-km A48-A480 link on the outskirts of Grenoble. A special effort was also made to renovate rest areas and enhance road safety, with work including modernising traffic management facilities, improving wrong-way driving indicators and treating high-risk areas.

Preparing for tomorrow's motorways

APRR is at the cutting edge of next-generation motorway research. Current projects include self-driving vehicle testing, the creation of a network of electrical charging points to support the emergence of carbon-free motoring, processing internal data relating to the Smart City concept, and enabling research laboratories to use the motorway network to test their innovations. APRR employees are also encouraged to share their innovative ideas *via* the Start-Box, a dedicated website made to mesure for the Start-Lab programme, the crowd innovation brand of the Group.

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Outlook

The €220 million investment plan agreed with the French State in January 2017 and currently under assessment provides for around 15 major projects, in some cases in partnership with local authorities across the APRR group networks. These investments will accelerate the network's development and modernisation, with the primary focus on the environment, customer services and local access. The first work under the agreed protocol is likely to begin in 2017.

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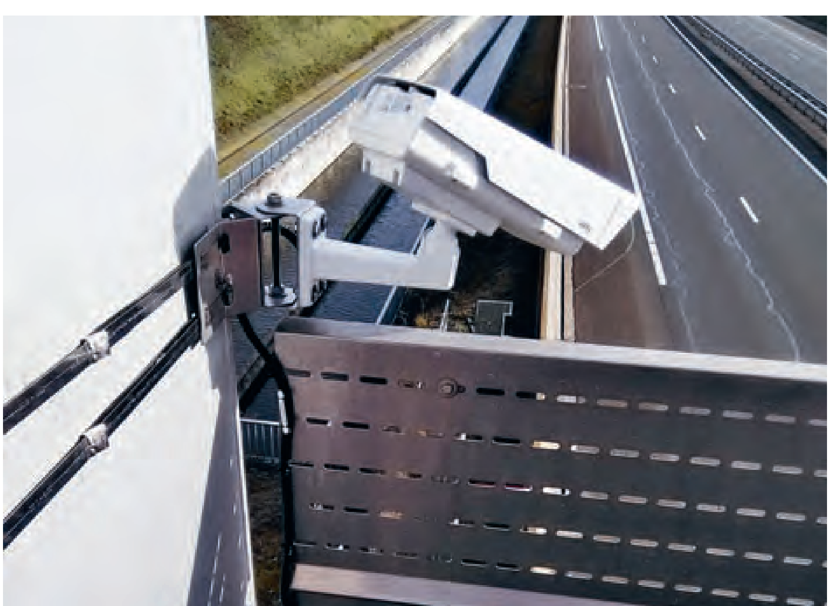

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Development work along a 15-km section of the A48-A480 motorway on the outskirts of Grenoble.

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APRR and AREA are enhancing road safety by modernising traffic management facilities and improving wrong-way driving indicators—as shown here on the A432—and treating high-risk areas.

Developing commitment by our employees

The men and women who carry out nearly 100,000 projects each year are Eiffage's most precious asset. The Group is naturally in favour of anything that protects them and helps them to develop their abilities.

Develop

ing

Developing our employees' skills

Challenges

Rapidly changing markets and technologies mean that employees —especially craftsmen and supervisors— are increasingly having to change trades during their working lives. As a result, continuing vocational training is more essential than ever.

Solutions

Employee skill development and dynamic management can be enhanced and fine-tuned by objectively assessing staffing requirements, optimising organisations and facilitating job mobility.

Developing our human potential across all regions and countries in which we operate is a key challenge. The Group's growth and performance depends on our ability to unlock this human potential and dynamically manage our skills.

For a company that generates most of its revenue by carrying out almost 100,000 projects each year, the motivation, competence and aptitude for teamwork of our employees are essential. The Group, which invested the equivalent of 3.84% of payroll costs in training in 2016, has used ambitious tools to develop skills, expertise and qualifications, and support career progression in the context of the digital transformation and environmental transition.

Joint courses designed in-house

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 in-house and address the needs of divisions and employees alike. They aim to pass on experiences and best practices, share common techniques more effectively and develop new skills in areas such as BIM, digital technologies, sustainable cities, etc. This approach enhances the inherent quality of the courses: greater awareness of the realities enables the 500 trainers—experienced Eiffage Group managers—to provide more practical know-how, better contextualising the theoretical content and emphasising practical applications.

This training offering is documented on a website open to all employees, in the form of a portfolio describing more than 500 modules of interest to all divisions. For their part, the divisions are developing more specific courses, including the Master Spé' Métiers, more technical and tailored to their respective activities, but also courses for site foremen and team leaders (Master Chef), labourers and craftsmen (Master Prod') and cross-disciplinary courses for managers, clerical and supervisory staff (Master Spé' Essentiels). These training modules, designed by Eiffage for Eiffage, include a mix of advanced theoretical and practical instruction in specific areas: operational management, budget and financial management, subcontracting, employment law, purchasing and sustainable development.

Eiffage culture

Another non-negligible benefit is that these cross-divisional courses train more than 2,000 people each year, helping to forge Eiffage's corporate culture. *"Through this initiative, our trainees—regardless of their origin or business—engage in mutually beneficial discussions with coworkers and build their professional network"*, explains Louis-Marie Tandeau de Marsac, Director of Human Resources Development and Labour Relations.

1,026,212

hours of training provided in 2016 in France and abroad

CLEMESSY

A switched-on occupational training institute

The electrical and mechanical engineering specialist, Clemessy, which together with its subsidiaries employs 5,000 people, invests 5.7% of payroll costs each year in training for 1,000 to 1,200 trainees, and runs its own 1,000 sq. m occupational training institute and driving school in Mulhouse.
"Training is not a cost but an investment", stresses Léon Palermiti, Clemessy's Human Resources Director. *"We provide expert services in fields where qualifications and certifications are often indispensable."* The 80 training staff are also Clemessy employees, making them ideally placed to pass on the company's skills, know-how and values. These courses are an excellent melting pot for employees from different business units, regions and generations, from which effective support networks emerge. The institute has branch offices in Épinal, specialising in high-voltage electrical trades, and in Feyzin, for professions relating to chemical and petrochemical analysis.

In-house training at the Clemessy Services M'Academy

Ensuring workers' employability, fostering versatility and promoting expertise are the core missions of M'Academy, the in-house training institute created by Clemessy Services to provide technical instruction in mechanical engineering, metalworking and pipe systems. A total of 185 people were trained in 2016 at its centres in Lyon and Saint-Nazaire. In 2017, training provision will be rolled out to fitters and welders, raising the total number of trainees to almost 300. This training represents an annual investment approaching €300,000. Passing on know-how and designing custom training is essential if we are to enhance our technical expertise for customers and develop new markets.

BPL LGV

A training blitz for maintenance technicians

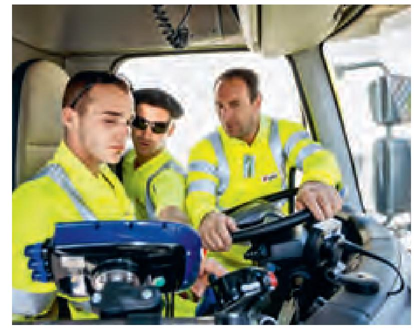
Opere, an Eiffage subsidiary, is to provide maintenance services for the Bretagne-Pays de la Loire high-speed rail line until 2036. Facilities along the line must be available at all times, with a very high level of safety. To effectively address these requirements, Eiffage University and Opere introduced an unprecedented, specialised recruitment and training programme. This blitz was all the more necessary as the required skills were not available in-house. The ambitious programme, which has required a financial investment of more than €1.5 million, leads to qualifications and certifications. It has received support from several partners, including Constructys (the construction industry training funding organisation), the Regional Council of Pays de la Loire and the Pôle Emploi employment agency. This solution was initially trialled on a voluntary basis, with employees who were recruited locally on work integration contracts and had already worked on the project, but was subsequently rolled out to other job seekers. In all, more than 70 people have been trained for positions as skilled signalling and telecommunications workers, power and catenary technicians or track workers, as train preparation and marshalling agents or as train drivers certified to work on high-speed lines. Some 35,700 hours of training were provided over the period between March 2016 and the end of February 2017, with course lengths ranging from 320 to 980 hours, depending on the career and profession.

APRR

A clear roadmap for knowledge transfer at APRR

"Motorway professions—which include motorway workers, toll station operators and safety personnel tasked with keeping the network safe and in good repair—are quite specific, and are changing constantly. No custom training programmes exist for such professions. Consequently, APRR has invested in its own classroom-based and online training facilities, in order to organise its internal knowledge and skills transfer", explains Roland Bret, APRR's Human Resources Development Manager. These courses, designed and run by in-house volunteer experts, some but not all of whom are managers, are constantly adapted to suit the company's professions and requirements. They are a vector for sharing experience and good professional practices, and help to optimise the training budget. More than 200 employees work as trainers, providing instruction on topics such as winter network operations, incident response management and cone laying, particularly at the training centre in Bourg-en-Bresse. An e-learning facility has also been set up to supplement other forms of training and facilitate trainee assessment. In all, more than a third of training time is now provided in-house, helping employees to stay on track throughout their careers.

Snow-clearing truck driving exercises at APRR in preparation for the winter driving season.



EIFFAGE CONSTRUCTION

The (EC)² job mapper facilitates skills management

To manage its human resources effectively, Eiffage Construction has produced a comprehensive map of the professions found within the division. *"We now have a more precise vision of our professions and an all-round view of the various levels of management responsibility"*, notes Cécile Becker, Human Resources Development Director. *"We have also produced a unified directory of the missions and skills required for each position, together with the corresponding training modules."* The division created the Eiffage Construction Jobs and Skills development pack, also known by the appropriately scientific-sounding acronym (EC)². This strategic tool facilitates the task of forward-looking job and skill management, and enables support positions to be approached in coordination with the Group's other divisions.

DEVELOPING

Promoting employee share ownership

Challenges

Continue to develop employee share ownership, which is a cohesive factor and a growth driver.

Solutions

Increase the share issue take-up rate to 100% by promoting the system in France and continuing the international rollout.

100% committed 100% shareholders

"Employee share ownership is in many ways Eiffage's backbone, reflecting our staff's deep attachment to the Group and its performance. This situation is the result of successful management. It is a sign that employees feel at ease within the Group, buy in to its values, are willing to make a shared commitment to the company's success and are confident for the future", notes Sonia Chevalier (who in 2016 became Director in charge of employee share ownership), adding *"The more united we are, the more effective we will be at our project sites."* 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 has set a clear goal of increasing the share ownership rate among active employees to 100%. Employee share ownership offers an excellent means of building loyalty and motivating the company's foot soldiers.

A thoroughly overhauled communication approach was introduced at the start of 2017, coinciding with the annual subscription campaign, and Eiffage intends to communicate more regularly on this topic throughout the year. More than 700 "messengers" representing the Group's employees attended the annual gathering in Paris for the launch of the campaign.

Stronger every year

New momentum is being built up in terms of employee share ownership, a practice that has been in Eiffage's blood ever since the Group was created and is gaining strength year after year. In 2016, Eiffage employees once again demonstrated their attachment to the system. A total of 37,715 employees subscribed to the share issue, corresponding to a take-up rate of 64.15% in France and 50.36% internationally, with an average investment of €3,460. The take-up rate among craftsmen also increased. Together, the participants contributed a record of €130.5 million, €13 million more than the previous year, which was already a record-breaker. Employee share ownership unites existing and former employees, who together own 21.1%* of equity. This model is unmatched in Europe for a group of its size.

Offensive profile

Employee share ownership gives Eiffage a dual profile, with a long-term investment core and an offensive edge. The amounts raised are available to invest in acquisitions, for example. This system also plays a role in safeguarding Eiffage's independence.

International rollout

The 2014 campaign marked a new departure by opening the share issue to Eiffage's subsidiaries in Belgium, Luxembourg and Senegal. The 2016 campaign included the Spanish subsidiaries. This international rollout policy is set to continue in 2017, with the share issue being opened up to German employees.

* Figure correct at December 31st 2016.

BENELUX

Steadily increasing take-up

The employee share ownership programme was launched in the Benelux countries in 2014, and has since grown consistently, with a take-up rate well in excess of 50% in 2016. The increase is in part attributable to the preferential subscription terms and strong share performance. "*I would also like to emphasise the conviction and dedication of our 'messengers',*" stresses Philippe Brulard, Eiffage Benelux's Human Resources Director, adding *"These individuals are employees who promote the benefits of employee share ownership to their coworkers. The essence of their message and the key to success is to persuade without browbeating. As well as offering financial benefits, the true added value of employee share ownership is to strengthen the feeling of kinship with the Eiffage Group. It helps employees to unite around shared values on which to build a bright future."*

SPAIN

A remarkable maiden campaign

The employee share ownership subscription campaign was opened up for the first time in 2016 to Eiffage employees in Spain, *via* the subsidiaries Eiffage Energía, Eiffage Métal Iberica and Eiffage Infraestructuras. 43.73% of the 2,500 people concerned took part, a remarkable take-up rate for a maiden campaign. This opening gives these employees an opportunity to play a full role in the Group's international rollout. *"In spite of the country's challenging economic climate, our Spanish employees were determined to show their respect for the Group, which has stood by its local subsidiaries, and to demonstrate their sense of belonging to the Eiffage community"*, explains Dominique Chinal, Chief Financial Officer of the Infrastructures division in Spain.

Highly motivated...

Ever since Eiffage was formed, our craftsmen have been willing employee shareholders, in keeping with a strong working-class tradition permeating the construction industry. In 2016, they once again demonstrated their commitment to achieving this shared goal. Craftsmen contributed 21% of the amounts invested *via* the share issue, and the number of subscribing craftsmen increased by 12.1%. "*Our craftsmen's commitment to owning stakes in our company is a source of considerable pride for Eiffage, and a one-of-a-kind model,* according to Sonia Chevalier, Director in charge of employee share ownership. *In many companies, only managers own company shares. At Eiffage, profit-sharing is for everybody, and everybody is constantly working to achieve shared success.*"

...and connected craftsmen

Electronic subscription to the employee share ownership programme, which was opened up to managers, technicians, clerical and supervisory workers in 2016, was also a success among craftsmen. These employees spontaneously adopted this practical, environmentally-friendly subscription method, suggesting that it may rapidly become the norm.

Facilitating work integration

Challenges

Provide opportunities for many people who are unqualified and excluded from the world of work to earn a vocational qualification and gain long-term experience in a large company.

Solutions

Operate a sustainable work integration policy, conducting a wide range of field initiatives with support from local integration specialists.

"We give everyone a chance through our integration policy based on work-study qualifications and apprenticeships. This helps us prepare for the jobs of the future, while enabling young people to earn vocational qualifications and promoting diversity."

Louis-Marie Tandeau de Marsac
Director of Human Resources Development and Labour Relations

The Eiffage Group was founded and has grown based on values that seek to unite employees, partners and customers. Although these founding principles are aimed in the first instance at the Group's direct employees, they also apply to individuals excluded from employment and company life. True to its values, Eiffage is a signatory to the Diversity and Apprenticeship Charter and has always put work integration at the forefront of its employment policy.

Striving for long-term integration

The Group aims to give everyone a chance. To this end, it operates a comprehensive integration policy, based on work-study qualifications and apprenticeships. This positioning is made possible by developing a long-term work integration policy that prepares people for the jobs of the future. The main focus is on workers and their local managers. This proactive work-study policy is supported by the initial training centres set up by Eiffage, which cater to all Group businesses. The policy provides an opportunity for young men and women, regardless of their educational background, to earn a recognised vocational qualification, prove their worth in a large company free from any form of discrimination, and then build a career in it.

Local presence

The Eiffage Group naturally recruits its employees directly whenever possible. However, it also works with independent service providers. These partners support it, for example, for certain large projects that require a special effort, in view of the large number of job seekers to be recruited *via* the national employment agency. They include integration-focused temporary staffing agencies, SIAE social enterprises and the Cap Emploi network for registered disabled workers. In provincial France, subsidiaries and establishments from all Eiffage divisions work closely with the CREPI network of regional work integration clubs. This organisation, co-founded by Eiffage in 1993, regularly supports Group companies as they implement integration initiatives, always taking care to maintain strong local relationships.

CONSTRUCTION

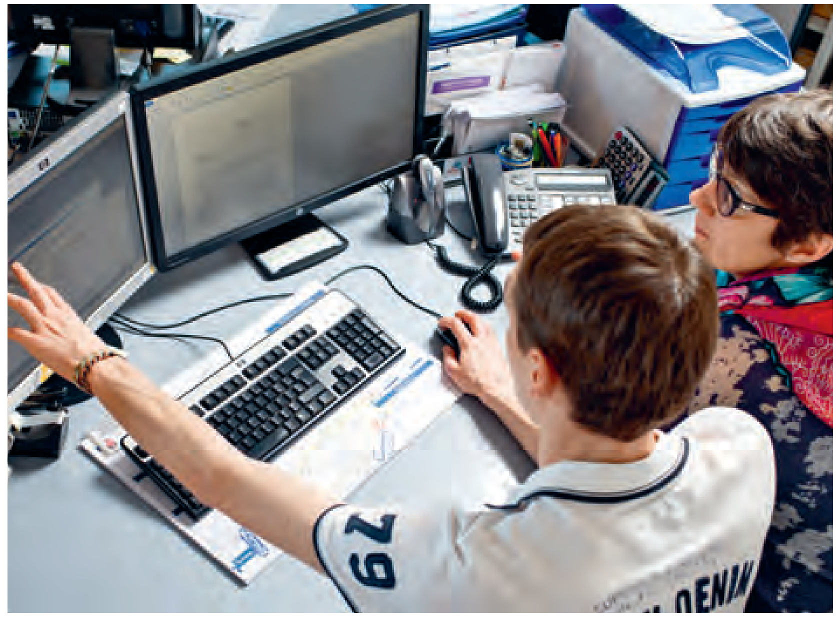
A proactive approach

Construction division companies are fully committed to developing and promoting work integration. In addition to complying with the labour clauses included in certain contracts, the division actively collaborates with local work integration partners all year round, particularly on large projects. The public-private partnership (PPP) agreement concerning the renovation of the Grande Arche in La Défense reflects this approach. It enabled Eiffage Construction to propose a long-term comprehensive work integration project that would be effective in terms of both employment and economic performance; this project assists individuals identified as priority targets for public employment policies. The work integration clause was rolled out in a concerted effort, with support from the Paris jobs and skills association, Ensemble Paris Emploi Compétences (EPEC). *"Our commitment was to host 110,000 hours of work on integration placements, but thanks to the enthusiasm of our local teams, we were able, among other things, to increase the number to 143,000 by the end of January 2017"*, notes Paulo Carvalho, a Human Resources Manager with Eiffage Construction. *"A total of 218 individuals on integration programmes worked at this site, many of whom subsequently received a permanent or fixed-term employment contract or an apprenticeship offer."*

INFRASTRUCTURES

A differentiating factor

An increasing number of contracts include work integration clauses. Already a near-ubiquitous feature of public contracts, these provisions are now finding their way into private contracts. Customers treat the inclusion of such clauses as a differentiating factor when considering tenders, particularly for large projects. Regarding the quality of execution of these clauses and the results obtained, Eiffage's Infrastructures division really makes the difference, earning a good reputation among customers. On the project to extend line 14 of the Paris Metro, the target of 45,000 work integration hours has already been exceeded. *"Working with our network of training academies, we have rolled out work-study training programmes that lead to a recognised professional qualification as a form setter"*, notes Thomas Parmentier, Human Resources Development Manager for the Infrastructures division. *"We have also offered to employ nine unemployed people as tunnel boring machine electrical technicians as part of a proactive work integration initiative at the site of the exploratory tunnel for the Tunnel Euralpin Lyon-Turin link."*



ENERGY

Multiple field-based initiatives

Energy division companies operate a wide range of initiatives to integrate job seekers. For example, to counter the shortage of certain categories of personnel (electrical fitters, team leaders, works supervisors, etc.), Clemessy has partnered with the Pôle Emploi employment agency in Mulhouse to provide individualised operational job preparation training. *"As a result of this measure, five people were trained in the company for three months, three of whom were offered permanent employment at the end of their training"*, explains Maëlys Chevaux, a Human Resources Technician with Clemessy, which intends to repeat the operation in 2017. In Normandy, Clemessy Services ran two initiatives that brought together young workers and entrepreneurs. *"We organised one of these with the local Crepi work integration club at a rally involving 30 young people, which ended with a 'job dating' session"*, explains Claire Marchand, Human Resources Officer. *"The other, run in partnership with the employment opportunities charity 100 Chances/100 Emplois, enabled participants, after a week-long preparation process, to pitch their job plans to a committee of economic stakeholders from across the region and receive support with their job seeking."* As a result, several of these youngsters were offered traineeships at Clemessy Services, together with personalised vocational support.

APRR

APRR social initiative for people coping with disabilities

The "Hors Murs" organisation empowers disabled people to work in an ordinary environment, facilitating their gradual integration and providing special support. In 2013, APRR's Human Resources department asked the Customer Relations department to open its doors to a disabled worker, *via* a staffing contract with Adapt[1]. The team at the electronic toll payment customer service unit responded by taking on a disabled employee for slightly longer than a year, and subsequently offered the same opportunity to a second employee in 2015. As a result, after an initial placement to assess the suitability of the partnership and identify any aspects requiring special adaptations, a young employee now works part-time updating the customer database, calling customers directly.

1.Adapt: community organisation specialising in social and work integration measures for people with disabilities.

DEVELOPING

Supporting public-interest projects that improve employment, training and housing opportunities

Challenges

Facilitate social and work integration by improving access to employment, training and housing.

Solutions

The Eiffage Foundation supports projects by community organisations and interest groups. The Foundation is also active in disadvantaged neighbourhoods, and supports organisations sponsored by current and retired Group employees.

“The Eiffage Foundation is a source of pride, reflecting the Group’s commitment to all areas in which we operate.”

Benoît de Ruffray
President of the Eiffage Foundation

A new page in the Eiffage Foundation’s history. Benoît de Ruffray became the Foundation’s President in December 2016, taking over from Jean Carré, who had led the Foundation since it was formed in 2008.

“The Eiffage Foundation is a cornerstone and a source of pride, reflecting the Group’s commitment to all areas in which we operate and is a stakeholder in their future”, noted Benoît de Ruffray at the Foundation’s annual convention in Paris in November 2016, before telling the audience of 80 current and retired Eiffage employees who sponsor community organisations *“Dedicated employees are the best guarantors of the Group’s performance.”*

Projects sponsored by current and retired Group employees

Now more than ever, the Eiffage Foundation strives to “make social cohesion a bridge to the future”. The sponsors’ convention held on Thursday November 3rd 2016 was the perfect occasion on which to restate the virtues of the volunteering efforts of Eiffage employees and retirees in community organisations working to facilitate the social and work integration of marginalised populations by helping them into employment, training and housing. The Foundation subsidises the activities of such organisations.

Ambitious three-year projects

Since 2013, the Eiffage Foundation has also supported larger projects over a three-year period, backing leading community organisations such as ATD Quart Monde and Habitat et Humanisme. Fighting unemployment and inadequate housing, and supporting training and vocational integration also demand long-term commitment.

Projects set up in neighbourhoods identified as priority areas for urban policy

With effect from 2016, as part of the “Companies and Neighbourhoods Charter”, the Foundation is stepping up its support for *“projects set up in neighbourhoods identified as priority areas for urban policy”*, explains Xavier Lanthiez, the Foundation’s Deputy CEO. *“These neighbourhoods have high unemployment rates and are found in both urban and rural areas.”* Supporting multi-year projects, taking action in underprivileged areas and subsidising community organisations are three eminently compatible modes of action.

Multi-year support for leading community organisations

The motto of the Eiffage Foundation is "Building a shared world together". In the light of this principle, building a world in which certain sections of society have no place would make no sense. Accordingly, the Foundation is providing significant financial support over several years to ATD Quart Monde (which combats long-term unemployment), Habitat et Humanisme (social housing and integration), the Jardins de Cocagne network (work integration through organic market gardening and catering) and Passeport Avenir (support for promising young students from socially and culturally diverse backgrounds).

HABITAT ET HUMANISME

Habitat et Humanisme is a housing and integration support organisation that assists very vulnerable households by providing decent housing. The Eiffage Foundation has helped to fund the outfitting and furnishing of a house offering accommodation for up to 80 low-income residents, including some socially marginalised people. This house in Jouy-en-Josas was officially opened in January 2017.

ATD QUART MONDE

The Eiffage Foundation is supporting ATD Quart Monde with its project to combat long-term unemployment. This organisation aims to help job seekers on the road back to work, by giving them opportunities to perform public-interest activities that are not sufficiently lucrative for the conventional market but are very useful to society. On November 21st 2016, ten urban and rural areas were selected to participate in a trial. In January 2017, four of these areas created social enterprises that take on long-term unemployed workers, and began to hire their first employees. The Eiffage Foundation is supporting the Unit in Meurthe-et-Moselle, in partnership with the Nancy Crepi work integration club and Eiffage's locations in eastern France.

With effect from 2016, the Foundation is stepping up its backing for projects set up in disadvantaged neighbourhoods by contributing to community organisations such as Positive Planet Le Havre, which supports people setting up micro-businesses.

Projects set up in neighbourhoods identified as priority areas for urban policy

"The Eiffage Foundation operates at grassroots level in the areas that need it most, stimulating and coordinating local solidarity efforts in a rational, sustainable approach. The Foundation contributes up to €15,000 per project, to which the relevant regional management of the Group add another €5,000", explains Xavier Lanthiez, Deputy CEO of the Eiffage Foundation. Positive Planet Le Havre (formerly Planet Adam), a community organisation based in the urban tax-exempt area of Le Havre, which supports micro-business creators, has been funded in this way, as has the El Fouad organisation in Avion, which is developing a work integration restaurant.

A third project, led by Eiffage Construction's Mediterranean regional division and Eiffage Sénégal, provided an opportunity for 12 young people studying for qualifications in the building trade in the Castellane area of Marseille to visit Senegal and take part in renovating a maternity hospital. This experience broadened their cultural horizons as well as offering a chance to apply their technical training on a real worksite.

Projects sponsored by current and retired Group employees

The Eiffage Foundation has supported more than 170 projects sponsored by more than 200 current and retired Eiffage Group employees since it was founded. The average grant awarded to projects is €12,000. For example, Le Savoir et le Fer, an organisation that provides training for vulnerable people, who then put their new skills into practice on heritage conservation projects in the west of the Orne department, was sponsored in 2016 by Christian Chantreuil and Jean-Pierre Limin, respectively an Agency Director and a surveyor with the Infrastructures division. Le Savoir et le Fer is working with 20 people on work integration programmes, in a project to restore a mining site. A similar project had already been successfully conducted in partnership with the Afpa training organisation. In that instance, all 27 workers employed at the site qualified as renovation bricklayers and went on to find jobs.

Le Savoir et le Fer is working with 20 people on work integration programmes, in a project to restore the Butte Rouge mining site in Dompierre.

DEVELOPING

Protecting personnel at our worksites

Challenges

Set an example for other companies to follow in the area of risk prevention. Ensure that all Eiffage employees are fully committed to a shared safety culture and uphold it in their working lives, both for themselves and for coworkers.

Solutions

Consider risk prevention as a distinct management activity, requiring exemplary behaviour and unwavering commitment by all levels of management, which must now work towards zero-risk performance.

In the area of safety, Eiffage strives to set an example for others to follow. This is how the Group wants to be identified and recognised by our customers, as effective risk prevention is the clearest leading indicator of a well-led organisation ready for action.

Accident prevention and fighting occupational diseases represents a major challenge for Eiffage. This is a key thrust of the Eiffage 2020 Strategic Plan announced during 2016. Workplace accidents are never treated as "a fact of life". Eiffage's accident prevention commitments underpin all decisions made by the Group, at all management levels. This approach impacts the Group's choice of customers and partners as well as its internal organisation. The design, planning and execution of worksites as well as motorway traffic monitoring and management are systematically approached from a risk prevention angle.

For Eiffage, safety and performance go hand in hand. The Group's development is dependent on these "co-factors".

Act of leadership

Eiffage treats preventing risks as an act of leadership in its own right. Exemplary behaviour and an unwavering commitment to risk prevention are also required of managers at all levels in the company. They all need to be fully aware that nothing can be achieved without the men and women who make up their teams; consequently, they have a duty to spare no effort to protect the health and physical safety of their coworkers.
Every day, numerous initiatives including training, worksite audits, management inspections, risk prevention challenges and weekly safety briefings are conducted in each Eiffage division, both in the field and in the offices. All serve the same objective of promoting a shared safety culture among employees and encouraging them to play an active role in risk prevention, for their own good and that of their coworkers.

Working towards zero-risk operation

Eiffage's risk prevention policy has long been based on striving for zero-risk operation. Another step towards that goal was taken in 2016, by highlighting the zero-risk target. Several initiatives have already been taken to that effect in the various divisions, including, for example, the creation of the Safety Force© smartphone app, which won the Grand Trophée TP award presented by FNTP (the French public works industry association), and the SafeStart® training modules. One thing they all have in common is the goal of maintaining a state of constant watchfulness among employees, to enable them to detect any risky situations at a site and take appropriate action to prevent potential accidents.

Testing an exoskeleton designed to reduce the risks associated with carrying tools and to facilitate movements, during work to renovate a listed mansion in Rue de Courcelles, Paris.

CONSTRUCTION

Involving all management levels in the Risk Prevention strategy

In 2016, Eiffage Construction continued to roll out its safety management and discipline strategy, to involve all levels of management in the division's risk prevention approach, based on specific objectives determined by general management. *"We also conducted a global review of our 'basic safety skills', which have morphed into 'effective safety skills'*, notes Jean-Louis Marotel, Risk Prevention Manager. *"These were also rolled out to the temping agencies that have framework agreements with the division."* The late-2015 agreement between Eiffage Construction and the risk prevention organisation OPPBTP relating to asbestos risks and the implementation of an effective risk prevention policy among subcontractors resulted in target-based agreements in several French regions. Furthermore, a study of working conditions for form setters was conducted in partnership with OPPBTP in several company establishments.

INFRASTRUCTURES

Striving for 100% safety with Safety Force©

The Safety Force© mobile application gives Infrastructures division employees a tool with which to assess the appropriate risk prevention measures applicable where they work.

All businesses and activities are covered, including worksites, offices, workshops, production plants and quarries. During site inspections carried out by a Group employee, health and safety coordinator, customer or subcontractor —or even during weekly safety briefings—20 basic requirements relating to the application of safety instructions are assessed on a scale from 0% to 110%. The rated criteria include the distance from moving plant, workstation tidiness, vehicle driving, etc. *"Each assessment provides a real-time estimation of workers' degree of commitment, enhances our collective risk prevention know-how—and most importantly—helps us to anticipate potential accidents"*, asserts Erick Lemonnier, the Infrastructures division's Risk Prevention Director. Safety Force© can be downloaded by all employees with a company-issued smartphone and an "@eiffage.com" email address.

ENERGY

Wide-ranging safety initiatives

Several teaching videos were filmed on Eiffage Énergie worksites, to inform as many employees as possible about the importance of applying safety measures. One of these videos, made in partnership with a customer, Enedis, prompts supervisors and managers to contribute to an inquiry into an electrical accident and accurately determine its causes. Others featured personal accounts by affected employees, coworkers and customers, explaining the events leading up to an accident and the subsequent response, and describing the consequences in terms of their personal experiences and the accident investigation. The second highlight of 2016 was the production of the 2020 Risk Prevention Strategy Plan. *"Our working groups—comprising a broad spectrum of employees (including risk prevention coordinators, regional and subsidiary managers, etc.) from all countries in which Eiffage Énergie operates—performed inventories and benchmarking activities at customers and other stakeholders involved in the business"* explains Patrick Colin, the Energy division's Quality, Risk Prevention and Environment Director. *Based on their research, we established a set of safety-related 'key issues' and best practices, presented in the form of a commitment charter."* The result of this effort is to be put into practice starting in 2017.

Electrical risk prevention exercise at Clemessy's training institute.

800

employees trained using SafeStart® in 2016

CONCESSIONS

APRR – SafeStart® for effective risk prevention management

APRR rolled out a new approach to workplace accident prevention in 2016. The new system, named SafeStart®, features five training modules that encourage a shift in safety culture among trainees, from risk prevention "by obligation" to risk prevention "by conviction", both in the workplace and in their everyday lives. By encouraging employees to be watchful at all times and to assume their share of responsibility for their own safety, SafeStart® helps to combat the bad habits and involuntary errors that lead to 90% of accidents. *"In 2016, 800 APRR employees took the various SafeStart® modules, at sessions run by in-house trainers with field-based backgrounds"*, notes Lydie Foissey, APRR's Risk Prevention and Occupational Health department Manager. *"The impact on workplace accidents was immediate: the accident frequency rate was divided by three by the end of 2016."* The rollout of SafeStart® will continue among APRR personnel in 2017, and will be extended to AREA, with the aim of training all 2,500 operational staff within the next two years.

Improving the quality of life everywhere we operate

Reducing the ecological footprint of our towns and cities will require profound changes to their metabolism. As an all-round urban contractor, Eiffage is rolling out innovative solutions for a better quality of life.

Improvi

ng

IMPROVING

Designing sustainable, welcoming neighbourhoods

Challenges

Revive our town centres and create new neighbourhoods, maintaining a constant focus on quality, whether in terms of urban shape, architecture or public spaces, and striving to set a good example on environmental issues.

Solutions

The Group harnesses its full range of expertise, in urban development, real estate, construction, roads, civil engineering, metallic construction and sustainable development to create sustainable, welcoming neighbourhoods.

At the end of 2016, Eiffage Aménagement had projects totalling 650,000 sq. m either under construction or at the financial engineering stage, including several operations relating to the Grand Paris strategic programme, and more than 800,000 sq. m under development in France.

Eiffage operates as a combined land developer, real estate developer and building contractor, a major strength when tackling projects to regenerate brownfield industrial sites, create new neighbourhoods, revive town and city centres or improve urban areas. *"Eiffage Aménagement has been partnering with local authorities for thirty years, putting the Group in a strong position to bid for large and complex land development projects"*, stresses its CEO, Nicolas Gravit. For its part, Eiffage Immobilier has the wherewithal to ensure effective financial management and to phase the necessary land acquisitions for real estate programmes.
Unlike conventional land developers, Eiffage Aménagement supports local authorities in an all-round, controlled approach, harnessing the Eiffage Group's structure, leveraging the synergies between its businesses and taking advantage of its great capacity for innovation. Maintaining a constant focus on quality, whether in terms of urban shape, architecture or public spaces, Eiffage Aménagement can also count on support from the Group's sustainable development and cross-divisional innovation department as it applies Eiffage's proprietary sustainable urban design methodology, Haute Qualité de Vie®, which aims for environmental excellence and social innovation.
In addition to these capabilities, the Group can call on planners, architects and landscapers, clients and investors… but also start-up businesses, SMEs, community organisations, business incubators and other sustainable city stakeholders, and is able to orchestrate the participation of all these public and private-sector partners to successfully complete projects lasting several years.

Wide-ranging capabilities

The current development portfolio illustrates the considerable diversity of its activities. Eiffage Aménagement teams, some working in partnership with their counterparts at Eiffage Immobilier, are breathing new life into the town centre in Joinville-le-Pont, by creating 500 apartments and 5,000 sq. m of shops. Teams are taking part in the urban regeneration programme in Bagnolet, building 400 homes and new public facilities. They are developing a brownfield industrial site in Clamart, in a project that will create 1,000 homes, together with shops, public amenities and hotels. In provincial France, teams are working on around ten developments, including the International Gastronomy and Wine Exhibition Centre in Dijon, the Smartseille eco-neighbourhood in Marseille and a new 25,000 sq. m area in the immediate vicinity of Reims train station. By 2020, Eiffage Aménagement intends to generate 20% of the Group's real estate production in France.

With effect from spring 2017, Smartseille is equipped with a geothermal loop system able to draw or return heat to/from sea water energy, providing a degree of heating in winter and cooling the air in summer. Greenhouse gas emissions will also be 70% lower than with fossil energy. Eiffage Énergie built the first sub-station in this coastal geothermal energy network in 2016, for EDF Optimal Solutions.

Smartseille pays dividends

Thanks to local teams from Eiffage Immobilier, Smartseille—a ground-breaking 58,000 sq. m eco-neighbourhood and the first phase of the Euromed 2 urban development programme—is currently taking shape in northern Marseille. Smartseille, which was chosen by the French government as a showcase for French industrial expertise in the area of sustainable cities, will feature several buildings certified under "Mediterranean sustainable building" specifications. In a mixed-use development combining a hotel, offices, homes, a crèche, a school, an intergenerational apartment building and shops, this innovation-packed eco-neighbourhood features bioclimatic design, energy efficiency solutions and biodiversified green spaces planted with a wide selection of Mediterranean species. A quarter of this development was handed over in late 2016, and work is well underway or nearing completion for the remaining three quarters. When finished, users will benefit from convenient access to quality services at very reasonable cost. A shared car park serving the apartments and offices and a car-sharing solution are already operational. A digital services offering with a dedicated portal managed by Orange has been designed. Residents and other users will be able to easily hire a car, book a function room or make appointments for services (hairdresser, cobbler, etc.) using the neighbourhood-wide WiFi network. Smartseille is recognised as an industrial demonstrator for sustainable city solutions, and may bring Eiffage new opportunities in France and other countries.

Working towards eco-neighbourhood certification at a mixed-use business park in Asnières-sur-Seine

The eight-hectare Asnières Bords de Seine mixed-use development area completed in 2016 by Eiffage Aménagement tackles numerous challenges relating to decontamination, waste, water and noise management, mixed-use urban environments and quality landscaping. The new adjacent Parc d'Affaires mixed-use development project, for which a consortium of developers in which Eiffage Aménagement is assistant leader won the contract from SEM92, is set to address the same challenges with the aim of achieving "eco-neighbourhood" certification. *"Nowadays, we no longer design new neighbourhoods without factoring in sustainable development requirements, and we systematically use the tools developed by the Group's Phosphore research programme, as well as the Astainable® sustainable urban development tool"*, stresses Brigitte Outrey, Urban Development Director. Low-consumption buildings, next-generation energy solutions, biodiversity, urban services and urban farming in public and private spaces will feature heavily in the design of this 137,000 sq. m macro-lot, featuring 2,000 homes, 25,000 sq. m of office space, shops and public facilities.

Access to drinking water, sewage and storm water drainage in export markets

Improving access to drinking water, building sewage and storm water drainage systems and developing the related processes is crucial in emerging nations, for obvious reasons relating to health and the climate. In 2015 and 2016, teams from Eiffage's Infrastructures division carried out the first phase of works to renovate and extend the Storm water drainage system in Brazzaville, Congo. In 2016, they went on to secure an order, in partnership with a local contractor, to develop a settling basin in Lomé, Togo, as well as a 31-km sewage system and 8 km of storm water drains. "*Our technical approach is greatly appreciated by financial backers. We offer comprehensive solutions that include pipes and treatment works, and opt for efficient prefabrication processes, thereby avoiding the inconvenience caused by protracted site work*", explains Nicolas Sureau, who heads the Infrastructures division's Environment and Industry businesses. The division is determined to expand its activities in water and waste treatment, and teams are actively preparing for upcoming tenders in countries such as Senegal, Madagascar and Uganda.

Urbainable® promotes a multi-criteria approach that enables an innovative response to urban development issues while giving appropriate consideration to climate factors and other specificities.

Urbainable® – Urban design digital tool suitable for all towns and cities

With 54% of the global population already living in urban areas and the proportion predicted to reach 66% by 2050, our cities must tackle a host of related challenges such as booming demand for housing and services, unsustainable energy footprints, traffic congestion and atmospheric pollution. In response, Eiffage, the engineering firm Egis and the energy utility Engie teamed up to develop a bespoke urban design digital tool. Going by the name of Astainable®—from "sustainable" and "Astana", the capital of Kazakhstan—this 3D demonstrator was used to simulate 350 French solutions with a role to play in fostering the emergence of sustainable cities, addressing themes such as low-carbon mobility, responsible water and waste management, renewable energy, sustainable construction and smart cities. Building on this success, Eiffage registered the Urbainable® brand for a universal version of the tool, suitable for use with any city. Urbainable® promotes a multi-criteria approach that enables an innovative response to urban development issues while giving appropriate consideration to climate factors and other specificities. The tool showcases the Group's expertise in the area of sustainable city demonstrators.

IMPROVING

Promoting mobility

Challenges

Facilitate travel in urban areas and improve access to territories by adding missing transport links and creating new arteries.

Solutions

Roads and motorways, tramways, underground transit systems and railways, docks and ship locks: Eiffage is a major player in the mobility sector, both through its construction activities and as an infrastructure manager.

In 2017, Eiffage will set the seal on its largest-ever project: the Bretagne-Pays de la Loire high-speed rail line. A total of 214 km of new line have been built between Le Mans and Rennes, under the terms of the public-private partnership agreement with SNCF Réseau concluded on July 28th 2011. The Group will maintain the line until 2036.

At its peak, 4,500 people worked on the huge Bretagne-Pays de la Loire high-speed rail line construction site, in a gigantic shop window for Eiffage's know-how. After the Perpignan-to-Figueras high-speed rail link and the A65 Pau-to-Langon motorway, this exceptional project provides further proof of Eiffage's ability to manage very large turnkey projects. When it enters service on July 2nd 2017, the BPL rail link will cut journey times between Paris and Rennes to under 90 minutes.

Between 2012 and 2014, some 26 million cubic metres of earth were moved, and 227 engineering structures, 11 viaducts, seven covered cuttings and five overpasses were built by teams from the Infrastructures division. Then, over the period from 2014 to 2016, the work to install the railway track (ballast, sleepers and rails) was carried out. This activity concluded in 2016, as *"the track was raised to its finished level and the 50 switches required for the line's operation were installed"*, explains Patrick Havard, the Track-laying Project Director.

Unwavering commitment

Over the same period, Eiffage Énergie mobilised 370 people to install all the necessary non-track equipment—two electrical sub-stations and 13 transformers supplying traction power, 18 service buildings, 26 GSMR radio towers for the telecommunications system, the necessary conduits for the fibre optic and utility networks, three track signalling systems (TVM300, ERTMS I and II) and the catenary, CCTV and security systems. *"Our team's unwavering motivation and commitment were the key to our success"*, stresses Sidoine Serraj, Project Director for the Energy division. The line was energised on schedule in the autumn of 2016. In January 2017, the main section of the line was rated to operate at speeds of up to 352 km/h (maximum commercial speed plus 10%), an essential step in the commercial licensing process.

Best environmental cost-benefit profile

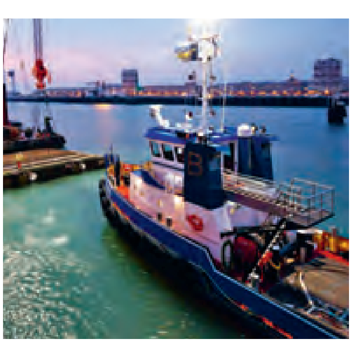
For the first time on a major infrastructure project, the environmental offset works were completed before the line was commissioned, confirming Eiffage as offering the "best environmental cost-benefit profile", as stipulated by SNCF Réseau when the contract was signed. 974 hectares of environmental offset land were developed, 5% more than the target. 218 hectares of woodland were replanted, and 477 hectares of habitats for protected species and 280 hectares of wetlands recreated. Nearly 300 structures were built to allow animals to easily cross the line. Additionally, 1,200,000 trees were planted, equivalent to six per metre of line.

Upon obtaining the commercial operating licence, Opere, an Eiffage subsidiary, will maintain the line until 2036. Opere will operate from two track maintenance centres located in Auvers-le-Hamon and Saint-Berthevin, the second of which is adjacent to the line's supervision centre.

Grand Paris Super Metro – Eiffage in the vanguard

The project to extend line E (Eole) of the RER regional railway network to the west of Paris has now been launched. Eiffage Génie Civil and Eiffage Fondations are members of the consortium tasked with digging a 6.1 km-long tunnel and building a new station at Porte Maillot. Ground was broken for this €460 million contract with SNCF in January 2017. Eiffage Rail, a subsidiary specialising in track-laying and maintenance, will carry out the track work for a 47-km section running between the planned Nanterre-la-Folie station and the station in Mantes-la-Jolie, *via* Poissy.

Eiffage Génie Civil used the Magaly tunnel-boring machine to excavate an initial 1,590-m tube between the Pont-Cardinet and Gare-Saint-Lazare stations on line 14 of the Paris Metro system. The second tunnel-boring machine, christened Yolène on July 22nd 2016, is digging the remaining 2,000 m between Pont-Cardinet and the planned Clichy-Saint-Ouen station.



Smooth sailing in the mobility market

Offshore, coastal and river works carried out by Eiffage facilitate the movement of people and goods in France and around the world. The Eiffage Travaux Maritimes et Fluviaux subsidiary is active along France's principal rivers, including the Yonne and the Seine, where it is modernising locks and dams. It also operates all along the French coastline, conducting a wide range of activities, including building yacht moorings, developing and shoring up docks, or carrying out major renovation work on port infrastructures (including several ship locks at the port of Le Havre). Herbosch-Kiere, a subsidiary of Eiffage Benelux, led the project to create the world's biggest ship lock in a port, which was officially opened in 2016 in Antwerp, Belgium. This major project is a feather in the Group's cap, like those to extend two deepwater container terminals, one already handed over in Lomé, Togo, the other under construction in Freetown, Sierra Leone.

APRR has created a special electronic toll payment package for electric vehicle owners and installed more than 50 charging stations across its network.

APRR – A partner for new mobility solutions

APRR and AREA are helping to roll out new forms of mobility, in accordance with French legislation relating to the energy transition. The two motorway operators already provide more than 1,000 car-pooling parking spaces, 394 of which were jointly funded in 2015 and 2016 (i.e., 74 more than the 320 spaces specified in the 2014-2018 management contracts). APRR is to fully finance an additional 1,700 spaces under the new motorway investment plan. In the area of electronic toll payments, in February 2016, the two concession operators launched an offering specially designed for car poolers, in partnership with iDVroom, a subsidiary of the railway operator SNCF. Since November 2016, AREA has also been conducting trials intended to facilitate car-pooled commuting, with the same partner. APRR has also devised a special electronic toll payment package for electric vehicle owners, and installed more than 50 charging stations across its network.

Work to widen a 10.5-km section of the A75 motorway south of Clermont-Ferrand to dual three-lane operation.

Motorway stimulus plan: €720 million in capital investment to ease traffic flows and improve accessibility

The works carried out by APRR and AREA as part of the motorway stimulus plan began in 2016 and will continue until 2022. A total of €720 million will be invested to ease traffic flows on often-saturated sections and to improve interconnections within the motorway network and with the secondary road network.

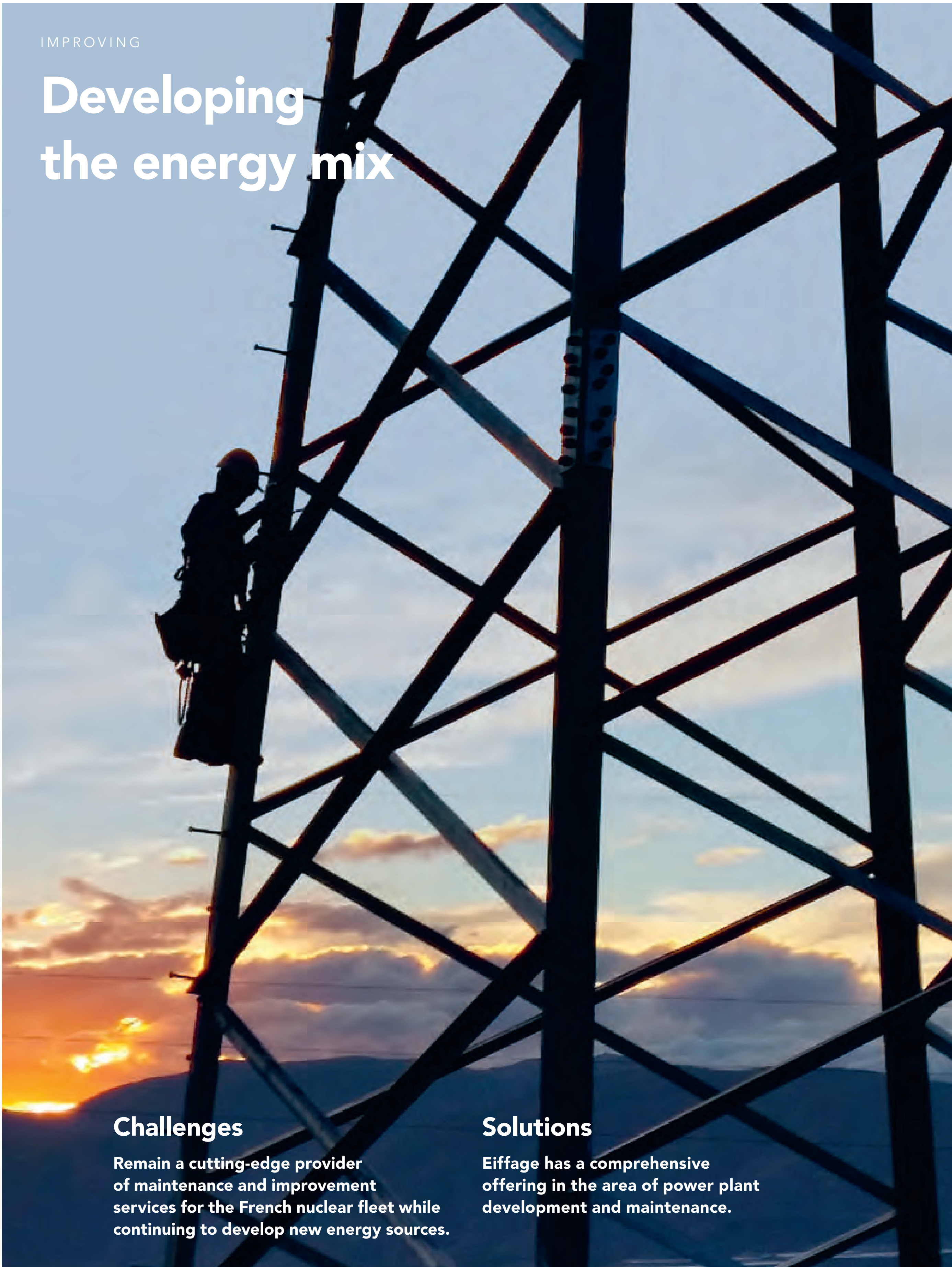
In the context of this effort, APRR took over operation of a 10.5-km section of the A75 motorway south of Clermont-Ferrand in May 2016. Almost €170 million is earmarked for work to widen the motorway to dual three-lane operation, to be carried out over the period 2018-2020.

In another highlight of 2016, AREA signed a memorandum of agreement with the French State, the Isère department and Grenoble-Alpes Métropole in November, relating to the development of the A480 urban motorway in Grenoble. Work to relieve congestion in the Grenoble urban area will begin in 2019, at a cost of €334 million.

The two motorway operators are also continuing work on projects arising out of the 2014-2018 management contracts. In April 2016, APRR broke ground on a 5.5-km section of motorway north-west of Lyon. The aim of this project is to finalise the link between the A89 and A6 and complete the Bordeaux-Geneva trans-European corridor. A total of €146 million will also be invested to develop a motorway interchange on the A6, build a 208 m-long viaduct, a new motorway section and several roundabouts, with two-thirds of this work being carried out by teams from Eiffage's Infrastructures division.

IMPROVING

Developing the energy mix



Challenges

Remain a cutting-edge provider of maintenance and improvement services for the French nuclear fleet while continuing to develop new energy sources.

Solutions

Eiffage has a comprehensive offering in the area of power plant development and maintenance.

The Group is active in both conventional and renewable energy solutions, providing its expertise in civil engineering, heating, electrical and mechanical engineering at each stage in the project life cycle, from design and construction to commissioning, operation and maintenance.

Eiffage has a comprehensive power plant development and maintenance offering spanning thermal and nuclear power plants, wind and solar farms, as well as cogeneration, biogas and geothermal power plants. Day in, day out, customers are supported by 25,000 Eiffage staff in energy-related businesses, operating out of a network of 400 locations.

Eiffage has been involved in France's nuclear power development programme since the early 1970s. Drawing on this lengthy experience, the Group is well-placed to fulfil the needs of the traditional major contracting authorities, whether by building turnkey facilities or providing upkeep maintenance services.

Eiffage has the requisite technical skills, qualifications and certifications to guarantee the standards of quality, safety and security applicable in this industry. The Group also helps its major clients to install general and safety-related electrical systems, instrumentation[1], pipework and electromechanical systems.

The Group is also stepping up its activities relating to new forms of energy. In 2016, the Spanish subsidiary Eiffage Energía, which has already built 32 solar power plants in export markets and helped to install facilities around the world with a combined capacity exceeding 900 MW, completed the 110 MW plant in Quilapilún, Chile, as well as handing over several units in the United Kingdom with a combined capacity of 35 MW.

Eiffage Energía is also developing its wind power business, and has already built 70 wind farms, of which 11 in Europe and one in Brazil, handling everything from the foundations to the transformer substations.

"After building the Cestas solar power plant and forging close relationships with photovoltaic module and current inverter suppliers, Clemessy, via its German subsidiary RMT, was a member of the consortium that beat 24 major competitors to win the contract to build Sub-Saharan Africa's largest-ever solar power plant, a 50 MWp facility in Nouakchott, Mauritania", RMT's CEO, Jean-Martin Meyer, notes with satisfaction. The company is also building a 30 MWp solar power plant in a consortium with Eiffage Sénégal. Lastly, teams from Clemessy in Morocco are equipping the Noor 2 and Noor 3 solar power plants, and will also be installing the 225 kV transmission and interconnection transformer facilities, digging and filling trenches and laying cables.

1. Monitoring the flow rates, pressures, vibration and temperatures of gaseous utilities used in nuclear processes.

Clemessy – A fifty-year track record in nuclear power

In 2016, Clemessy, a longstanding partner of EDF, confirmed its leadership in the area of general electrical installations for the French nuclear fleet, covering instrumentation and control, lighting systems and fire detection and protection equipment. The company, which has 620 employees fully certified for nuclear operations, is a member of the consortium that won a €180 million contract for work on the electrical installations at 15 plant units (more than a third of the total fleet); this work is essential to keep the plants operating smoothly. Clemessy will also be taking part, in a consortium, in a €10 million operation concerning the full range of definition and implementation studies for changes to installations at all plants. *"We are celebrating the 50th anniversary of our partnership with EDF; our ability to adapt has been the key to this enduring relationship"*, notes Philippe Dubuisson, CEO of Clemessy Nucléaire. The company, which also operates in the area of security, automatic control and nuclear instrumentation, is taking part in the project to extend plant service lives and protect their ability to operate by installing ultimate diesel generators.

The Vercors mock-up was inaugurated in June 2016, setting the seal on nearly three years of works for Eiffage Génie Civil Nucléaire, with contributions from Eiffage Métal (for the equipment hatch), Eiffage Énergie and Eiffage Route.

Eiffage Génie Civil – A partner in the major refit programme

As part of EDF's "Grand Carénage" industrial refit programme, which includes work arising out of the post-Fukushima assessment, Eiffage Génie Civil is building new infrastructures for EDF and carrying out improvement works on existing facilities. *"We will finish building the local emergency operation centre at the Flamanville site in 2018"*, notes Axel Davout, the manager in charge of the nuclear civil engineering business. *"Working in partnership with Eiffage Fondations, we also secured a master contract for floor strengthening works, resulting in a project at the Gravelines plant in 2016, and another master contract relating to utility infrastructures enabling the new post-Fukushima units to be connected to existing infrastructures. In particular, we are carrying out the exterior works for the ultimate diesel generators at the Gravelines, Golfech and Nogent-sur-Seine nuclear power plants."* Experts from Eiffage Génie Civil Nucléaire are also heavily involved in research and development activities. *"We are taking part in the construction studies for the EPR NM (new model) reactor and are in the process of finalising a mock-up with the aim of developing methods for strengthening the foundation rafts at all operational reactors, to enhance their safety"*, adds Axel Davout. In 2016, Eiffage Génie Civil Nucléaire teams handed over an exceptional project at EDF's R&D facility in Écuelles: a one-third scale mock-up of a nuclear reactor building, known as Vercors. Equipped with 700 sensors and 2 km of fibre optic cable, the purpose of this installation is to test accelerated ageing of the concrete used in nuclear containment structures.

Renewable energy – Turnkey power generation and distribution solutions

Wind and photovoltaic power are two of the Energy division's growth drivers. The division has set a target of increasing revenue fivefold to €240 million by 2020, capitalising on strong growth in these markets worldwide. Operating as an all-round contractor and integrator will also favourably impact sales.

"We intend to build our business by focussing on large turnkey construction contracts, particularly in Europe, Africa and Latin America", explains Sylvain Bescond, Engineering Director at Eiffage Energía's Renewable Energy department. *"We will be handling the entire process, from design to handover and maintenance, including civil, electrical and mechanical engineering work. We will also be supported by Eiffage's powerful sales network as we develop the markets for energy storage and onsite consumption for industrial customers."*

From onshore to floating offshore wind power

Operating through its subsidiaries, Eiffage Métal — and its own subsidiary Smulders — and Eiffage Génie Civil, the Group's Infrastructures division has expertise in all types of wind power — onshore or offshore, including floating wind turbines. Smulders ranks among the market leaders, with more than 1,000 steel foundation modules for offshore wind turbines to its credit. Smulders, which designs, engineers and manufactures foundations, transition pieces and grid connection sub-stations, won eight orders to build wind turbine foundations in 2016, as well as three sub-station projects.

For its part, the Eiffage Métal plant in Fos-sur-Mer, which is equipped with dock facilities suitable for handling large volumes, is building metal components for use by Smulders in the foundations of three wind farms located off the coast of the United Kingdom and Germany.

The Spanish subsidiary Eiffage Métal Iberica manufactured 969 onshore wind turbine tower sections, 98.3% of which were subsequently exported. Future growth in this business is likely to be driven by the development of offshore wind farms and wind farms in emerging nations.

For Eiffage Génie Civil, which regularly builds foundation blocks for onshore wind turbines, new perspectives are opening up in the area of offshore wind farms built using gravity foundations consisting of a reinforced concrete structure filled with ballast, like the meteorological tower built in Le Havre and submerged in 2016 off the coast of Fécamp.

Floating offshore wind turbines are a next-generation technology offering a production potential three times greater than grounded wind turbines. The pilot floating wind farm in the Gulf of Lions being developed by a consortium in which Eiffage Métal is one of the industrial partners will feature four wind turbines with flotation modules built at the company's plant in Fos-sur-Mer.

IMPROVING

Supporting industry

Challenges

Design, integrate and maintain systems and installations for industrial production, testing, simulation inspection and compliance assessment processes.

Solutions

Eiffage intends to enhance its industrial dimension, in order to more effectively support the Group's many industrial customers in France and other countries.

Jean-Marie Gutleben
Industrial Director, Clemessy

"We are designer, contractor and maintenance provider, all rolled into one."

The Renault plant in Maubeuge, the National Centre for Space Studies (CNES) and Arianespace in French Guiana, the LyondellBasell oil refinery and Boiron homeopathy laboratories in Messimy all have one thing in common: teams from Eiffage's Energy division installed or maintained systems and equipment. The Energy division is a longstanding partner to cutting-edge and traditional industries alike, and intends to further develop this aspect of its activity.

Turnkey systems

Clemessy, which originally specialised in electrical engineering before branching out into mechanical engineering, has for many years been providing its services to a wide range of highly demanding industrial sectors, including energy, space exploration, car manufacturing, nuclear power, aviation and pharmaceuticals.

The company's 5,000 employees design and install turnkey systems for production, testing and inspection in industrial environments. They also provide optimisation and maintenance services for these state-of-the-art facilities. *"We are designer, contractor and maintenance provider, all rolled into one"*, points out Jean-Marie Gutleben, Clemessy's Industrial Director. For example, Clemessy designs and implements power distribution systems, as well as automated and computerised control systems that play an important role in keeping industrial processes operating smoothly. Clemessy also designs and sells test beds suitable for use in equipment approval procedures, and produces analysers for determining and checking sample compositions.

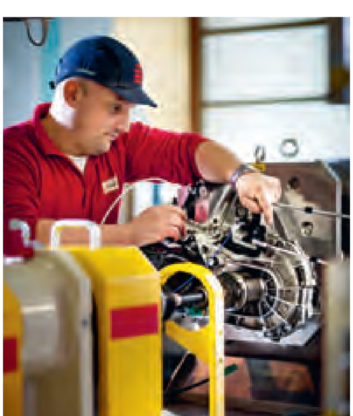
Industrial services

Clemessy Services specialises in serving industrial customers, and boasts more than 100 multi-year contracts covering everything from program engineering and design to plant operation. In January 2017, the company retired its former name (Eiffel Industrie) in order to better emphasise this specificity. A longstanding partner to large chemical and petrochemical companies such as Arkema and Total, as well as energy utilities like EDF, Clemessy Services provides a range of custom services to industrial clients in the energy sector (e.g., oil refining, nuclear energy, hydropower and thermal power generation) and traditional industries (such as chemicals, ship-building and paper-making). In addition to its traditional businesses, Clemessy Services has since 2014 been stepping up its growth in so-called "clean" industries such as pharmaceuticals, cosmetics, scientific research and semi-conductors. *"This work demonstrates our ability to develop new technologies and new integration expertise"*, comments Philippe Chardonnieras, Sales Director for clean industries.

Electrical design and instrumentation and control systems for the aerospace industry

Clemessy has had its head in the stars for more than fifty years. In its role as a partner to the French National Centre for Space Studies (CNES) and Arianespace, the company has been operating from the rocket launch centre in Kourou, French Guiana, since 1965. *"We have helped to build four generations of launch pad, and we design and maintain several instrumentation and control systems, including for the sixth generation of Ariane launchers"*, Jean-Marie Gutleben, Clemessy's Industrial Director, notes with satisfaction. Some 120 Clemessy employees are present onsite at all times, carrying out electrical works, maintaining and operating the third launch pad at the Guiana Space Centre and supporting the CNES and Arianespace with process upgrades.

In a sign of its confidence, in July 2016 the CNES awarded the company, as part of an Eiffage-led consortium, the contract to install the energy and lightning protection systems for the ELA4 launch facility, as well as the instrumentation and control system for use with the planned Ariane 6 European space launcher. Meanwhile, in September 2016 Antwerp Space, a company specialising in systems for European space programmes, awarded Clemessy Switzerland a contract to design and develop ground test facilities for the transport module for the ExoMars 2018 mission.



Assembly and testing facilities for the car manufacturing industry

"Clemessy's relationship with the industrial world began with car manufacturing. We have been supporting car-makers since the post-War years and currently employ 450 people in this area", explains Philippe Guedon, Director of Clemessy Ouest-Atlantique. The company works particularly closely with Renault-Nissan, PSA, General Motors and OEMs such as Valéo and Plastic Omnium. Designing and building assembly facilities for vehicle bodies and engine production lines based on robotised islands is the company's leading focus area, followed by the design and implementation of testing facilities for checking the performance of gearboxes and hydraulic and air-handling components for air conditioning systems. In 2016, Clemessy won an order for three robot cells that will install glass parts in the forthcoming Peugeot 2008, as well as a contract for the design and construction of door assembly tooling for all new Renault-Dacia models. The company also won a contract from the German OEM Mahle-Behr to produce test beds for the radiators that it assembles in China. Teams from Clemessy operate permanently at manufacturers' and OEMs' plants, where they also carry out electrical works, maintenance and mechanical and robotic engineering to keep production processes operating smoothly.

Clemessy Services managed two major maintenance shutdowns in 2016. The shutdown of the steam cracker in the hot zone at the LyondellBasell oil refinery in Étang de Berre required a full year's upstream preparation, working in integrated teams to define operating procedures and conduct the necessary risk assessment. Nearly 300 people worked on this project. Detailed preparations for the steam cracker in the cold zone of the Versalis petrochemicals plant in Dunkerque were completed in three months, with 150 people taking part.

Major maintenance shutdowns at chemical and petrochemical facilities

In 2016, Clemessy Services' Scheduled Shutdowns department, which has a permanent staff of 25, managed six simultaneous outages at chemical and petrochemical facilities. *"This type of work requires key skills in our core businesses—fitting, mechanical engineering, pipe systems, metal working and industrial cleaning—and also requires the ability, as the prime contractor, to manage the other trades involved in the operation, such as scaffolding, lagging and painting"*, explains Jérôme Mereaud, Scheduled Shutdowns department Manager at Clemessy Services. Successfully conducting this type of one-off operation requires the department to assemble teams of up to 500 people, largely drawn from the company's regional divisions. These services often have to be performed *"on very tight schedules to minimise production facility down-time while fully complying with safety protocols"*.

The company also carries out modification works to increase production capacities or optimise industrial processes. "*Joining Eiffage's Energy division has enabled us to expand our service offering to include electricity and instrumentation*", he stresses. Clemessy Services is also developing its export business in Europe (conducting shutdown works in Belgium and Switzerland) and further afield, winning its first order in Africa in January 2017, relating to a maintenance outage at the Sonara refinery in Cameroon.

Targeting "clean industries"

After winning a contract in 2014 to perform general maintenance at the Sanofi site in Vertolaye, France, Clemessy Services has gone on to secure orders to install the special fluids and contaminated waste collection systems for two laboratories designed for work with potentially highly dangerous micro-organisms known as "class 4 pathogens". The first of these laboratories is operated by the French defence procurement agency, DGA, the other by the Inserm research institute in Lyon. These are two major reference projects, given that only 12 equivalent laboratories exist worldwide.

In 2016, Clemessy Services also won the contract to extend the Boiron homeopathic remedy production facility in Messimy, as well as the "special fluids" contract for the planned nanoscience and nanotechnology centre (C2N) at the Paris Saclay research campus. *"These new contracts enable us to diversify our offering while capitalising on our expertise in industrial maintenance and new-build installations"*, Philippe Chardonnieras, Clemessy Services' Clean Industries Sales Director notes with satisfaction.

The contract agreed in June 2016 with the Messimy-based homeopathy specialist Boiron is a major reference, consolidating Clemessy Services' growth in the pharmaceutical process segment. This contract concerned the installation of specialty gas and filtered and unfiltered compressed air systems, a purified water loop and equipment including granulation and impregnation turbines required for the plant expansion.

Building today and tomorrow's world

Embracing the digital transformation and committed to innovation, Eiffage is building tomorrow's world.

Building

MAKING THE DIFFERENCE

Accelerating the digital transformation

Challenges

Eiffage intends to continue improving the Group's competitiveness and operational efficiency, to better address our customers' new uses, applying digital tools to our internal and third party-facing processes.

Solutions

The transition from paper-based to electronic solutions for numerous management processes was accelerated and improved in 2016, in support functions and at worksites alike. Eiffage's use of BIM was optimised for bidding, design and construction of buildings and other structures.

Eiffage is fully embracing the digital transformation. The effort to implement the Group's electronic processing transition plan was stepped up in 2016.

Every possible lever has been actuated to boost efficiency and reliability by industrialising and automating certain data processing tasks. The tools developed for this purpose enable processes to be managed entirely electronically *via* a PC, smartphone or tablet interface.

BIM

In 2016, Eiffage Construction continued to roll out Building Information Modelling (BIM) across all regional entities. This information management system revolutionises the manner in which buildings and other structures can be designed, built and managed. BIM facilitates the design and prefabrication of complex structures. Eiffage Construction has defined processes and tools to optimise the approach for use by various professions (costing engineers, sales engineers, etc.), with the goal of using BIM on all design-and-build projects by 2020.

e-procurement

The rollout of the Operis integrated information system continued in the contracting subsidiaries and in Senegal. The remaining subsidiaries outside France will migrate to this management solution by 2020. When it begins operating in 2018, the accounting shared services centre will be able to process 2.4 million supplier invoices, 100,000 expense forms and manage 3,000 active bank accounts used by Eiffage Group companies. Downstream payments are facilitated by issuing electronic payment authorisations. Furthermore, an e-procurement solution enabling purchase requests to be submitted and orders approved online will be implemented in 2017, enabling end-to-end electronic processing, from purchase request to supplier settlement.

Two new systems will also be introduced in 2017. An application named eMAT will be used to optimise the maintenance, management and use of 150,000 construction site machinery and equipment items, as well as a fleet of 20,000 vehicles. Another software tool improves productivity through the use of a dedicated interface to monitor quality and submit reservations in real time to clients. The solution developed by the start-up Finalcad, which specialises in mobile applications for worksites, is currently being rolled out to field personnel across the Group.

The Group is to begin overhauling its human resources management system and the payroll software used for 45,000 employees in France. The goal is for the upgraded system to be operational by 2018.

Reinventing our businesses through the digital transformation

The digital transformation has four components: digital technologies, new communication channels, cooperation and cross-entity applications. Existing processes may be improved in many ways. *"For example, we want to act quickly, tangibly and pragmatically to accelerate the digital transformation in the Construction division. We have three basic goals: use the latest available tools and processes and imagine new ones to facilitate the lives of the company's employees; optimise processes to enhance productivity; and adapt to new use cases among our customers. We can reinvent our businesses"*, explains Bertrand Cahen, the Construction division's Digital Transformation Manager.

PRODUCTIVITY

BIM – A proprietary approach to boost profitability

BIM is being rolled out as part of the digital transformation in the building sector and new European regulations on public contracting. This system, based largely on modelling structures and sharing and exchanging electronic data, is revolutionising how even complex buildings and structures are designed and managed. In early 2016, Eiffage Construction began deploying BIM at all regional entities in France and the rest of Europe, and has adapted it to its various businesses. The goal is to manage all design-and-build projects using BIM by 2020. In the division's Real Estate business, all new developments will be addressed in a BIM approach with effect from 2018. For the infrastructure market, an operations committee is preparing the rollout of this approach, which is being used to design and build infrastructures for the planned Ariane 6 launch facility in French Guiana. The proposal for the HS2 high-speed rail link between London and Birmingham was submitted using BIM, as will be the proposals relating to the construction of stations and tunnels for the planned Grand Paris Metro system. To make best use of these new technologies, the Group has introduced a comprehensive training plan. By the end of 2017, 1,000 Eiffage employees will have received dedicated training, and by 2020, 5,000 people Groupwide will have followed a special course with Eiffage University, featuring a combination of collaborative online training and conventional tuition.

COMMUNICATION

Eiffage on TV

Eiffage TV began broadcasting in 2016! Among other things, its animated programme automatically broadcasts company news in real time. Within a few weeks, more than 80 screens were either already operational or in the process of being installed. Local news is published totally independently by teams at each location. Eiffage TV is now available for all Group offices, regional departments and project sites in France and around the world.

Eiffage TV is backed by the technical expertise of Eiffage Énergie Services, which supplies dynamic display solutions to large retail chains such as Auchan and Flunch.

PROCESSES

Digital solutions for more effective resource and risk management

In 2016, the Group accelerated its digital transformation in three areas. Eiffage staff developed the eMAT computerised maintenance management system (CMMS) to optimise the operation of 150,000 construction site machinery and equipment items and 20,000 vehicles in France and Senegal. This software solution, which will begin a phase of tests in June 2017 before being rolled out starting in January 2018, will provide an overview of the fleet covering all divisions, ensure equipment availability and regulatory compliance, and optimise resource utilisation. The Group has also invested in an e-procurement portal, providing easy access to all current framework contracts with service providers, together with prices and relevant documentation. Lastly, the Eiffage Standard Reference Manual, which was introduced in 2006 and identifies the risks to which the Group is exposed, has been revised and digitised. All the aforementioned tools are accessible *via* PC, smartphone and tablet.

Providing ever more innovative offerings

Challenges

Eiffage weaves constantly-evolving technologies into its many businesses, maintaining the high standard of quality demanded by customers seeking to effectively manage their costs and protect the environment.

Solutions

The Group remains at the cutting edge of technology. Our divisions and business lines have developed numerous partnerships. These collaborative efforts generate synergies that in turn foster the emergence of new concepts and cross-selling opportunities.

With the third industrial revolution now underway, Eiffage staff remained highly motivated in 2016, enabling the Group to demonstrate its ability to make the difference and build its future. As environmental requirements become stricter, demand for efficiency and productivity has never been stronger.

Low-carbon offering

Eiffage Construction has developed a low-carbon offering that harnesses the considerable potential of wood in its many forms.
As a result, the company has become one of the leading users of cross-laminated timber in tall buildings in France. Where building 220 apartments in a concrete building requires twelve months, only ten are needed with CLT panels. Eiffage Construction is a founding member of the society for the promotion of low-carbon buildings (BBCA) and the society for the promotion of wooden residential buildings (ADIVbois). Two of its developments (in Ris-Orangis and Cormeilles-en-Parisis) qualified for the demanding BBCA* certification.

Digital integrator

Faced with the rapid expansion of the Internet of Things (IoT), Eiffage Énergie is positioned as a digital integrator, and is developing a proprietary IoT platform providing "100% Eiffage" services in the area of data collection and security. Using connected smart labels and chips, 80 billion objects and devices in Europe are set to become intelligent and communication-enabled by 2020. These applications are already revolutionising utility management, urban development, infrastructure and machinery maintenance. Most Eiffage businesses are capitalising on this strategic market while also transforming themselves.

Roads of the Future

Eiffage Route has heavily focussed its R&D efforts on the "Roads of the Future", which it sees as an interactive system reflecting many of the Group's areas of expertise. In the future, road corridors will be informed by digital technologies that turn roads into an intelligent, communication-enabled medium, able to interact with users and operators.
For its part, Clemessy, the electrical and mechanical engineering specialist, has sustained its significant R&D effort, taking part in projects by numerous competitiveness clusters, such as the Co-Drive initiative, which focuses on new information exchanges between users, vehicles and infrastructures. Lastly, in a bid to further enhance the quality of its offering, Clemessy Services, which specialises in industrial services, has implemented a comprehensive innovation plan and is providing customers with high added-value services such as predictive maintenance.

* BBC low-carbon building certification.

LOW-CARBON BUILDINGS

A strategic growth driver for Eiffage Construction

Eiffage Construction has become a key player in the booming market for wooden buildings, with a large number of developments either already completed, in progress or at the design stage. Examples of completed projects include the Jean-Jouzel student hall of residence in La Rochelle, the Hypérion composite wood and concrete building in Bordeaux, 140 social housing units in Ris-Orangis (Essonne) and a housing renovation and construction project in Cormeilles-en-Parisis. Wood releases four times less carbon dioxide when used as a structural material than an equivalent concrete solution.
A major strength of Eiffage Construction's offering is its ability to cover the full market spectrum for buildings from 8 m to 50 m tall. This promising market may grow to represent 5% or more of the total building construction market by 2025.
"Wood is a strategic growth driver that will enable the Group to win market share in France and other European countries", according to Jacques Bouillot, Eiffage Construction's Innovation and Dry Process Director.

INTERNET OF THINGS

Eiffage Énergie is becoming a digital integrator

In the near future, tens of billions of devices will be interconnected *via* internet. In this strategic marketplace with exponential use cases, Eiffage Énergie is positioned as an all-rounder capable of integrating all types of information and communication technologies and systems, working with all types of operator.
"The Internet of Things (IoT) will enable energy saving targets associated with new sustainable development requirements to be achieved more easily by enhancing energy efficiency and lean use", stresses Roland Strauss, Director of Eiffage Énergie Télécom.

Eiffage Énergie scored an initial success in the form of the contract to deploy the first IoT network in Paris, as part of the "Climate and Energy" and "Paris – A smart, sustainable city plans". Nearly 10,000 connected devices will be installed, collecting data from schools, crèches, offices, sports halls and swimming pools. The information collected by these autonomous sensors (relating to consumption, temperature, air quality, etc.) will be sent over a narrowband network covering the whole of the French capital.
Eiffage Énergie is to develop a proprietary IoT platform to process the data acquired *via* this network.

WORKSITES

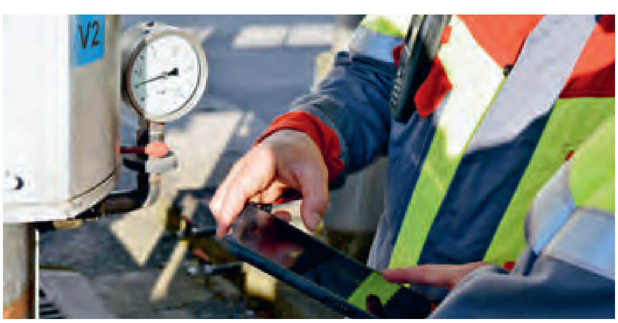
Noé innovates in Bordeaux Euratlantique

To facilitate the management of lengthy urban construction sites, beginning with a programme to renovate five areas of Bordeaux, Eiffage Construction and Eiffage Route created Noé, a next-generation logistics centre that delivers environmental performance and traceability in a circular economy approach. Site accommodation and refuse disposal facilities, spoil and polluted soil management solutions, parking facilities, logistics and staff transport are among the shared services available *via* subscription to any construction firm working on urban construction sites, including projects not managed by the Group.

ROADS OF THE FUTURE

Eiffage Route working hard to develop smart roads

Eiffage Route is focussing its R&D effort on the "Roads of the Future", in response to a call for projects from the French environment and energy management agency (Ademe) aimed at accelerating the emergence of next-generation connected, intelligent roads able to communicate and interact with their environment. *"We are designing the Roads of the Future as a system rather than a product"*, explains Hervé Dumont, Eiffage Route's Engineering Director. *"In order to integrate the necessary new functions, such as generating power, collecting data and decontaminating water, we are working with Eiffage Énergie on the power generation and storage and digital technology aspects, with Eiffage Construction regarding interactions between roads and the built environment, with APRR for matters relating to concession-operated network management, and with the Group's Sustainable Development and Cross-Divisional Innovation department, regarding forward-looking research and virtual project representations."* The resulting synergies are already generating cross-business activity. A good example of this is the Expercité® management software solution for urban assets, roads and networks. The 70th Expercité® service agreement, concluded in greater Lyon in late 2016, was the first to concern roads. For its part, Eiffage Aménagement worked on the Roads of the Future demonstrator for the Epamarne project in Marne-la-Vallée.



INDUSTRY

Clemessy Services strives for innovation and ROI

The industrial services specialist, Clemessy Services, has produced a comprehensive innovation plan that aims to deliver profitable growth, with the focus on return on investment. In particular, this will be achieved by harnessing in-house innovations; promoting open innovation; leveraging new digital tools to enhance efficiency and productivity; making the company's industrial businesses and service offerings more attractive; and harnessing cross-divisional innovations implemented by the Group. *"We systematically conduct a review of potential innovations during the contracting process, assessing their potential return on investment"*, notes Marie-Catherine Tran, Director of Innovation and Process Planning. The company intends to expand its industrial operation and process service offering further upstream, providing high added-value services such as predictive maintenance, a major consideration for facility operators. Digital solutions are already a performance driver for Clemessy Services and its customers alike. Tablet computers (if necessary specially adapted for use in ATEX zones subject to explosion risks) are making it easier and simpler to send work orders relating to maintenance agreements.

BUILDING

Using new tools to drive innovations

Challenges

Eiffage already has several years' experience tackling the challenges associated with digital and environmental transitions in a world in which ever-faster technological progress in areas such as robotics, artificial intelligence and the digital revolution are transforming the Group's businesses, processes, management and relationships with end customers.

Solutions

Optimising how innovation efforts are coordinated will enable the Group to more effectively leverage its many strengths, including the excellent fit between its businesses, its powerful engineering capabilities, and the ability to work together facilitated by the bond of shared values.

Valérie David
Director of Sustainable Development and Cross-Divisional Innovation

"Against a backdrop of major digital and environmental transitions, Eiffage is implementing a structured innovation management process."

Ambition and bold action have been the common features of milestone achievements throughout the Group's history. Over the years, these traits have enabled the company to demonstrate its ability to make the difference, tackling major technical challenges and successfully completing highly complex, iconic projects such as the Millau viaduct or the opening roof over the Pierre-Mauroy stadium in Villeneuve-d'Ascq. Against a backdrop of major digital and environmental transitions, the Group has taken the next step by implementing *"a structured innovation management process"* notes Valérie David, Eiffage's Director of Sustainable Development and Cross-Divisional Innovation.

Multi-disciplinary internal research programmes

Each Eiffage business line is encouraged to participate in multi-disciplinary internal research programmes — Start-Lab think tanks together with electronic suggestion boxes known as Start-Boxes — in order to imagine how its markets might evolve, in order to design appropriately packaged, state-of-the-art innovative offerings. This approach, which seeks to encourage the emergence of innovations, is backed by a financial fund that enables the financial risks associated with deploying innovations to be shared, and accelerates internal initiatives and external partnerships, including partnerships with start-up businesses. A committee — with representatives from all divisions and support functions to ensure a broad base and multiple viewpoints — has been set up to assess grant applications submitted to the fund. Innovation devoted to controlling our carbon footprint has not been overlooked. Following the success of the pilot carbon arbitration fund set up for the Bretagne-Pays de la Loire high-speed rail line project, which offset greenhouse gas emissions equivalent to those generated by building 2 km of line, Eiffage has set up an equivalent Group-wide fund named "E-face". The purpose of this fund is to finance any difference in cost between high carbon-footprint conventional construction solutions and alternative solutions that deliver superior emissions performance but tend to be more expensive. All Group divisions and businesses have access to the fund.

Start-Lab and Start-Box – Participatory innovation by APRR

The goal of APRR's Horizon 2020 blue-sky thinking and forward-looking research initiative is to imagine the motorway of the future, in order to continuously better satisfy customer expectations and make the motorway operator a key stakeholder in 21st century mobility. In 2016, APRR set up Start-Lab, a think tank system including, among other features, an innovation suggestion box named Start-Box.

This innovation management strategy has now been rolled out across all Eiffage divisions as well as the parent company. *"The Start-Box is open to good ideas from all employees. Nowadays, the whole APRR workforce is encouraged to propose innovations, not just managers"*, notes Alexandre Claude, APRR's Innovation and Development department Manager, adding *"We organised a Start-Box challenge event in November, 2016. In all, 650 people took part and 54 proposals were shortlisted and will be tested."* These addressed topics such as digital technology, prepayment offers, car pooling and connected vehicles. APRR will explore how to operate in the future, with the aid of new technologies such as augmented reality, drones, robots, artificial intelligence and new materials.

Open Innovation – Identifying innovative solutions

"These days, no companies are able to reliably innovate using only their own resources", observes Valérie David. Accordingly, Eiffage collaborates with innovation ecosystems such as business incubators, which support start-up businesses that already have patents or promising ideas, such as Paris&Co (specialising in digital solutions and real estate), and Impulse Partners (specialising in logistics, mobility, next-generation social housing and disruptive real estate solutions). The goal is to identify the best solutions, products and processes that enable the Group to immediately differentiate its sales offerings. At Open Innovation events such as the one organised in late 2016, selected start-up businesses present their best proposals to managers of operational units; proposals address a wide range of topics relating to the management of sustainable urban development and urban farming, new and renewable energy sources, management of connected devices and intelligent parking solutions, for example.

1

1
Open Innovation Day held in late 2016 at the Pierre Berger campus in Vélizy-Villacoublay.

2
Real-time immersive 3D technology was applied to the Astainable® sustainable urban development demonstrator.

Finance – Funding to accelerate the rollout of innovative solutions

The Group has set up two funds to support and accelerate the deployment of innovative solutions. The first is an innovation seed capital fund named Seed'Innov. This fund helps to support all phases of the process inherent to innovations, from patenting to *"prototype marketing"* including joint funding for proofs of concept, i.e., small-scale implementations designed to demonstrate the feasibility of an idea or project. *"This fund will help us to identify differentiating offerings more quickly"*, whether inspired by internal innovations or partnerships with start-up businesses, comments Valérie David.

The purpose of the E-face carbon arbitration fund is to unshackle low-carbon offerings by financing the difference in cost between conventional, high carbon-footprint construction solutions and other technical solutions, processes or materials that generate fewer emissions but tend to be more costly.

2

Applying 3D digital technologies to construction businesses

Digital technologies, which naturally have an important role to play in implementing Smart Cities, can be used to more faithfully represent a town or city and enable smoother, more highly integrated management. Technologies originating in video gaming are among the most precious, enabling intuitive, near-instant understanding of urban development projects, regardless of their complexity or the analysis scale. Informed by the systemic approach developed as part of Eiffage's Phosphore research programme, the Astainable® sustainable urban development demonstrator uses real-time immersive 3D modelling to enable designers to clearly show harmonious, sustainable multicriteria development schemes that would totally transform Kazakhstan's capital city.

General information and financial highlights

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Directors' Report

(The Directors' Report as submitted to the general meeting includes all documents contained in the 2016 reference document.)

2016 was characterised, as expected, by a further increase in the Group's results, drawing strength from a solid operating performance and a further decrease in finance costs. With the contracting businesses appearing to have bottomed out, 2017 should mark a return to growth at revenue level.

Consolidated revenue reported by the Group came to €14 billion, up slightly by 0.7% at current consolidation scope. This growth was fuelled notably by the acquisitions completed over the course of the year, as consolidated revenue declined slightly by 0.2% on a like-for-like basis. When reasoning on a reported basis, activity was just about stable at the contracting businesses, inching down by 0.1%, whereas it increased by 4.6% at the concessions business. Revenue contributed by international operations recorded another increase, up 4.7%.

Consolidated revenue by division for the year ended December 31st 2016

			% change	
In millions of euros	**Year ended December 31st 2015**	**Year ended December 31st 2016**	**Actual consolidation scope**	**Like-for-like***
Construction	3,514	3,666	+4.3%	+3.4%
of which Property	*743*	*768*	-	-
Infrastructures	4,374	4,325	-1.1%	-2.5%
Energy	3,578	3,461	-3.3%	-4.1%
Sub-total contracting	***11,466***	***11,452***	***-0.1%***	***-1.2%***
Concessions (excluding IFRIC 12)	2,443	2,556	+4.6%	+4.7%
Total Group (excluding IFRIC 12)	**13,909**	**14,008**	**+0.7%**	**-0.2%**
Of which:				
– France	11,272	11,246	-0.2%	-0.7%
– Rest of world	2,637	2,762	+4.7%	+2.2%
– Europe excluding France	*2,234*	*2,384*	*+6.7%*	*+3.7%*
– Outside Europe	*403*	*378*	*-6.2%*	*-6.2%*
Construction revenue of concessions (IFRIC 12)	206	272	nm	

* Constant consolidation scope: calculated by neutralising:
– the 2016 contribution made by companies consolidated for the first time in 2016;
– the 2016 contribution made by companies consolidated for the first time in 2015, for the period equivalent to that in 2015 before consolidated for the first time;
– the 2015 contribution made by companies deconsolidated in 2016, for the period equivalent to that in 2016 after they were deconsolidated;
– the 2015 contribution made by companies deconsolidated in 2015.
Constant exchange rates: 2015 exchange rates applied to 2016 local currency revenues.

Operating profit on ordinary activities having increased to €1,597 million, the operating margin improved to 11.4% in 2016, up from 10.3% in 2015. There were increases in operating profit on ordinary activities at both the contracting businesses (+10.2%) and the concessions business (+11.8%). The operating margin of the contracting businesses improved to 3.3% (from 3% in 2015), with all divisions contributing to this overall performance.

The operating margin of the concessions business also improved to reach 48.4% (from 45.3% in 2015), mainly as a result of traffic having held well up at motorway concessions (APRR network, Millau viaduct and A65 motorway in France, and Motorway of the Future in Senegal), concurrently with the tight control of operating costs.

Consolidated operating profit on ordinary activities by division for the year ended December 31st 2016

	2015		2016		
In millions of euros		% of revenue	In millions of euros	% of revenue	% change
Construction	136	3.9%	147	4.0%	+8.1%
Infrastructures	75	1.7%	93	2.2%	+24.0%
Energy	132	3.7%	138	4.0%	+4.5%
Sub-total contracting	***343***	***3.0%***	***378***	***3.3%***	***+10.2%***
Concessions	1,106	45.3%	1,236	48.4%	+11.8%
Holding	(18)		(17)		-
Total Group	**1,431**	**10.3%**	**1,597**	**11.4%**	**+11.6%**

Profit attributable to the equity holders of the parent, before the adjustment to non-current deferred tax, increased by 33.3% to €416 million in 2016 (from €312 million in 2015).

Net debt (amounts due to banks and bond holders less cash and cash equivalents) declined to €11.2 billion, down €378 million, despite significant investments in concessions and public-private partnerships (PPP) totalling €634 million, notably on the Bretagne-Pays de la Loire high-speed rail line, the renovation of the Grande Arche de la Défense and PPP for university buildings.

As regards funding, APRR staged two bond issues in 2016 totalling €1.7 billion. These transactions will lead to a significant reduction in finance costs in coming years and increase the maturity of the Group's debt.

The order book of the contracting businesses reached €12 billion at January 1st 2017, which represents an increase of 5.1% compared with January 1st 2016.

In millions of euros	2015	2016	% change
Construction	4,762	4,675	-1.8%
Infrastructures	3,864	4,431	+14.7%
Energy	2,814	2,922	+3.8%
Total	**11,440**	**12,028**	**+5.1%**

Revenue generated by concessions (excluding IFRIC 12) increased by 4.6% to €2,556 million.

Motorway infrastructures

Revenue contributed by the **APRR network** increased by 5.1% to €2,328 million. Traffic, as measured by the number of kilometres travelled, recorded another rise in 2016, up 3.7% overall, with increases for both light vehicles and heavy goods vehicles, up 3.6% and 4.5%, respectively. The EBITDA margin improved to 72.4% from 71.8% in 2015, operating profit on ordinary activities reaching €1,260 million in 2016.

This good operating performance was due to the upbeat traffic and the tight management of operating costs, which declined compared with 2015, if one excludes taxes (other than corporation tax), which increased by €27.4 million (up 9.1%) due notably to the introduction of the exceptional voluntary contribution (Contribution volontaire exceptionnelle – CVE) paid to the transport infrastructure financing agency (Agence de financement des infrastructures de transport de France – AFITF), which amounted to €16 million.

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 €671 million.

Investments came to €322 million in 2016. In addition to the ordinary maintenance of the networks, they include work carried out by APRR and AREA in fulfilment of commitments arising from the contract-based plans for the period 2014 to 2018 and from the motorway regeneration plan.

All major infrastructure projects under these contract-based plans are under development or awaiting administrative authorisations: motorway interchange between the A6 and A89 motorways north of Lyon, widening of A6 motorway at Auxerre to 2x3 lanes, of the section of the A71 at Clermont-Ferrand known as the Montée des Volcans, and of the northern section of the A41 motorway at Annecy, and upgrade of the A43/A41 high-speed urban road interchange at Chambéry.

Preparatory work is underway or administrative authorisations are pending for the five flagship projects of the motorway regeneration plan (upgrade of three interchanges: between the A36 motorway and RN 1019 main road south of Belfort, between the A71 motorway and Central Europe Atlantic Road at Montmarault, and between the A406 and Central Europe Atlantic Road at Mâcon; and the development of cross-city routes in Clermont-Ferrand and Grenoble).

Tariffs were raised on February 1st 2017, by 0.90% for APRR and 0.93% for AREA, in application of the tariff formulas contained in the latest amendments to the concession agreements.

At operational level, APRR has embarked on a major overhaul of its organisation with the Synergie DEX initiative, which targets a common operatorship of APRR and AREA, to promote greater coherence and efficiency.

In April 2016, the two companies were awarded the Diversity and Equal Opportunities label by the French Ministry of Labour and Employment in recognition of their proactive policy promoting these values for many years.

In the spring of 2016, the Group took over the concession and operation of new motorway sections: on the A75 at Clermont-Ferrand and the A480 at Grenoble, as well as the temporary link between the A6 and A89 north of Lyon pending completion of the construction of the related motorway interchange.

The modernisation of toll collection continued, the proportion of automated transactions increasing to 97.5% in 2016, up from 96.3% in 2015. The rollout of non-stop toll collection at all toll barriers boosted the development of remote toll collection in general, as a result of which it increased to account for 55.9% of transactions, up from 54.3% in 2015, while the number of active Liber-t badges managed by the Group now stands at almost 2.3 million.

Concerning the network's safety record, the situation was much as the year before, with a 2% increase in the number of accidents resulting in bodily injuries, but a very slight decrease in the number of fatalities to 40 (from 41 in 2015). By contrast, there was considerable progress when it came to the prevention of occupational accidents thanks to the mobilisation of management and employees, the workplace accident frequency rate falling to a record low of 4.2 in 2016.

APRR continued to develop its customer offer, bringing into service a number of new-generation service stations that are more modern and comfortable, pressing ahead with the broad-level rollout of the SOS Autoroute free smartphone application, and preparing the imminent launch of a traffic application for improved links with customers.

At financial level, in February 2015 APRR and Eiffarie successfully refinanced their respective credit facilities. Both facilities were extended by another year, which means they will be available until February 2022. APRR's credit rating was upgraded from BBB+ to A- (Stable outlook) by the Standard & Poor's credit rating agency.

In 2016, APRR completed two bond issues:

- in June, it issued €700 million of bonds maturing in January 2026 and offering a fixed coupon of 1.125%;
- in November, it issued €1,000 million of bonds, consisting of two tranches of €500 million each, one maturing in January 2027 and offering a fixed coupon of 1.25%, the other maturing in January 2031 and offering a fixed coupon of 1.875%.

At the start of 2017, the French State and the companies APRR and AREA signed a memorandum of understanding for a new motorway investment plan amounting to approximately €220 million. This plan, which will be financed by an additional annual tariff increase from 2019 to 2021, covers some 15 projects, of which some are in association with local authorities. These investments will speed up the network's modernisation, in particular in the fields of environmental protection, customer service and geographical coverage. Subject to the plan's validation by French rail and road regulatory body (Autorité de régulation des activités ferroviaires et routières – ARAFER) and its formalisation by way of amendments to existing concession agreements, work on these projects is expected to start at the end of 2017.

In November 2016, Eiffage and its partner Macquarie acquired a further 46.1% of the capital of Adelac, concession operator of the northern section of the A41 motorway between Annecy and Geneva, from Bouygues group subsidiaries. In December 2016, they acquired a further 2% from SETEC. With AREA already owning 49.9% of Adelac's capital, Eiffage has thus strengthened its control over a motorway that has seen a steady rise in traffic since it was commissioned in December 2008. There was another sharp increase in traffic in 2016, up 4.8% compared with 2015.

Adelac successfully refinanced its original bank financing, arranging a new loan amounting to €750 million and maturing in 14 years, for which the average rate is nearly half the level for the previous credit.

Revenue contributed by the **Millau viaduct** increased by 7% thanks to a 2.7% rise in overall traffic (with increases of 2.3% for light vehicles and 6.5% 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. Work renovating this service area will be completed in the summer of 2017, enabling the operator to offer more services and improve customer comfort.

The development of toll automation at the Saint-Germain gate continued in 2016, with the proportion of automated transactions increasing to 83.7% (from 82% in 2015) and that of remote toll collection reaching 36.9% (from 34.7% in 2015).

As regards the **A65 motorway between Pau and Langon**, there was another increase in overall traffic in 2016, up 5.2% mainly because heavy goods vehicles are banned from using the road network in the three departments crossed by the motorway, meaning they have to use the A65. Even though on November 17th 2016 the Pau administrative court rescinded certain of the decrees published by authorities in the Landes, elected representatives are determined to ban heavy goods vehicles from using the road network, to which end new decrees are expected to be published in 2017. The growth in revenue (up 5.8% to €55 million) along with the payment of interest at a reduced rate over a full year (after the extension of the original financing until January 2020) paved the way for an increase in A'Liénor's contribution towards the Group's consolidated results.

In Senegal, the extension of the **Motorway of the Future** to link the motorway to Dakar's new international airport was brought into service on October 24th 2016. With the addition of a further 19-kilometre section to the existing motorway, the company now operates 41 kilometres of motorway under the concession granted by the Senegalese State. There was a further increase in traffic in 2016, leading to a 31.8% increase in revenue to €29 million.

Société Marseillaise du Tunnel Prado Carénage (SMTPC) (in which Eiffage has a 33% interest) recorded a 0.7% increase in revenue in 2016. Traffic exceeded management forecasts because of delays bringing into service the first phase of the L2 orbital motorway, a rival, toll-free route that is expected to lead to an approximately 6% decrease in traffic. Discussions are ongoing with concession owner Aix-Marseille-Provence Métropole over the addition of a new exit giving onto Boulevard Schloessing. Traffic through the Prado Sud Tunnel (TPC) (in which Eiffage has a 41.5% interest), which constitutes the southern extension of the SMTPC concession, increased but is still below management forecasts.

Work is proceeding to plan on the A94 motorway in Bavaria, the first motorway public-private partnership (PPP) won by Eiffage in Germany, a project which is being undertaken alongside BAM and Berger Bau.

Rail infrastructures

Work on the Bretagne-Pays de la Loire (BPL) high-speed rail line was intense in 2016, mobilising teams from the Infrastructures and Energy divisions. Track-laying continued and was completed, while the power supply and signalling systems were installed.

The completion of this work meant that trials were able to get underway as scheduled, in particular the high-speed trials, which started on November 21st 2016. These trials will continue until the rail line is handed over on May 15th 2017, per the project's meticulous timetable.

Concerning the concession for a high-speed rail line between Perpignan and Figueras, given the insufficient traffic and since no agreement was reached with parties having granted the concession (namely the French and Spanish States) and with the creditors over the rescue plan proposed by concession holder TP Ferro's shareholders, the insolvency proceedings initiated in July 2015 by Eiffage and its partner Iridium led to the company's liquidation on September 15th 2016. Eiffage and Iridium provided resources to TP Ferro to enable it to maintain in operation the service until its takeover by the French and Spanish States through a company owned by France's SNCF Réseau and its Spanish counterpart ADIF. As regards the calculation of the compensation to be paid to TP Ferro's shareholders and lenders, to be notified by the French and Spanish States within six months of the contract's termination, which took effect on December 20th 2016, it is likely that this will be referred to international arbitration pursuant to the terms of the concession agreement. The absence of continuity in the rail service for the link with Barcelona was referred to arbitration —ongoing— back in 2013. The Group does not expect the foregoing to have negative financial consequences.

Other PPP and concessions

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

The Pierre-Mauroy Stadium hosted three games as part of the Handball World Championship in January 2017, after the Davis Cup final in 2014 and 21 games of the European Basketball Championship in 2015. In addition to the fixtures of the Lille Olympique Sporting Club, the resident association football club playing its home games in the stadium, six games of the European Football Championship were hosted, as well as two Top 14 rugby games, confirming the stadium's status as an emblematic sporting venue, thanks to a modularity that is unique in the world. The stadium is also attracting increasing demand from show producers and from companies for private events staged for employees or customers. There was a further increase in 2016 in the contribution of these events to the revenue generated by the stadium. This comes on top of the rent paid by Métropole Européenne de Lille (MEL) under the PPP. 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. Work on the office building that will house Orange's regional headquarters for Northern France got underway in September 2016. The 19,000-square metre office complex being developed by Eiffage Immobilier Nord is scheduled for completion in August 2019, when it will be home to 1,300 employees, contributing to enlivening the stadium's esplanade and boosting property values for the hotels and stores located nearby.

The buildings for Lille University, developed under a PPP, were delivered to coincide with the start of the university year per the agreed timetable, to the customer's satisfaction, as was one lot at Aix University, the final lot being scheduled for delivery in time for the start of the 2017 university year. Other PPP projects (Metz and Nancy campuses of Lorraine University, Aix-en-Provence campus of Aix-Marseille University and three secondary schools in the Var) are proceeding to schedule.

In its role as a partner for the projects of local authorities, Eiffage, in partnership with Mirova, Engie and Swimdoo, was selected as preferred bidder at end-December 2016 for the Amiens Aquatic Centre. Again in partnership with Mirova and Engie, it was selected for the Tremblay-en-France Arena, a project being undertaken on behalf of Paris Terre d'Envol.

Capitalising on the Group's more than 90-year presence in Senegal, Eiffage Concessions is pressing on with its development in this country, signing a contract to finance, design, build, operate and maintain the Ten Merina solar photovoltaic power plant. The investment in this 30MWc plant is put at €43 million, with the project to be undertaken in partnership with an investor. Work is scheduled for completion mid-2017, the plant's subsequent operation having been entrusted mainly to Eiffage.

Eiffage Services, the subsidiary specialised in the operation and maintenance of facilities developed under PPP, recorded a further improvement in its profitability, rewarding its efforts to improve risk management. In 2016, the company generated revenue of €26.8 million.

In 2016, Eiffage pressed ahead with the proactive management of its portfolio of PPP: in April, the Group sold its 36% interest in Norscut (PPP for the A24 motorway in Portugal); and, in December, it sold its interest in Eiffigen (PPP for the national police headquarters).

Revenue contributed by contracting businesses was just about stable in 2016, inching down by 0.1%. With operating profit on ordinary activities having increased by 10.2%, the operating margin improved to 3.3% in 2016 (from 3% in 2015).

As order intake was brisk, the order book of the contracting businesses increased to €12 billion, up by 5.1% year-on-year (and by 0.8% in the last three months of 2016). The order book is equivalent to 12.6 months of activity for the contracting businesses.

Eiffage Construction contributed revenue of €3,666 million in 2016, up 4.3% compared with 2015. The operating margin improved to 4% (from 3.9% in 2015). Revenue contributed by property increased by 3.4% to €768 million. Bookings for housing units set a new record high of 4,134 (up 12.6% compared with 2015). This sound marketing performance was attributable to further strong block sales of housing units and to numerous property sales to individual investors, taking advantage of the Pinel tax incentive and spurred by still very low interest rate levels.

The division's order book held on high at €4.7 billion, which represents more than 15 months of activity. This was due notably to the large projects won over the course of the year and to the growth of Eiffage Immobilier's business. Capitalising on landmark projects such as the Majunga tower and the Grande Arche, Eiffage Construction consolidated its presence at La Défense, with contracts for the restructuring of 38,500 square metres of offices at the Window building under an integrated offering and for the renovation of the Carré Michelet building, which involves the addition of new floors. Other prestigious projects awarded in 2016 include the Maison de la Corée on the Paris Cité Universitaire campus and a new 13,000-square metre headquarters at Créteil for the French Handball Federation. Eiffage Construction's capacity for innovation helped it clinch new contracts, notably for the Hyperion project in Bordeaux, one of the highest wooden towers ever to be built.

Property development in France

Eiffage Aménagement, a reference in the private sector when it comes to urban development, continued to expand its operations, with 800,000 square metres under development and a further 650,000 square metres at the planning or financing phase. Work on the 137,000-square metre Parc d'Affaires mixed development zone in Asnières was launched, for example, and work continued on the 22,000-square metre Cour des Marchandises project in Pontoise and the 83,000-square metre Plaine Sud project in Clamart. As regards the 34,000-square metre Isle-Adam mixed housing and retail development zone around the marina, the marketing of the first housing units got off to a successful start. Work on the Hauts de Joinville mixed development zone in Joinville-le-Pont, the Lénine mixed development zone in Gentilly and the Châteauneuf site in Guyancourt is progressing to plan.

In 2016, Eiffage Immobilier confirmed its leadership position in the new housing sector, completing the delivery of 3,611 housing units and launching 75 new programmes. They include the Bagnolet Serap programme for more than 1,000 housing units, the biggest single-phase housing project ever launched in the Île-de-France region.

Eiffage Immobilier diversified its offering with new products such as Kaps (student apartment-sharing tied to community projects) and Cocoon'Ages (intergenerational residences), with one project going ahead in Aubagne and a further 20 at the study phase.

The number of complex city-centre projects, which are very much Eiffage Immobilier's forte, has been rising sharply. Eiffage Immobilier is working on the development and renovation of the Halle Debat-Ponsan market hall in Bordeaux, a 23,000-square metre project for offices, shops and a hotel (sold under an off-plan contract to Crédit Agricole Assurances in 2016). Work is continuing on the 51,500-square metre Grand Hôtel-Dieu project in Lyon, with delivery scheduled in stages beginning end-2017.

In the services sector, Eiffage Immobilier completed the delivery of CRIT's new headquarters in Saint-Ouen, a 14,610-square metre project executed under a property development contract. As regards the main projects for which off-plan contracts were signed in 2016, they included the sale to Infrared of the 11,300-square metre major office development Opalia, also in Saint-Ouen.

The hotel sector has been identified as being of strategic importance for Eiffage Immobilier's development. Present across all grades of the hotel market, in the summer of 2016 the company handed over a B&B hotel at the heart of Smartseille, in Marseille's new Euromed II district. It also completed the delivery of a sixth four-star Okko hotel in Bayonne. Several projects are also underway, notably for the Grand Hôtel-Dieu Intercontinental (five-star hotel in Lyon) and the Garden Inn (four-star hotel in Bordeaux, developed as part of the Halle Debat-Ponsan project). Eiffage Immobilier also launched construction of the three-star Mama Shelter hotel in Toulouse's historic centre.

Construction in France

Eiffage Construction continues to have a significant activity in France's housing sector, which accounts for over 40% of its revenue, with an annual production of 11,000 units. Highlights in 2016 included the delivery in Ris-Orangis of Europe's largest residential building made of cross-laminated timber panels, the project being the first to be awarded the BBCA low-carbon building label. The Fleuriaye housing complex design and build project in Carquefou, which has been Passivhaus certified, also achieves excellent energy performances. Eiffage Construction has also undertaken renovation projects under design, build, operate and maintain contracts bundled with energy performance contracts. This is illustrated none better than by the contract won in November 2016 for the renovation of 950 occupied housing units in Ostwald. All in all, contracts have been signed for the renovation of more than 10,000 units over the next few years.

In the services sector, activity was brisk in 2016, marked notably by the handover of the 160,000-square metre Dunes project in Île-de-France, Société Générale's new campus having received HQE certification. Eiffage Construction was also the general contractor for the 25,000-square metre Résonance project in Bagneux, which was handed over in the middle of the year, as was Crédit Agricole's regional headquarters in La Rochelle, this 18,000-square metre project having been completed in eighteen months. The company won a contract to restructure 19,250 square metres of offices located at rue Laborde in Paris for Eurosic and a design and build contract for the DCNS site in Cherbourg. As regards urban commercial property, 2016 was marked by the handover of the Vill'Up project in Paris, developed for Apsys, and the award of the contract for the construction of a 55,000-square metre B'EST shopping and leisure centre in Farebersviller for Codic. In the hotel sector, in 2016 Eiffage Construction completed the renovation of the Radisson Blu, which takes up the last ten floors of the Crayon tower in Lyon.

As regards **large public and private infrastructures and buildings,** the level of activity held on high, with Eiffage Construction completing several projects including the restructuring of the Strasbourg court of first instance, the extension of Nice airport, and the construction of the Vitrolles media library. New contracts signed in 2016 included the foundations and structural work for the new exhibition centre in Toulouse. The education sector also provides a profitable outlet for Eiffage Construction's expertise. In addition to the public-private partnerships under Eiffage's integrated offering targeting universities and secondary schools completed in 2016 or ongoing at the year-end, Eiffage won a design-build-operate-maintain contract for the renovation of 22 occupied buildings at the Lyon-Tech La Doua university and a design-build contract for the construction of two secondary schools using 3D timber modules, awarded by the Loire-Atlantique departmental council, underscoring the Group's presence in this market segment.

Eiffage Construction, thanks notably to the expertise developed by Pradeau Morin, confirmed it is a reference in the restructuring and renovation of heritage buildings, completing several prestigious projects in 2016. They included restoration of the stone facades of the Richelieu Quadrangle, renovation of the Carrousel du Louvre, with the installation of a glass ceiling, and refurbishment of the Maison des Sciences de l'Homme, all in Paris. Further work is being carried out at the city's George V hotel, involving the renovation of several suites and the creation of a spa facility, during which the hotel will remain open, while not far away, at Place Vendôme, work is in progress renovating LVMH's 5,000-square metre store.

International operations

In **Belgium**, 2016 was marked by the acquisition of Chris Vuylsteke, a group generating revenue of around €45 million a year. Specialised in construction and property development, the company will enable Eiffage Benelux to strengthen its positions in West Flanders. As regards key projects completed by Eiffage Benelux in 2016, there was the project undertaken in partnership for the world's largest port lock in Antwerp and the Waalse Krook cultural centre. Work continued on 22 schools in Flanders. As regards property activities, marketing of the 500 units of the Greenwood residential complex in Brussels continued and work is under way on the Galiléo residential complex, the Group's first property development project in Luxembourg, with the marketing phase having been a success.

In **Poland**, the handover of the 320,000-square metre Posnania, one of the biggest shopping centres in Europe, was completed by Eiffage Budownictwo at the end of 2016. This ambitious project, undertaken for Apsys, was completed in barely more than two years. The company also completed Ovo Wroclaw, a 48,630-square metre mixed development project that stands out for its futuristic architecture and "smart" equipment. The complex comprises a five-star hotel, a restaurant, offices, apartments and shops. Eiffage Budownictwo also launched work on its first property development project in the country.

Since 2013, the **Energy division** is organised around Eiffage Énergie Systèmes, which specialises in integrated systems and turnkey projects, and the regional activities in France, through which the division achieves dense coverage of the entire French territory and thereby offers a reliable, responsive local service.

Revenue contributed by Eiffage Énergie amounted to €3,461 million in 2016, down 3.3% year-on-year, as anticipated by management. The significant and unusual level of activity generated by the Cestas solar photovoltaic power plant project in 2015 (when it contributed €184 million in revenue) explains the decrease in revenue in 2016 (which, however, was limited to €117 million).

There was a further improvement in the operating margin to 4% in 2016 (from 3.7% in 2015). As for the order book, it increased by 3.8% to €2.9 billion.

2016 was marked by the development of the Energy division's strategic plan. The avenues of development that have been identified are resolutely customer-oriented, structured around three main markets: infrastructures, industry and services.

In the infrastructures sector, and in the case of France, notwithstanding the significant cuts in public-sector investment, traditional network activities continued to sustain the development of the franchises established by local entities. One example was the handover in November 2016 of a new 225KV underground power line running through the heart of the Paris Charles-de-Gaulle airport. Further strong growth was recorded by this activity on the export markets. Installation of a 225KV electrical substation and a 225KV line over a distance of 200 kilometres to serve as an interconnection between Ghana and Burkina Faso was completed, so too a new national distribution contract in Cape Verde in 2016.

The challenges presented by the connected or smart city are also stimulating the infrastructures market. Expercité, the web-based urban equipment and network management application developed by Eiffage Énergie in 2015, has been a resounding success, currently boasting some 70 customers. This management solution has been perfected in the area of traffic management with the development of a "smart parking" module featuring a real-time parking guidance system able to direct motorists to available parking spaces and indicate the authorised parking period. The Eiffage Énergie teams have also devised an innovative solution for the dynamic management of bus lanes, restricting lane access only when needed for the circulation of a bus. This system —completely new in France— is undergoing trials in Lyon and a patent application is in progress.

In the transport sector, the Bretagne-Pays de la Loire high-speed rail line project entered the final straight at the end of 2016. High-speed trial runs, conducted in increments, got under way on November 21st 2016, as scheduled. These trials are confirming the quality of the studies and work performed by Eiffage Énergie in all its areas of expertise signalling systems, catenary systems, cable laying, GSM pylon erection, etc., with up to 750 technicians on-site when activity was at its peak. In public transport systems, RATP has renewed its trust in Eiffage, the consortium formed by Eiffage Énergie and Faiveley Transport having been selected to install automatic platform screen doors at the 29 stations of line 4 of the Paris metro.

In the industrial sector, 2016 saw some remarkable achievements, the year's main highlight being the award of four major contracts for the future Ariane 6 launch complex. There were also opportunities for the division to showcase its expertise in energy generation. As part of a consortium, Clemessy was awarded two major new contracts for general electrical installations by EDF, while Clemessy Services (formerly Eiffel Industries) won the biggest investment contract awarded by EDF Hydroélectricité for the Gavet hydropower plant.

Renewable energies constitute a major avenue of development for the division. Its teams have been working on the new phases of Morocco's solar energy plan at Ouarzazate, and have also won contracts for a further four solar photovoltaic projects in Africa. The division is also developing in the automotive, pharmaceutical, chemical and food processing sectors.

In the services sector, synergies with other divisions remain very much to the fore, with the completion of several landmark projects in 2016: Strasbourg Law Courts, Lille and Aix-en-Provence campuses (under public-private partnerships), and Richelieu Quadrangle in Paris. Work continued on a series of equally strategic projects: renovation of Hôtel-Dieu in Lyon and Hall 7 of the Paris Exhibition Centre, as well as the Grande Arche and the Window building in La Défense.

In the healthcare sector, Eiffage Énergie did particularly well. Besides completion of the restructuring of a building at the Angers teaching hospital, several major projects are under way, including the renovation of the departmental general hospital in La Roche-sur-Yon. The order book is very promising, notably as regards projects for homes for dependent elderly people.

Finally, note that high-profile projects were completed in the cultural sector, none more so than the HVAC and technical coordination lots for the International Centre for Cave Art (Lascaux IV) in Dordogne, containing the exact replica of France's most celebrated cave art system.

Besides the focus on core markets, the division's strategic plan reaffirms the importance of coordinating, at national level, the work of the different business lines to enhance further their level of expertise and their visibility. The benefits procured by this organisation are starting to be reaped. Amongst the achievements is the very large number of underground ventilation projects. Teams from Eiffage Énergie, acting as consortium leader, won the ventilation contract for the Fréjus tunnel, the tenth longest road tunnel in the world. Building on this technical expertise, the company also innovates, for example developing and testing extreme-heat fire protection flaps for pressurised emergency exits, which have now been installed in Monaco's descending tunnel and in the tunnels of Lyon's northern ring road.

Another booming sector of activity is telecommunications. Revenue generated by this activity doubled in 2016 to reach €115 million, the ambition being to be recognised by major business originators (local authorities, equipment manufacturers and telecommunication operators) as one of France's five leaders in this field by 2020. Several emblematic contracts were won: Eiffage Énergie was chosen by Syndicat Intercommunal d'Énergies de l'Aveyron (SIEDA) to install a higher bandwidth network in the Aveyron department, and by Orange to roll out 55,000 FTTH connections in some 30 towns in the Lyon region.

Furthermore, the ongoing **internet of things (IoT) revolution** is opening up splendid development opportunities. For example, Eiffage Énergie was chosen by the City of Paris to roll out the French capital's first IoT network.

This landmark project, which lays the groundwork for the smart, connected city, involves the installation of some 10,000 autonomous sensors that will collect data from the energy meters at city-operated premises (schools, nurseries, offices, sports centres, swimming pools, etc.). Teams from Eiffage Énergie are also working on the development and rollout of the data management software application.

In **operation and maintenance**, Eiffage Énergie consolidated its leadership in this market. Of the many large accounts to have acknowledged the division's expertise, Orange expanded the multi-technical maintenance contract for the lots awarded in its Northern and Atlantic regions in France to include access control. Two new offerings have been developed. One, through the consortium formed with Manganelli, is in digital signage: amongst the projects undertaken is the rollout of dynamic display systems at Auchan hypermarkets, with the installation of 822 screens having been completed in 2016 and a further 785 scheduled in 2017. The other offering, named Uptimum, is an energy management solution structured around five pillars: energy audit, equipment management, energy coaching, asset enhancement, and fundraising. Note also that Eiffage Énergie has secured ISO 50001 certification for the energy management of its sustainable design, build, operation and maintenance activities at its plants.

Another major growth lever has been a resumption of acquisitions at regular intervals. Over the course of 2016, some 12 companies were acquired that generate around €100 million in revenue over a full year. These acquisitions have enabled Eiffage Énergie to enter niche markets or to round out its geographical coverage in France and in the rest of Europe. The year's most notable acquisition and Eiffage's first in Switzerland – was that of the Yerly group.

In the **rest of Europe,** Eiffage Énergie subsidiaries generated revenue of €545 million, down 3.2% at constant consolidation scope.

Spanish subsidiary Eiffage Energía pressed ahead with its international development, working on the installation in Peru of the 220KV Azángaro-Juliaca-Puno high-voltage transmission line.

In Germany, there were two scope changes involving Schwarz & Grantz, with the disposal of Schwarz & Grantz Rauchmelderdienst at the start of the year, followed by the acquisition of Elektrotechnik Bohn in December.

A number of major projects were executed in Europe, which included:

- Lateral Towers, in Germany, by Elomech group, which is carrying out electrical installation work at Commerzbank's Frankfurt offices;
- Torre 4 Porta Firal, in Spain, by Conscytec, which carried out electrical installation work on the 17-floor tower for Iberdrola;
- Construction of a 33/220KV booster substation and a 40-kilometre high-voltage power line in the commune of Sierra Gorda in Chile, for Enel;
- Torre Isozaki, in Italy, by Elettromeccanica Galli Italo, which installed all the electrical and building automation systems in the 50-floor tower.

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

Revenue contributed by Eiffage Infrastructures came to €4,325 million, down slightly by 1.1%, work on the Bretagne-Pays de la Loire high-speed rail line project having come to an end, while the "Grand Paris" projects as yet make only slight contributions to the top line. **The operating margin improved to 2.2% (from 1.7% in 2015).**

The order book increased to €4.4 billion, up 14.7% year-on-year.

2016 will remain marked by the completion of the Bretagne-Pays de la Loire high-speed rail line project, which during five years contributed very significantly to all of the division's activities.

As regards projects combining the division's varied expertise, work got underway or continued on the Paris ring road at Quai d'Ivry, the SNCF track roofing contract at Gare d'Austerlitz, the A6-A89 link road and the future Ariane 6 launch complex in French Guyana, contracts won by the Group totalling almost €240 million, with work scheduled out to 2020.

Road construction and maintenance in France

In road construction and maintenance, key projects include the highways and miscellaneous external works for the Toulouse exhibition centre — to be undertaken concurrently with the work packages won by Eiffage Métal and Eiffage Construction — as well as for the future court of first instance in the 17th arrondissement of Paris and for the Soula 2 mixed development zone in French Guyana. Other landmark projects include work on the future Bus Rapid Transit system in Pau and a major logistics centre for Intermarché in Avion (Pas-de-Calais). In 2016, work continued on the Miramas designer shopping village for MacArthurGlen — alongside Eiffage Construction — and on the Villages Nature in Marne-la-Vallée for Euro Disney, Pierre & Vacances and Center Parcs. The road teams completed the handover of the O'Gliss leisure park in Vendée, also of the platform of Hennessy's future bottling plant in Salles-d'Angles, near Cognac. These recent successes underline the pertinence of the business line's development in the private sector.

Civil engineering in France
Contracts were exchanged for the Eole project to extend line E of the RER rail network in Paris, covering access to the stations and platforms, track laying over a 47-kilometre section, the drilling of a 6.1-kilometre tunnel (as part of a consortium) and construction of the new Porte Maillot station. Eiffage's civil engineering division will also work on the widening of the Le Boulou section of the A9 motorway. As regards major projects in progress, several involve tunnels: one in connection with the extension of line 14 of the Paris metro, also the Chambon tunnel in Isère, and the base tunnel between Saint-Martin-la-Porte and La Praz in Savoie, on the route of the future Lyon-Turin rail line. As regards civil engineering works, teams worked on the Rennes metro line and, on Reunion Island, the Littoral coastal road, as well as on the conversion to dual lanes of the RN82 highway between Neulise and Balbigny and the rerouting of the A9 in Montpellier (involving earthworks, civil engineering structures, the installation of utility networks and the restoration of existing communication networks). Projects completed in 2016 included Biosav (completing the modernisation of the Seine Aval wastewater treatment plant in Achères), the Pointe des Sables interchange in Martinique, the Albert II descending tunnel in Monaco, the underground section of the T6 tramway line in Viroflay, and Thassalia, France's first marine geothermal power plant.

Metal
After a difficult year in 2015, when a redundancy plan was implemented, the reorganised teams of Eiffage Métal were selected by Nexity to work alongside Eiffage Construction and Goyer on the Smart Side programme in the communes of Clichy, Saint-Ouen and Paris. Work continued on the foundations of the Luma Arts Resource Centre in Arles and the Galeries Lafayette store in Paris, and on the Citadelle bridge in Strasbourg.

Elsewhere in Europe, Eiffage Métal's Belgian subsidiary Smulders, specialised in the production of parts for offshore wind turbines, enjoyed a significant level of activity and picked up sizeable orders, notably for foundations and electrical substations for wind energy projects being developed off the coasts of Germany (Merkur) and Scotland (Aberdeen Bay and Beatrice). In Spain, production remained focused on onshore wind turbine masts. In Germany, Eiffage Métal, via SEH, was selected to work on the Kattwyk vertical-lift bridge in Hamburg and continued to work on the Hochmosel viaduct.

International projects and subsidiaries
Concurrently, in Germany, two Eiffage subsidiaries — Wittfeld and Eiffage Rail — were chosen to work on the Oldenburg-Wilhemshafen rail line and the Pforzheim tunnel. Also present in Asia, Eiffage Rail is involved in the construction of the second section of the Shatin-Central Link metro line in Hong Kong. Finally, in Bavaria, work on the A94 motorway is progressing to plan.

In Spain, Eiffage Infraestructuras pressed ahead with its international development. It was involved in the Ariane 6 project at the space centre in French Guyana.

In Canada, ICCI was awarded several projects for the construction or renovation of civil engineering structures in Ontario and Alberta, while its teams were hard at work on the Noden causeway and Seaway lock.

In Colombia, Puentes y Torones worked on Bucaramanga bridge and won the contract to build the Honda bridge, a 407-metre cable-stayed structure that will facilitate travel between the centre and north of country.

Eiffage Sénégal opened the second section of the Motorway of the Future, completed the refurbishment of the Bamako presidential place in Mali and was part of the consortium that was awarded the Dakar Express Regional Rail project.

On the **export market,** successes were enjoyed in Togo (development work at a fourth lake, a rainwater drainage system and creation of a technical landfill in Lomé), Sierra Leone (container terminal extension in the port of Freetown), Madagascar (Mananjeba bridge, work already being under way on the Kamoro bridge) and, finally, Angola (installation of 104 steel footbridges in the capital, Luanda, which is ongoing and scheduled for completion in 2018).

As regard acquisitions, Chastagner, a family-owned demolition specialist based in Saint-Étienne, joined the Group in 2016. Started up in 1967, this company has 35 employees and generates revenue of around €9 million a year. It has been attached to the division's earthmoving, demolition and decontamination business line.

Through its German subsidiary, Eiffage Infrastructures acquired MDM, a German company specialising in the design and construction of noise protection systems. Founded over thirty years ago, MDM is Germany's leading independent company in its market. It has around 60 employees and generates revenue of some €20 million a year.

Rail network maintenance and renewal specialist Pichenot, acquired in 2015, continued its integration within Eiffage Rail and recorded an increase in activity.

Research and innovation
Very much at the forefront of research and development, Eiffage Infrastructures' efforts were rewarded several times.

Eiffage Routes was the winner of the Comité Innovation Routes & Rues (CIRR) trophy for its new-generation aeronautical asphaltic concrete, named Aéroprène®. Meanwhile, Agence nationale de la recherche (ANR) selected the Algoroute project, involving Eiffage Routes, in connection with the call for national projects to stimulate France's industrial renewal.

For its work on the international memorial of Notre-Dame-de-Lorette, an outstanding BSI® concrete structure, Eiffage Génie Civil was presented with the ACI Excellence in Concrete Construction Award by the American Concrete Institute, a leading authority in the field of concrete research.

Also, the European Convention for Constructional Steelwork presented the Special Engineering Award to Eiffage Métal's German subsidiary SEH for the Botlek vertical-lift bridge, which is used for both road and rail traffic and considered one of the longest and easiest to manoeuvre lift bridges in the world.

Finally, Eiffage Métal is an industrial partner, alongside Principle Power and GE, in the pilot floating wind energy plant project in the Gulf of Lion, led by the consortium formed by Engie, EDP Renewables and Caisse des Dépôts, and which was selected in the recent call for floating wind plant tenders staged by Ademe, the French environment and energy management agency.

Consolidated income statement for the year ended December 31st 2016

In millions of euros	2015	2016	% change
Revenue[1]	**13,909**	**14,008**	**+0.7%**
Operating profit on ordinary activities (% of revenue)	**1,431** (10.3%)	**1,597** (11.4%)	**+11.6%**
Other income (expenses) from operations	(94)	(71)	
Operating profit	**1,337**	**1,526**	**+14.1%**
Net finance costs	(615)	(539)	-12.4%
Other financial income (expenses)	(39)	(41)	
Financial income (expenses)	**(654)**	**(580)**	**-11.3%**
Share of profit (loss) of equity-method investments	(5)	(2)	
Income tax	(220)	(167)	
Profit for the year	458	777	+69.7%
Non-controlling interests	(146)	(302)	
Profit for the year attributable to the holders of the parent	312	475	+52.2%
Earnings per share	3.42	5.13	
Net profit for the year attributable to the holders of the parent before deferred tax adjustments*	**312**	**416**	**+33.3%**
Earnings per share before deferred tax adjustment*	**3.42**	**4.49**	

1- Excluding construction revenue of concessions (IFRIC 12).
* Adjustment to non-current deferred tax to reflect the decrease in the French corporation tax rate from 2020 resulted in an additional profit of €59 million.

Other expenses from operations amounted to €71 million, down €23 million, which was as expected by management.

Net finance costs declined for the second consecutive year, down to 12.4% to €539 million from € 615 million in 2015.

Income tax expense amounted to €167 million in 2016 compared with €220 million in 2015. The charge for the year was reduced by €135 million, being the adjustment to deferred tax assets to reflect the decrease in the corporation tax rate in France effective from 2020 (per the 2017 Additional Budget Act). This reduction in the charge for the year, which has no effect on the cash position, led to a €59 million increase in the profit for the year attributable to the holders of the parent.

As a result, the profit for the year attributable to the holders of the parent amounted to €475 million. Restated for the corporation tax adjustment mentioned above, the profit for the year attributable to the holders of the parent increased by 33% to €416 million in 2016, from €312 million in 2015.

Free cash flow reached €417 million in 2016. This reflects an increase in working capital requirements (which had a negative impact of €95 million) and an increase in current provisions (which had a positive impact of €50 million). This also reflects further significant investments (amounting to €634 million) to develop concessions, notably by APRR, in the Bretagne-Pays de la Loire high-speed rail line project and in public-private partnerships (PPP) for construction projects.

As regards financial investments, the Group increased its stake in Adelac (concession operator of the northern section of the A41 motorway between Annecy and Geneva), acquiring a further 24% of the capital for €66 million. Furthermore, as part of the rotation of its portfolio of PPP, Eiffage sold its interests in Norscut (PPP for the A24 motorway in Portugal) and Eiffigen (PPP for the national police headquarters). Acquisitions by the contracting businesses represent a net investment of €84 million.

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 €378 million. The holding company and contracting businesses had net cash of €492 million at December 31st 2016 compared with €334 million at December 31st 2015.

As part of the proactive management of its debt and liquidity and in order to lower its finance costs, Eiffage SA completed a number of transactions in 2016:
- €1 billion credit line extended by one year until September 2021 (with a reduction to €0.92 billion in the final year), no amounts having been drawn against this facility;
- increase in CICE financing and reduction in the cost of this resource;
- increase in the average size and decrease in the average cost of the commercial paper programme, with some issues placed at negative interest rates for up to twelve months;
- renewal in March 2016 of the trade receivables securitisation programme for five years at advantageous conditions, with an increase in the amount available under this facility to €600 million from €400 million previously.

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 billon of cash and cash equivalents at December 31st 2016, the Group had €3 billion in liquidity at December 31st 2016 (compared with €2.8 billion at December 31st 2015). This liquidity is available to:
- meet seasonal increases in the working capital requirements of its contracting businesses;
- cover any capital expenditure or investments, notably provide equity financing and shareholder advances for concessions and and PPP;
- fund at the best conditions the Group's development through organic growth and/or acquisitions.

In 2016, the Eiffage share price traded between a high of €71.76 and a low of €56.08 to close the year at €66.25, up 11.85% year-on-year, bearing in mind the CAC 40 and SBF 120 recorded increases of 4.86% and 4.69%, respectively, over the same period.

In 2016, volumes traded on the NYSE Euronext, which on average accounted for 30% of trading in the Eiffage share, increased sharply, representing 86% of the capital compared with 78% in 2015.

Pursuant to the authorisations granted by the shareholders's general meetings of April 15th 2015 and April 20th 2016, Eiffage purchased 4,723,572 of its own shares (including 1 million shares, representing 1.02% of the capital, from Bpifrance for €66.20 per share on May 20th 2016) and sold 3,025,212 shares in 2016, of which respectively 3,015,072 were purchased and 3,025,212 were sold under the liquidity contract entered into on December 6th 2012, which took effect on January 1st 2013. Of these shares, 1,257,879 were transferred to employees or their beneficiaries in connection with the exercise of stock options.

The table below summarises the various transactions completed in 2016:

		% of capital
Number of shares purchased in 2016	4,723,572 shares	4.82%
Number of shares transferred in 2016	1,257,879 shares	1.28%
Number of shares sold in 2016	3,025,212 shares	3.08%
Number of shares cancelled in 2016	0	0%
Average purchase price	€64.81	
Average sale price	€54.03	
Transaction fees excluding taxes	€101,431.69	
Number of shares registered on December 31st 2016	5,120,485 shares	5.22%
Cost of the shares held in treasury	€286,436,312	
Nominal value of the shares held in treasury	€20,481,940	

As part of the Group savings plan, a mutual fund (*fonds commun de placement – FCP*) was set up in the first half of 2016 for the purpose of collecting subscriptions from Group employees under the employee savings scheme. Savings collected by this *ad hoc* vehicle were fully invested in Eiffage shares through a capital increase reserved for employees, with the application of a 20% discount to the reference share price. There was no employer's contribution on top of investments by employees. The decision to increase the capital was approved by the Board of Directors on February 24th 2016, further to the authorisation granted to it at the shareholders's general meetings of April 15th 2015.

This operation is being renewed in 2017. The decision to increase the capital was approved by the Board of Directors on February 22nd 2017, further to the authorisation granted to it at the shareholders's general meetings of April 20th 2016.

In its company financial statements, Group parent company Eiffage SA reported a net profit of €148 million for the year ended December 31st 2016, compared with €322 million for 2015.

Given the consolidated net profit in 2016 and prospects for 2017, the general meeting is invited to approve the payment of a gross dividend of €1.50 per share.

This dividend is to be distributed in respect of all 98,082,265 shares in issue at December 31st 2016 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 22nd 2017. The unpaid dividend corresponding to the shares held in treasury will be carried forward for subsequent appropriation.

Details of dividends paid in respect of the three previous financial years are provided in the table below:

	2013	2014	2015
Number of shares	92,271,466	95,433,991	98,082,265
Revenues eligible to tax allowance	€110,725,759.20	€114,520,789.20	€147,123,397.50
Revenues not eligible to tax allowance	-	-	-
Dividend per share	€1.20	€1.20	€1.50

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 convened on April 19th 2017.

- The general meeting is invited to approve the company financial statements for the year ended December 31st 2016, showing a net profit of €148 million, as well as the consolidated financial statements for the year ended December 31st 2016, showing a net profit attributable to the equity holders of the parent of €475 million.
- The appropriation of the net profit, such as proposed, would result in the distribution of a gross dividend of €1.50 per share. The coupon would be detached on May 15th 2017, with payment of the dividend taking place on May 17th 2017.
- The general meeting is also invited, as applicable, to approve each of the agreements regulated by Article L. 225-38 of the French Commercial Code (Code de commerce) authorised by the Board of Directors, bearing in mind this resolution is limited to new agreements entered into in the year ended December 31st 2016. These agreements are set out in the Statutory Auditors' special report contained in the 2016 reference document, as submitted to the general meeting.
- It is recalled that, following the resignation of two of its members during the course of 2016, the Board of Directors now has ten members: seven independent directors, one director representing employee shareholders, as well as the Chairman and Chief Executive Officer, and the Vice-Chairman. As detailed below, since four directors are women, the Board's composition complies with the provisions of the law of January 27th 2011 regarding gender parity:

	Position	Term of office ends	Independent director	Gender	Date of birth	Nationality
Benoît de Ruffray	Chairman and Chief Executive Officer	2019	No	Male	June 4th 1966	French
Jean-François Roverato	Vice-Chairman Senior Director	2020	No	Male	Sept. 10th 1944	French
Thérèse Cornil	Director	2017	Yes	Female	Feb. 27th 1943	French
Laurent Dupont	Director, representing employee shareholders	2019	No	Male	Jan. 29th 1965	French
Jean-Yves Gilet	Director	2017	Yes	Male	March 9th 1956	French
Jean Guénard	Director	2020	Yes	Male	April 11th 1947	French
Marie Lemarié	Director	2017	Yes	Female	Jan. 4th 1972	French
Dominique Marcel	Director	2017	Yes	Male	Oct. 8th 1955	French
Isabelle Salaün	Director	2019	Yes	Female	August 25th 1961	French
Carol Xueref	Director	2017	Yes	Female	Dec. 9th 1955	British
Total	10		7	4		
Proportion			7/9 or 77.8% of independent directors (not taking into account the director representing employee shareholders)	4/10 or 40% of women (taking into account the director representing employee shareholders)		

Additional biographical details concerning board members (notably as regards their main function as well as other positions held or functions performed at other companies in the past five years by members of the Board and/or management bodies at December 31st 2016) are provided in the 2016 reference document.

Note that Mr Bruno Flichy serves as advisory board member (*censeur*).

The terms of office as members of the Board of Directors of Mrs Cornil, Lemarié and Xueref and Messrs Marcel and Gilet are due to expire at the close of the 2017 general meeting.

Further to the recommendations of the Appointments and Compensation Committee, the Board of Directors invites the general meeting to:

- renew the appointment of Mrs Cornil, Lemarié and Xueref and of Mr Marcel;
- appoint Mr Flichy, currently advisory board member and previously an independent board member from 2002 to 2015, as a non-independent board member, in place of Mr Gilet.

It is proposed they serve a four-year term, which will expire in 2021, at the close of the ordinary general meeting held to approve the financial statements for the year ended December 31st 2020.

At the close of the general meeting, the Board of Directors will still have ten members: six independent directors (or 66.66%), one non-independent director, one director representing employee shareholders, the Chairman and Chief Executive Officer and the Vice-Chairman. Since four directors are women, the Board's composition will comply with applicable legal requirements.

▪ In accordance with the recommendations of Article 26.2 of the AFEP-Medef Code of Corporate Governance for listed companies, as revised in November 2016, by which the company abides, we present below for your consideration information concerning the compensation due or paid in respect of the year ended December 31st 2016 to Messrs de Ruffray, Roverato and Roche:

Annual fixed compensation of the Chairman and Chief Executive Officer, the Chairman and the Deputy Chief Executive Director

Fixed annual compensation	From January 1st 2016 until January 17th 2016	Since January 18th 2016
Benoît de Ruffray	Director	Chairman and Chief Executive Officer €900,000 *pro rata temporis*
Jean-François Roverato	Chairman €580,000 *pro rata temporis*	Vice-Chairman Senior Director Board fees
Max Roche	Chief Executive Officer €900,000 *pro rata temporis*	Deputy Chief Executive Officer (not a member of the Board)

The above fixed compensation was paid *pro rata temporis* to the length of service in 2016, as follows:

Fixed annual compensation	From January 1st 2016 until January 17th 2016	Since January 18th 2016	Total for 2016
Benoît de Ruffray	-	€860,714	€860,714
Jean-François Roverato	€25,317	-	€25,317
Max Roche	€39,286	-	€39,286

Concerning Mr Benoît de Ruffray, in his capacity as Chairman and Chief Executive Officer since January 18th 2016:

Elements of the compensation due or paid in respect of the year ended	Amount or accounting valuation put to the vote	Presentation
Fixed compensation	€860,714 (paid)	Amount is unchanged since the appointment of Mr Benoît de Ruffray
Annual variable compensation	€651,912 (to be paid)*	The variable compensation paid to Mr Benoît de Ruffray is based on quantitative and qualitative criteria**
Multi-annual variable compensation in cash	N/A	No multi-annual variable compensation has been paid or is payable to Mr Benoît de Ruffray
Extraordinary compensation	N/A	No extraordinary compensation has been paid or is payable to Mr Benoît de Ruffray
Stock options, performance shares and any other securities awarded	€688,950	15,000 bonus shares were awarded to Mr Benoît de Ruffray, said award being subject to performance conditions***
	N/A	No stock options or any other element of long-term compensation have been awarded to Mr Benoît de Ruffray
Board fees	N/A	No board fees have been paid or are payable to Mr Benoît de Ruffray
Benefits in kind	€2,790	Mr Benoît de Ruffray was provided with a company car
Indemnities payable on termination of office	N/A	The company had no commitment to pay any indemnities in the event Mr Benoît de Ruffray is removed or resigns from office as Chairman and Chief Executive Officer
Non-compete indemnities	N/A	There was no non-compete agreement
Supplementary pension scheme	N/A	Mr Benoît de Ruffray is not a beneficiary of a supplementary pension scheme

* At Mr Benoît de Ruffray's request, in anticipation of legal requirements applicable as from the 2018 general meeting, the variable element of this compensation will be paid only after a resolution is passed by the ordinary and extraordinary general meeting held on April 19th 2017 concerning the various elements of the compensation of Benoît de Ruffray for 2016.
** Details concerning the performance conditions determining the variable element of Benoît de Ruffray's compensation are provided below.
*** Details concerning these performance conditions are provided below.

Concerning Mr Jean-François Roverato, in his capacity as Chairman from January 1st 2016 until January 17th 2016

Elements of the compensation due or paid in respect of the year ended	Amount or accounting valuation put to the vote	Presentation
Fixed compensation	€25,317 (paid)	Amount is unchanged since the appointment of Mr Jean-François Roverato
Annual variable compensation	N/A	No variable compensation has been paid or is payable to Mr Jean-François Roverato
Multi-annual variable compensation in cash	N/A	No multi-annual variable compensation has been paid or is payable to Mr Jean-François Roverato
Extraordinary compensation	N/A	No extraordinary compensation has been paid or is payable to Mr Jean-François Roverato
Stock options, performance shares and any other securities awarded	N/A	No stock options have been awarded to Mr Jean-François Roverato
	N/A	No performance shares or any other element of long-term compensation have been awarded to Mr Jean-François Roverato
Board fees	N/A	No board fees have been paid or are payable to Mr Jean-François Roverato
Benefits in kind	N/A	Mr Jean-François Roverato has not been provided with a company car
Indemnities payable on termination of office	N/A	The company has no commitment to pay any indemnities in the event Mr Jean-François Roverato is removed or resigns from office as Chairman
Non-compete indemnities	N/A	There is no non-compete agreement
Supplementary pension scheme	N/A	Mr Jean-François Roverato is not a beneficiary of a supplementary pension scheme

By way of information, board fees amounting to €274,945 have been paid to Mr Jean-François Roverato in his capacity as Vice-Chairman and Senior Director since January 18th 2016. He received no board fees for the period when he served as Chairman.

Concerning Mr Max Roche, in his capacity as Chief Executive Officer from January 1st 2016 to January 17th 2016

Elements of the compensation due or paid in respect of the year ended	Amount or accounting valuation put to the vote	Presentation
Fixed compensation	€39,286 (paid)	Amount is unchanged since the appointment of Mr Max Roche
Annual variable compensation	N/A	No variable compensation has been paid or is payable to Mr Max Roche
Multi-annual variable compensation in cash	N/A	No multi-annual variable compensation has been paid or is payable to Mr Max Roche
Extraordinary compensation	N/A	No extraordinary compensation has been paid or is payable to Mr Max Roche
Stock options, performance shares and any other securities awarded	N/A	No stock options have been awarded to Mr Max Roche
	N/A	No performance shares or any other element of long-term compensation have been awarded to Mr Max Roche
Board fees	N/A	No board fees have been paid or are payable to Mr Max Roche
Benefits in kind	N/S	Mr Max Roche has been provided with a company car
Indemnities payable on termination of office	N/A	The company has no commitment to pay any indemnities in the event Mr Max Roche is removed or resigns from his position
Non-compete indemnities	N/A	There is no non-compete agreement
Supplementary pension scheme	N/A	Mr Max Roche is not a beneficiary of a supplementary pension scheme

- Principles and criteria for determining, apportioning and allocating the fixed, variable and extraordinary elements of the compensation and benefits in kind awarded to the Chairman and Chief Executive Officer.

This section constitutes the Report of the Board of Directors drawn up in application of Article L. 225-37-2 of the French Commercial Code.

The principles and criteria for the elements composing the compensation and benefits in kind awardable to the Chairman and Chief Executive Officer for the years 2016 to 2018, fixed by the Board of Directors, further to the recommendations made by the Appointments and Compensation Committee, in light notably of the key remuneration principles contained in the AFEP-Medef Code, are as follows:

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 shall not exceed 30% of the annual fixed compensation and the three components, when taken in aggregate, shall not exceed the annual fixed compensation for that year:

I. The first corresponds to 1.5‰ of the operating profit on ordinary activities in excess of €1,400 million (basis: December 2015).

II. The second corresponds to 4‰ of the 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 fixed 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 shall be adjusted.
** This component shall also factor in external circumstances outside the control of Mr Benoît de Ruffray having influenced the company's results.

It shall be noted that, with effect from 2017, the payment of the variable compensation for the year shall be conditional on the approval by the ordinary general meeting of the elements of this compensation in the conditions set out in Article L. 225-100 of the French Commercial Code.

3 The Chairman and Chief Executive Officer has been provided with a company car.

4 The Chairman and Chief Executive Officer shall be eligible to 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 is not entitled to:
- board fees;
- multi-annual variable compensation in cash;
- indemnities payable on termination of office;
- non-compete indemnities;
- benefits under a supplementary pension scheme or other benefits concerned by Article L. 225-42-1.

The criterion for the award of bonus shares to Mr Benoît de Ruffray in 2016 is as follows:

– To take into account the company's performance, the number of shares that will be definitively awarded on July 5th 2019 ("number of shares definitively awarded") shall be calculated by applying to the number of shares initially awarded by the Board Directors on July 4th 2016 ("number of shares initially awarded"), the percentage change in the Eiffage reference share price as determined on the date of the initial award ("2016 reference share price") in relation to a second reference price for the same share determined at the latest on July 5th 2019 ("2019 reference share price").

– The 2016 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., July 4th 2016, amounting to €65.80.

– The 2019 reference share price shall be equal to the average opening price of the Eiffage share for the 100 trading sessions prior to July 4th 2019.

- If the 2019 reference share price is greater than or equal to the 2016 reference share price, the number of shares definitively awarded shall be equal to the number of shares initially awarded.

- If the 2019 reference share price is lower than the 2016 reference share price, the number of shares definitively awarded shall be equal to the number of shares initially awarded x ((2019 reference share price/2016 reference share price) x 2-1). The number obtained will be rounded to nearest whole number. No floor shall apply.

As regards financial matters, the general meeting is invited to pass resolutions delegating powers and authorisations enabling the Board of Directors, should it consider this useful, to repurchase shares, cancel shares held in treasury and make such issues as may be needed in connection with the company's development (*see in the appendix a summary of the delegations of authority and authorisations put to the vote*). As such, the general meeting is invited to:

a. Renew (14th resolution), for a period of eighteen 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 €120 per share, meaning therefore that the maximum amount is set at €1,176,987,180 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. Company shares shall not be repurchased during a takeover.

b. Authorise the Board of Directors (15th resolution), for a period of twenty-six 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 twenty-four months), Company shares that are held or come to be held in treasury in connection with the share buyback programme, and to reduce the share capital accordingly, in accordance with applicable laws and regulations.

c. Delegate authority to the Board of Directors (16th resolution), for a period of twenty-six months, to increase the share capital by capitalising reserves, profits and/or premiums and issuing and allotting bonus shares to the shareholders and/or increasing the nominal value of the shares, within the limit of €80 million (independent ceiling).

d. Delegate authority to the Board of Directors (17th resolution), for a period of twenty-six months, to increase the share capital by issuing ordinary shares giving, when applicable, access to ordinary shares and/or other instruments giving access to ordinary shares to be issued with the application of preferential subscription rights, within a nominal limit of €150 million. This ceiling will be reduced by the nominal amount of any capital increases made pursuant to the 18th, 19th and 21st resolutions.

When issuing transferable securities representing claims against the company and giving access to the capital, the nominal value of these transferable securities shall not exceed €1.5 billion. This ceiling will be reduced by the nominal amount of any issues of transferable securities representing claims giving access to the capital made pursuant to the 18th and 19th resolutions.

e. Delegate authority to the Board of Directors (18th resolution), for a period of twenty-six months, to increase the share capital by issuing ordinary shares giving, when applicable, access to ordinary shares and/or other instruments 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 value of all capital increases, now or in the future, under the above delegation of authority shall not exceed €39,232,906. All such issues shall count towards the €150 million overall ceiling stipulated in the 17th resolution.

When issuing transferable securities representing claims against the company and giving access to the capital, the nominal value of these transferable securities shall not exceed €1.5 billion. All such issues shall count towards the €1.5 billion overall ceiling stipulated in the 17th 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 (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 fixed 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.

f. Delegate authority to the Board of Directors (19th resolution), for a period of twenty-six 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 dealing with private placements.

The total nominal value of all capital increases, now or in the future, shall not exceed €39,232,906. All such issues shall count towards the €150 million overall ceiling stipulated in the 17th resolution.

When issuing transferable securities representing claims against the company and giving access to the capital, the nominal value of these transferable securities shall not exceed €1.5 billion. All such issues shall count towards the €1.5 billion overall ceiling stipulated in the 17th resolution.

Further to the provisions of paragraph 2 of Article L.225-1361° of the French Commercial Code, the maximum nominal amount of the capital increases that may be made pursuant to this delegation of authority being limited to 10% of the capital, the Board of Directors may resolve that the price at which shall be issued ordinary shares and/or other instruments giving access to ordinary shares will be at least equal to the weighted average share price during the three trading sessions preceding its fixing, possibly reduced by the application of a discount of at most 10%.

g. Authorise the Board of Directors (20th resolution), in connection with the aforementioned delegations of authority for public offerings and private placements, maintaining or waiving preferential subscription rights, 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 above.

h. Delegate authority to the Board of Directors (21st resolution), for a period of twenty-six 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. The nominal value of all such capital increases shall count towards the €150 million overall ceiling stipulated in the 17th resolution.

In connection with employee share ownership, the general meeting is invited:

i. In accordance with applicable laws, to delegate authority to the Board of Directors (22nd resolution), for a period of twenty-six 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 employee savings plans, in the conditions set out in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Employment Code (Code du travail), within the nominal limit of €15 million, this ceiling being independent of any other that may be set by the resolutions passed 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.

j. To authorise the Board of Directors (23rd resolution), for a period of thirty-eight months, to grant stock options to Group employees and corporate officers, entitling the holders to purchase up to 1,000,000 Eiffage shares, it being stipulated that, within this ceiling, the total number of stock options allocated to the company's executive officers shall not entitle the holders to obtain more than 250,000 shares (this specific ceiling being set in accordance with Article 24.3.3 of the AFEP-Medef Code) and that their exercise shall be tied to one or more performance criteria.

In accordance with existing plans, which concern a total of nearly 700 employees, the purpose of these options is to allow operational managers, and younger employees in particular, to benefit from the Group's performances. No discount will be applied to the options, which will have a maximum ten-year term, and the Board of Directors will ensure, assisted in this by the Appointments and Compensation Committee and as it did with the most recent stock option plans, that such allocations follow the principles recommended by AFEP-Medef for rewarding performance in a way that is consonant with the total compensation received by each beneficiary and at an appropriate frequency.

k. The general meeting is also invited (24th resolution) to amend Articles 4 and 28 of the Articles of Association, so as to bring these into line with the provisions of law no. 2016/1691 of December 9th 2016 (so-called Sapin II law) dealing with the Board's competence to transfer the registered office to any location in France, subject to approval by the ordinary general meeting, and with the new rules governing the appointment of the statutory auditors and renewal of their term of office.

l. Finally, further to Article L. 225-36 as amended by said Sapin II law, the general meeting is invited (25th resolution) to delegate authority to the Board of Directors to amend the Articles of Association so as to bring them into line with legal and regulatory provisions, subject to these amendments being approved by the next extraordinary general meeting.

Summary of currently valid authorisations to increase the capital and to grant stock options as submitted to the general meeting of April 19th 2017

Nature of the delegation or authorisation submitted to the general meeting of April 19th 2017	Date of extraordinary general meeting	Authorisation expiration date	Nominal amount of capital increase authorised
Delegation of authority to increase the share capital by capitalising reserves, profits and/or premiums	April 19th 2017	June 18th 2019	€80 million
Delegation of authority to issue ordinary shares and/or transferable securities, maintaining preferential subscription rights	April 19th 2017	June 18th 2019	€150 million *(€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/or transferable securities, with waiver of preferential subscription rights, by way of a public offering	April 19th 2017	June 18th 2019	€39,232,906* *(€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/or transferable securities, with waiver of preferential subscription rights, by way of a private placement	April 19th 2017	June 18th 2019	€39,232,906* *(€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 19th 2017	June 18th 2019	15% of the amount of the initial issue, within the limit of the ceiling 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*
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 19th 2017	June 18th 2019	€15 million
Authorisation to issue stock options	April 19th 2017	June 18th 2020	1,000,000 (maximum number of shares that stock option holders may subscribe to) / 250,000 (maximum number of shares that stock option holders may subscribe to, when these are the company's executive officers)

* Counts towards the ceilings for the delegation of authority to issue shares with the application of preferential subscription rights.

The general meeting of April 19th 2017 is invited to renew all these delegations of authority and authorisations.

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

Employment, environmental and corporate social responsibility information for 2016

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 of the French Commercial Code (Code de commerce). This CSR report represents the Group's response to the implementation decree 212-557 of April 24th 2012 concerning social and environmental data transparency requirements for companies, and decree 2016-1138 of August 19th 2016.

The decree's application thresholds for 2016 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 the initiatives implemented by the Group 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.

1. Strategy, values and organisation: a firm commitment to sustainable development

1. 1. 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 both profitable growth and respect of environmental and social developments".

The Sustainable Development Charter signed by Benoît de Ruffray in July 2016 confirms the Group's strategy. Find out more at: www.developpementdurable.eiffage.com

• 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 "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 offset scheme to support alternative solutions as part of the low carbon strategy;

• the development of partnerships and open innovation financing with with start-up businesses;

• 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 encourage 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 lifecycles, 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).

• Contributing to local development: dialogue and involvement of Group employees

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.

1.2. 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 whistleblowing 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 weathering periods of slower business.

Employee shareholding 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 2016, it accounted for more than 20% of the Group's capital—a level rarely seen in listed companies. The 2016 employee shareholding data can be found on page 35.

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 (C87–98).

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.

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. 5.1. Cross-reference table comparing the Global Compact principles and Eiffage data

1.3. 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.
- The **Development section** is in charge of innovations directly relating to operational sustainable development. For example, it marshals the Group's offering based on the "Sustainable city 3D digital demonstrator", integrates and develops 3D modelling expertise and manages industrial partnerships connected with emerging markets.

The unified Sustainable Development 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 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.

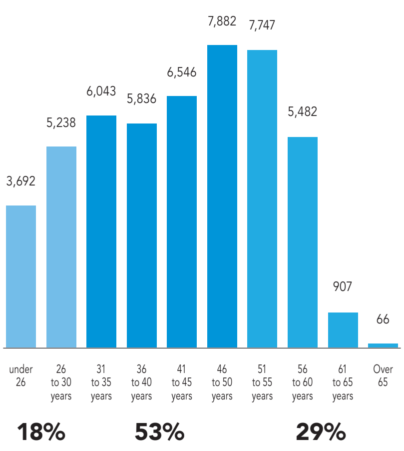
Further information is available at: www.developpementdurable.eiffage.com/en/

2. Developing Human Potential

2.1. An employment policy based on the anticipation of needs and real-time skills management

After a number of difficult years, the outlook for the construction and public works industry was more encouraging in 2016, although it remains fragile and certain sectors continue to suffer more than others. In this economic context, Eiffage pursues employment policies that primarily aim to foster mobility within the Group and to support employees' professional development at every level of the Group.

Breakdown of number of employees
Per age bracket in 2016



These policies aim to optimise management of fluctuations in levels of activity and to help employees build their skills in preparation for future opportunities and the careers of tomorrow. They also aim to support young people in initial training and people excluded from work through specific employment integration initiatives.

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' employment policies are based on a set of common objectives:

- **A carefully targeted recruitment policy,** focusing on the specific needs of the divisions. This includes the development of work-study programmes, which help to identify promising candidates with potential to become quickly operational. Note that a considerable proportion of our workforce will be retiring in the next few years, hence the need for effective recruitment policies to attract young people for every area of the Group's business activities.
- **Anticipate and keep pace with changes impacting our business, and take on board technical, technological and organisational changes** to ensure the continued employability of our workforce. One initiative is to provide employees in jobs in structural decline with opportunities to transfer to more sustainable positions. One example of this is the "Energy Skills Prospects" programme introduced at Eiffage Énergie in 2015, and pursued in 2016. One of the programme's objectives is to create bridges to enable employees to retrain in more promising areas. In 2016, three new retraining schemes were developed to allow employees working in the tertiary sector to gain telecoms skills.
- **Support employees' internal mobility initiatives** by implementing information campaigns and mobility guides and systematically posting opportunities on the Group's job boards. In 2016, Eiffage Énergie launched a new digital platform in three pilot regions, called "e-PCE" (e-Energy Skills Prospects), to facilitate the organisation of individual interviews with a view to inter-divisional transfers. Eiffage Construction launched its "Pack Evolution EC^2", which offers training modules to match employee profiles with the needs of the company. The Human Resources departments are also actively working to introduce practical improvements to encourage mobility concerning trial periods, housing searches, an allowance for removal costs, skills building support and guidance, assistance for spouses seeking new employment and payment of a temporary relocation allowance over a transitional period.

Key figure:
Moving forward with mobility!

The internal magazine *Opportunités*, a joint creation by Clemessy and Eiffage Énergie, has already resulted in 14 transfers entailing a relocation or change in occupation, and 57 other transfers.

- **Career development.** The internal promotion policy acts as a "social ladder", which has been particularly effective at Clemessy thanks to its large-scale career development programme implemented in 2009. The initial objective was to increase levels of responsibility over a three-year period. The programme targeted over 1,000 employees with varying levels of qualification, across every profession. The programme was deployed alongside the broader Company Plan, and was a natural extension of the GPEC workforce and skills planning agreement. Clemessy pursued this dynamic career development plan 2016.
- **Improve information on employment opportunities within the Group and improve access to internal continuous professional development.** Several divisions, including Energy and Concessions, have introduced information tools to relay job opportunities elsewhere within the Group. The online platform created by APRR and AREA displays information posted by and for Human Resources departments, managers and employees. The training courses offered by these companies and more generally by the Eiffage Group are also displayed, and each employee can view his or her training history. The Energy division also publishes a monthly magazine, *Opportunités*, containing job offers at Clemessy and Eiffage Énergie. At Group level, the "Eiffage University Book" gives details of all training courses available to employees.

e-PCE: Eiffage Énergie's new digital platform to promote intra-Group mobility

This platform enables employees to manage their career in a more proactive manner. Each employee has their own secure and confidential personal area. The platform keeps them updated in real time about individual review campaigns and allows them to prepare throughout the year.

• **Seek solutions that are not detrimental to employees in case of a short-term slowdown in business.** Regional entities can pool skills so as to enable the loan of personnel from entities working below capacity to those in need of more workers, and expand these personal loans to all Group entities.
• **Implement commitments with regard to equal opportunity and diversity,** and support individuals with disabilities. See the section entitled "Employee training and awareness of equal opportunities".

Workforce
97.5% of the workforce is employed in the European entities, and 80.3% in the French entities.

Table no. 1: Workforce as at December 31st 2016

Eiffage Construction launches the "Pack Evolution EC²" for its employees

Eiffage Construction has carried out a national project to facilitate career management and mobility, with the more specific aim of matching the necessary skills for a position, employees' profiles and training offers. This new tool was jointly developed by all the Construction entities to produce a coherent and operational tool.

• A recruitment policy to attract the best candidates

Although growth in the sector remains slow, Eiffage needs to continue its recruitment of young candidates to meet new needs for workers, managers and engineers. The growth of digital technology, including BIM, and the increasing number of jobs in the environmental sectors account in part for the changing needs in terms of qualified candidates.

In 2016, 41.39% of all hires were aged under 26.

Table no. 2: Hires and dismissals

Group divisions have all developed and documented recruitment policies set out in internal documents—e.g. APRR-AREA uses a document entitled "Trajectoires—or in specific action plans such as the Horizons programmes for young or more experienced employees (Horizons Juniors and Horizons Confirmed) at Eiffage Construction, which aim to detect and assess employees with high potential who could subsequently be promoted to a managerial position.

The recruitment policies are based on common objectives and principles tailored in each division 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 traineeship programmes;
• expand sourcing practices, notably to social networks.

Eiffage Énergie encourages co-opting

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 both the co-opter and the co-optee are still on the workforce two years after the co-optee is hired. In 2016, the Energy division hired a dozen people in this way.

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 and publishing job offers.

Eiffage Énergie has developed a website specifically for the publication of its job offers and has launched a communication campaign on the social networks to raise awareness of its business activities and job opportunities by the general public, and specifically young graduates and school leavers. In 2016, all its communication materials (website, videos, social networking, stands, etc.) were updated. All now display the division's new graphics, with a revised editorial approach and new content.

A long-term partnership with engineering and management schools, universities and technical schools
For several years, Eiffage has collaborated actively with academic institutions to attract the best talent at every level. The Group has improved its profile among young graduates by forming long-term partnerships with engineering and management schools (École polytechnique, ENSAM, École centrale de Paris, École centrale des ponts et chaussées, ESSEC) and has sponsored classes, namely with the ESTP construction engineering school, since 2012. The divisions also take part in events organised by these schools to provide career information and present opportunities for traineeships or first jobs.

Eiffage offers end-of-course training to identify future talents

The Construction division organised the fifth inter-regional training course for 13 trainees from different regions and from other divisions (Concession, Energy, Infrastructures and ESI). The trainees work alongside mentors for several months, and prepare a joint end-of-course project on a topic of strategic interest to the company. In 2016, the project was on BIM.

Key figures:
In 2016, Eiffage offered

2,739
trainee positions

2,603
work-study positions

Table no. 3: Trainees and Work-Study

• 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 no. 4: Gross remuneration excluding leave (annual average)

• Work schedules: priority to full-time contracts

Work is organised in accordance with the legal and statutory working hours in the countries where Group companies are established. Worktime 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 (2.7%).

Table no. 5: Organisation of working time

Absenteeism
In France, the absenteeism rate is 6.33% of days worked in 2016.

Table no. 6: Absenteeism

2.2. 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 four years, following negotiations conducted during five meetings with a specially formed negotiating group.

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.

On June 16th 2016, Group management and the European Works Council jointly presented a project to the European Commission to strengthen pan-European labour dialogue on CSR matters within the Group.

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.

In 2016, all the members of the Group Works Council received two days' training.

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 December 2nd 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. It met twice in 2016.

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 2014. A committee of management and trade union representatives meets annually at Group level to monitor the

agreement. Monitoring groups with a similar composition and purpose have also been formed in the divisions.

At the heart of the system, the health, safety and working conditions committees (CHSCT) track the defined indicators on an annual basis to enable the earliest possible detection of problems. These committees have also designated from among their members an adviser trained in issues relating to stress and psychosocial risks. As the approach was being implemented, training sessions (from the programme developed by ANACT, the French agency for improved working conditions) were held for more than 300 adviser members of the health, safety and working conditions committees, committee chairs, human resources managers and risk prevention managers. New sessions have since been organised periodically, to train all new adviser members.

17 training sessions were held in 2016, for approximately 150 individuals.

Remuneration

Following a process of labour dialogue, company-wide and establishment-wide agreements are 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.

In France, 116 salary negotiation processes took place with the trade union organisations in 2016, covering over 93% of the salaried workforce. Over half of these negotiations (59) resulted in a salary agreement. This means that almost 60% of the Group's workforce in France is covered by a salary agreement. When an agreement cannot be reached with the trade union organisations after negotiation, the remuneration measures unilaterally decided by the company will apply.

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, as well as 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.

At the end of 2016, APRR renewed and reinforced its agreement on the hiring of people with disabilities and their continued employment for at least three years, in line with its diversity and equal opportunities policy. It also renewed and supplemented its three-year action plan on the continued employment of older staff members, the sustainable employment integration of young people and the transmission of knowledge (*contrats de génération*). AREA updated and clarified its company-wide agreement on work time savings accounts (*compte épargne temps*) mid-year. It also signed a new agreement, updating its management of the automation of toll collections and the resulting impact on its organisation and workforce. APRR's employee representative bodies (works council, employee representatives, health, safety and working conditions committee and trade union delegates and representatives) were not re-elected in the autumn of 2016, as initially planned, but elections will be held in the first quarter of 2017.

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 2016, the committee in charge of monitoring the GPEC workforce and skills planning agreement met once. The amendment to the GPEC agreement in force within Clemessy Group companies, which was signed at the end of 2015 for the 2016-2018 period, provides for a review of actions completed under the GPEC agreement and of the impact of the 2014-2016 medium-term business plan on human resources, so as to define upcoming initiatives. The psychosocial risk prevention committee met once. A review of the second year of application of the agreement for the continued employment 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, housing, workplace gender equality, incentive bonuses, and monitoring the work time savings plan.

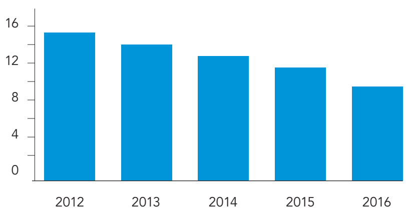
A new single database for members of all the health, safety and working conditions committees was rolled out in 2016. In addition to the statutory employee representative bodies, Clemessy also has a discussion and consultation group, covering both Clemessy SA and its subsidiaries. This group met once in 2016.

2.3. Eiffage confirms its commitment to safety and prevention

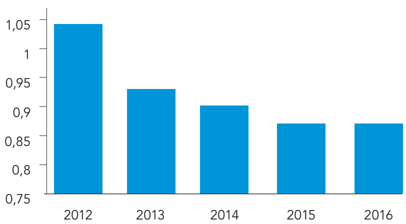
Protecting the health and physical safety of employees and independent contractors remains a fundamental objective for the Group, expressed in the "zero accidents" target in the Eiffage Charter of Values and Objectives. Although progress has been made, safety and risk prevention remain key concerns and a priority for the Chairman and Chief Executive Officer, who wants the Group to be an example to others in the industry.

This will be achieved by maintaining a heightened level of vigilance at all times, which entails detecting any error in conduct that results in a "near miss". The Group has developed a prevention strategy to ensure line managers throughout all the divisions remain alert.

Frequency rate of workplace accidents



Severity rate of workplace accidents



Note that non-French subsidiaries have also introduced safety and prevention tools and training, tailoring them to their business practices and national legislation when necessary. For example, the Infrastructures division issues an annual "Prevention" policy document setting out the security requirements that apply to all the division's businesses, all French and international sites and all its employees and other non-Group workers and service providers. The divisions monitor safety data for all their French and international entities.

Key figure

4.21: the frequency rate for APRR and AREA combined. The rate fell below 5 for the first time in 2016.

Accident frequency rates continue to fall in all the contracting businesses (Infrastructures, Construction and Energy divisions) and at APRR-AREA. The frequency rate for the Group as a whole has fallen below the threshold of 10, to stand at 9.88 in 2016 compared to 11.86 in 2015, while the severity rate remains stable at 0.87. The number of recognised occupational diseases was 248 in 2016. Also note that 52% of the Infrastructures division's establishments achieved the "zero accident" target in 2016.

Table no.7: Health and Safety

• Innovative and collaborative tools to win the safety battle

The divisions implement targeted actions based on the specific needs of their businesses:

- systematic audits to analyse workplace accidents and determine their causes;
- regular worksite inspections by prevention officers to check that safety rules are followed;
- input from prevention specialists in technical training courses, to integrate safety into all aspects of site work;
- diversification and regular distribution of awareness tools.

All safety policies require preliminary on-site audits to identify the risks and recommendations. With a view to involving its departments as early in the process as possible, Eiffage Énergie and Clemessy tasked the management committees of their establishments to perform the audits.

The Infrastructures division has rolled out a new "Safety Performance" prevention programme, with the objective of transitioning from a "responsive culture" to a "preventive culture". This will be achieved by focusing on incidents that seem insignificant but that may, in practice and under certain circumstances, result in accidents. Employees currently struggle to make the connection between minor incidents and the probability of an accident. The programme uses awareness raising and newly developed tools, such as the Safety Force® smartphone application, to get across the "100% safety" message on a daily basis. This clear target challenges and encourages employees to anticipate and to promote innovative practices, by constantly improving the reliability of the prevention measures.

Safety Force: a self-assessment application to assess safety on worksites

The Safety Force application can be used to assess on a real-time basis safety performance, the effectiveness of measures and proper application of the 20 fundamental safety requirements. This tool facilitates direct and concerted action by all employees to address problems and incidents encountered on a daily basis and breaches of the rules, however minor they may seem. The application has been available since February 2016. By the end of the year, 2,000 active members were uploading daily assessments. The application constitutes a safety dashboard which measures safety performance in real time on all sites throughout the world.

The Infrastructures division also asks visitors to its worksites for a qualitative assessment of safety observed *in situ* during their visit. The "Live Life Safely" campaign was renewed in 2016 to allow employees, and above all external visitors, to provide a fresh perspective on the company's safety practices.

The Construction division has developed a specific tool, ORTENSE, for the on-site detection of incidents, their review, notification and monitoring. The Construction division's prevention teams use this platform to exchange data on, report and monitor incidents, and to trace them using a single risk assessment document. Worksite managers can also follow up on prevention issues and incidents detected by prevention officers during site visits.

Employee safety is a particular concern for APRR and AREA, especially that of their operational staff, who account for 85% of all employees. When working on the motorway networks, employees are exposed to multiple and at times complex risk situations. To improve effectiveness and the dissemination of feedback, APRR and AREA merged their prevention policies in 2016 to create a single body, which now coordinates all actions and shares practices, knowledge and methods.

Eiffage Énergie has released a report analysing the accidents that occurred in the summer of 2016

Following five serious accidents during the summer of 2016, the management team took immediate action to prevent similar situations from occurring in the future. The accidents were carefully analysed to establish the exact facts that led to them and the measures to be taken to prevent any repetition. Each Eiffage Énergie entity organised meetings with works supervisors and prevention officers in France and other countries to educate and change mentalities at the most local level.

• Specific training to improve safety and prevention

Training on safety issues is mandatory for all Group teams and independent contractors working on site. Dedicated training processes have been implemented in each division, and a range of tools sets out the safety instructions and highlight the importance of continued vigilance: the "Basic Safety Skills" training programme, 15 minutes-safety sessions on the worksites, modules on the prevention of risks associated with physical activities, training on movement and posture, electrical certification, preventive videos, etc. New employees receive safety instructions, safety sheets and induction handbooks, and must follow an integration process.

Several different safety training programmes are ongoing:

• the "Safety Management and Discipline" programme, which moved up another gear in 2016. Eiffage Construction launched the second phase of the programme, with entity heads conducting work meetings for managers (section managers, works supervisors and foremen). One objective of this initiative is to demonstrate that entity management teams are on the front line when it comes to fostering a culture of prevention;

• the "Safety Performance" programme in the Infrastructures division represented 40 study days in 2016, organised in conjunction with OPPBTP, an organisation for the prevention of occupational hazards in the construction industry, for 500 of the division's managers and prevention officers;

• APRR's "Safestart" safety and prevention training programme provided training for approximately 800 employees in its first year of existence. Its purpose is to prevent workplace accidents caused by lack of attention and routine behaviour, by changing mindsets to make safety considerations automatic, with every employee using techniques to reduce critical errors. Between 2016 and 2018, all APRR's operational staff (i.e., 1,800 employees) will be trained by 50 of their colleagues who have volunteered as instructors.

Key figure

The Infrastructures Division is aiming for 100% safety with the "Safety Performance" programme, and has organised 40 training sessions in conjunction with OPPBTP, which were attended by 562 employees.

Raising awareness among temporary staff and independent contractors

APRR and AREA have introduced a new procedure to improve the safety of employees of independent contractors working on motorways. The procedure has been in place for two years, and the corresponding reference documents are circulated within the operational entities, which all have employees who have obtained "prevention plan" certification.

At the end of 2015, Eiffage Construction signed a partnership agreement with OPPBTP to improve risk prevention by its employees and subcontractors. The objectives and content of the agreement were distributed within all the division's entities in 2016, so that management teams could take them on board and organise safety prevention training sessions in close collaboration with OPPBTP. Actions focused on training on asbestos risks *(see below)*, recommendations on working conditions for formworkers, and the introduction of specific prevention measures for subcontractors. Both parties are committed to an active collaboration with a view to establishing a sustainable prevention culture in the sector. Eiffage and OPPBTP have also developed specific awareness campaigns in partnership with subcontractors, through tripartite agreements providing for the pooling of resources with subcontractors.

• Tangible actions to combat physical strain, new forms of addiction and the replacement of potentially toxic products

The protection of employee health and physical safety is organised around several priorities, in particular: prevention of physical strain, gradual replacement of toxic products whenever possible, and prevention of psychosocial risks and addictions. Temporary workers must comply with the same safety rules as Group employees, and benefit from the same training and awareness programmes, or attend sessions specifically designed for them.

The prevention of physical strain and occupational disease is covered by "arduous work" agreements and action plans signed in the divisions. This has also been a major component of the APRR and AREA prevention programmes for a number of years, with training on posture while working, the modification of workstations to reflect new working methods and the adaptation of equipment. For example, both companies made further safety improvements to their response and marking vehicles in 2016.

The Infrastructures division is continuing to roll out its 2015-2017 arduous work action plan. This plan, which aims to prevent physical strain, was developed on the basis of proposals by the health, safety and working conditions committees (CHSCT), which were consulted in 2014. These constitute best practices that are shared by all the division's businesses.

Reducing physical strain while increasing productivity thanks to the "loosening kit"

Eiffage Construction's Equipment department is speeding up the distribution of a new technical solution developed by the Research and Innovation group which helps to loosen pipes. This lightweight kit considerably reduces the physical effort needed to tighten and loosen parts, and thus improves productivity on worksites. The tool can be used one-handed, and does not require any cables or wires. The response has been immediate: all the teams who have tested it have adopted it and a number of other project teams have already enquired about obtaining it.

When reliable alternatives exist, the divisions prohibit the use of toxic products in favour of products with a lower risk. One of Clemessy's goals is to replace 80% of CMR products. In 2016, it replaced three such CMR products. In terms of motorway maintenance, APRR is currently testing an alternative product for salting road surfaces in winter that does not contain any CMR products.

Pooling information about these products is a key priority. The ACCESS database contains product health assessments for 5,800 products and lists possible substitutes when there is a high health impact. It is now used by the Construction, Energy and Infrastructures divisions.

As part of its agreement with OPPBTP, Eiffage Construction organises sessions to raise awareness of asbestos risks for its prevention officers. Training for works supervisors, pricing analysts and property managers is also provided when asbestos is present on a worksite.

Various agreements and programmes developed in the divisions involve actions to combat stress and psychosocial risks. Management works with the labour partners to address these issues, assessing risks and taking them into consideration in the occupational setting. Training, including a "Wellbeing" module, is provided in certain divisions. In 2016, Eiffage Énergie organised seven training sessions on psychosocial risks for its health, safety and working conditions committee (CHSCT) members and four sessions for its human resources managers, prevention officers and the chairmen of its health, safety and working conditions committees.

2.4. Training, a commitment to employees

• A 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;
- favour 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 skills building;
- 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 employment 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. Businesses 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, shared 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. Shared training platforms are dedicated to management in Vélizy and Lyon. The Human Resources departments of the divisions organise their own training initiatives, which they share in the catalogue presented by Eiffage University.

Key figure 2016:

874,618
hours of training

2.34%
total training cost

Table no. 8: Training

• Internal training for all levels

Annual orientation 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.

The Group has developed a training offer for its core businesses, covering all trades and levels of qualification.

Training for blue-collar workers—Prod' masters—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 divisions meet market requirements by expanding their capabilities and contribute to employees' professional development.

Strengthening basic occupational skills—called Foundational Masters at the University—is an essential prerequisite for career development. The divisions 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. For example, 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).

Within Eiffage Énergie, 2016 was devoted to developing and redesigning courses for site managers:
- creation of a new "Energy Division Manager" course, consisting of eight modules and an initial individual assessment, intended for managers with responsibility for activities, sites, agencies or equivalent;
- roll-out of the Master Chef "Works Supervision Cycle" course, and redesign of the Master Chef "Site Manager Cycle" course, intended for all site managers who have not been trained and all team leaders who are promoted site manager;
- creation of two Specialised Masters structuring training courses to improve the skills of its contract managers in contract management and supervision. 400 employees received training in 2016.

The Essentials Specialised Masters **courses are intended for operational and support function managers and clerical, technical and supervisory staff.** The Eiffage University also runs "Essentials" 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 "Worksite 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 to hone their professional skills during two one-year courses. In partnership with Ponts Conseil Formation (the CPD arm of the École nationale des ponts et chaussées engineering school) and the Essec business school, the Eiffage University organises two courses every year for 24 trainees 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 helping trainees to take on more responsibility.

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 "Confirmed Horizons" courses have been held for a total of 40 employees, and a third is due to start in 2017.

Supporting skills building

The Group's activities are relying increasingly on digital technology, be it in project design or the inclusion of digital objects and services in commercial offers. Clemessy has included BIM in its "toolbox" for project managers, designers and developers. Employees can complete two training modules, on "BIM Basics" and "Electrical BIM", *via* Eiffage University as and when necessary. Clemessy is currently preparing an innovative training offer, "Factory 4.0", on industry of the future, which covers the use of digital technology by all functions on an industrial site (project production, logistics, maintenance). In addition, to satisfy the growing needs of the nuclear industry, 122 new staff hired by Clemessy in 2016 (in the business, project, research and construction sectors) received nuclear accreditation training.

• A work-study and voluntary mentoring policy

The Group has a dedicated work-study policy, which is an important pre-recruitment source. For example, the Infrastructures division made work-study contracts a priority for 2016-2017. Eiffage Énergie signed an agreement with the trade unions on mentoring at the end of 2016, also with a view to providing a structured framework to develop work-study programmes and optimise integration within the division. As part of its diversity and equal opportunity policy, APRR is committed to facilitating the employment integration of young people by offering an average of at least 40 work-study contracts each year. The trainees can then apply for jobs within the division.

Lastly, the Group prioritises the integration of new employees: 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 practices 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.

The Infrastructures division's internal schools: a model for training and employment integration

Launched in 2006 in partnership with AFPA, the Infrastructures division's school model has resulted in the creation of eight schools in France. The schools accept 200 students every year, most of whom are unemployed, and offer specially adapted training (essentially in the form of work-study contracts). Students alternate classroom learning at the training centre and practical experience on worksites, where they are mentored by company employees, with a view to becoming road and utility network construction workers, pipe layers, formworkers in civil engineering or construction, or machine drivers/operators, depending on the needs of the company. At the end of the training period, they may obtain a qualification or professional diploma recognised by the French Ministry of Employment, and may be offered a permanent contract.

2.5. 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. Note that the Group's diversity and equal opportunities policy is based on strictly professional criteria and objective processes, to guarantee genuine equality of treatment.

APRR and AREA have earned the AFNOR diversity label

Thanks to a long-term, proactive action plan developed in 2008 and positioned at the heart of its human resources policy, APRR and AREA obtained the AFNOR diversity label in 2016 in recognition of their commitment. As well as being a recognition of its achievements to date, the label is a sign of the companies' continuous improvement process and commitment to further progress. In October, a network of ambassadors was set up to involve a greater number of employees in local actions. 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.

• 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 are in place: 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.

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.

• The Group and its partners actively seek to integrate marginalised unemployed populations

The Group participates in partnerships and sponsorships to support the integration of disadvantaged populations.

A key tool for the Group in this area is the Eiffage Foundation, which supports projects that foster employment integration for people in situations of exclusion, irrespective of the reason. In 2016, the Foundation supported 24 integration projects with 30 sponsors; a total of more than 200 employees were involved. Nine multi-year projects are underway or have been completed with a range of community organisations that seek to help disadvantaged populations in areas such as housing, education and employment integration: Association Solidarités Nouvelles pour le Logement, Compagnons Bâtisseurs, les Jardins Garonne, la Voûte Nubienne, la Fondation du BTP, ATD Quart Monde, Passeport Avenir, Habitat et Humanisme and the Jardins de Cocagne network.

The integration of young people from disadvantaged neighbourhoods is addressed through a specific Group policy and supported by the French Minister in charge of Urban Affairs through the Companies and Neighbourhoods Charter. In 2016, the Group renewed its commitment to the Companies and Neighbourhoods Charter through its Foundation. The Foundation's current objective is to finance between five and seven 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. During the second half of 2016, three projects were supported in partnership with the Group's regional departments and the local CREPI (regional clubs of companies supporting integration efforts). This policy entails, *inter alia*, active partnerships between the Group, Pôle emploi (the French job centre) and local employment integration agencies, which shortlist candidates, after which the divisions determine the appropriate 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. For example, in 2016 beneficiaries registered with the Alsace CREPI club, all of whom had higher education qualifications (of at least degree level), were unemployed and living in a disadvantaged neighbourhood, were able to get to know their sponsors through various events, including Brazilian jujitsu classes.

• Combating illiteracy to better integrate some of our employees

Overcoming illiteracy 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. Specific courses are offered to employees on a voluntary basis.

Eiffage Énergie has integrated this sensitive topic into its "Energy Skills Focus" bridge training schemes, by offering each trainee an assessment of key skills (reading, writing, maths, etc.) and implementing support programmes when 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 women into the diversity of jobs within the Group.

In 2016, 12.57% of the total workforce were women.

Table no. 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.

Clemessy has 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.

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. 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 trainees 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, at the beginning of 2017, distributed an educational booklet on disabilities, while Eiffage Énergie deployed an employee awareness campaign on all its sites in 2016, in conjunction with the national disabilities awareness and integration programme.

National disabilities awareness and integration programme (PNSIPSH)

The employee awareness initiative launched by Eiffage Énergie 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.

In addition to these necessary communication initiatives, specific actions also aim to facilitate the employment of people with disabilities in more practical ways.

As part of its 2014-2016 disability action plan, Eiffage Construction formed partnerships with retraining centres and engineering schools, and created a study grant for students 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. Both companies have a Disability commission, which examines all cases referred to it.

Lastly, some divisions form relationships with the sheltered sector, generally *via* 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.

Another 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 no. 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 position 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 set itself the objective of taking on 5% of new hires in 2016 aged 50 or over. APRR and AREA offer "senior fixed-term contracts" to unemployed candidates aged over 55 who have not accrued sufficient pension rights, so that they can end their career within the motorway concession sector.

As part of its diversity and equal opportunity policy, at the end of 2016 APRR renewed its "generational agreement" action plan for a further three-year period. 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 December 3rd 2015, i.e., 21%, while rolling out training to help employees prepare for retirement and hiring at least five new employees aged 55 or older.

Table no. 11: Breakdown by age

3. 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 biodiversity protection and preserving water resources and aquatic environments, published in the form of posters displayed in all Group entities. 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 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 proactive biodiversity conservation policy.

3.1. An organisation for addressing environmental issues

• The Environment network— Experts supporting the divisions

From an operational perspective, environmental matters are addressed by teams in the Sustainable Development department *(cf. Part 1 "Strategy, values and organisation")* and by a network of environment coordinators and correspondents across the Group's divisions and companies.

Representatives from the Construction and Energy divisions 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 2016, the divisional networks were as follows:
• Infrastructures division: a Quality and Performance department, five 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 population of around 150 employees;
• Construction division: 16 regional quality and environment managers, and a total of around 50 employees with missions relating to quality and the environment;
• Energy division: a Quality, Risk Prevention and Environment director supported by a network of risk prevention coordinators including around 30 environmental experts.

The subsidiaries Clemessy and APRR & AREA also operate networks:
• Clemessy's Quality, Safety and Environment network meets five times per year;
• APRR and AREA's network has around 15 members, who meet four times a year.

• Tools and training relating to management of environmental issues

Geode operational management software for environmental issues
The Eiffage Sustainable Development department has introduced GEODE, a software tool for operational environmental management, to provide establishments with the means to inventory, measure and manage their environmental impacts. GEODE includes an "Environmental Analysis" section and an "Environmental Accidents" section, which provides the necessary visibility and traceability to monitor accidents that impact the environment. It has been deployed across all divisions to support the 500 staff in charge of environmental issues in the operational entities.

Environmental and sustainable development training to support changing businesses and practices
The divisions' strategies include environmental and sustainable development training courses related to their core businesses: training courses in energy efficiency, green building design, the new materials/processes used in BBC® or BEPOS energy-efficient building projects, and in the Group's tools, all of which contribute to providing practical means of better integrating environmental risk issues in tender preparation and project management. Special training in the management of certification application procedures is being provided as part of the drive for ISO 50001 compliance at the Infrastructures division's industrial facilities and among Energy division personnel.

Training courses addressing the HQVie® ("high quality of life") sustainable construction methodology developed by the Phosphore programme have been implemented, enabling project teams to apply this differentiating approach from the tender preparation phase.

The drive to revise and standardise the Group's internal environmental and sustainable development training documentation, which was initiated in 2016 and continues in 2017, has updated the teaching resources available to address new requirements in areas such as the digital transformation, massification, rollout across the various management tiers and diversification of student profiles.

The Eiffage/Paris I Panthéon-Sorbonne Bioterre Master II degree course (Biodiversity, Territory, Environment) is proposed each year for initial and continuing education. In 2016, the Bioterre Master course ranked second in France, and no. 46 in the world, in the "Sustainable development and environmental management" category of the Eduniversal ratings. Four Eiffage employees graduated in 2016, raising the total number of employees trained since the course was created in 2010 to 29, including four students who were hired upon completing the syllabus.

• 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. The rollout of ISO 14001 and ISO 9001 certification across the Group's divisions has progressed steadily in recent years.

Table I: 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.

In 2016, APRR and AREA launched a joint plan to migrate to unified certification for all aspects of their motorway operation activities. Across the full scope of the Infrastructures division, all operational entities have been certified under a combined ISO 9001-14001 certificate since April 2015. Only the road industry entities and international subsidiaries with proprietary management systems were not concerned by this unified certification initiative in 2016. At Eiffage Énergie, the environmental and energy management systems are operated at regional level. To date, 77% of regional departments are certified. For several years, Clemessy has held a unified certificate (ISO 9001, ISO 18001 and ISO 14001) and the management team reviews the integrated management system annually, to ensure that it remains appropriate, adequate and effective. Eiffage Construction's development and real estate activities are covered by an integrated quality and environment management system that includes risk management and responsible purchasing measures.

Eiffage Sénégal wins another award for environmental excellence

Eiffage Sénégal once again won recognition for its leadership on quality issues in the West African Economic and Monetary Union (UEMOA). In addition to winning the UEMOA Quality competition, Eiffage Sénégal maintained dual certification for its quality and environmental management systems (ISO 9001 and ISO 14001, respectively), as well as obtaining approval for its sustainable development organisation under the ISO 26000 terms of reference. In response to the increasing presence of Asian contractors, it is important for well-established firms like Eiffage Sénégal, which celebrated its 90th anniversary in 2016, to develop its skills and pursue the move upmarket in its customer offerings.

• 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 staff training, 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 real estate and industrial facilities for several years, in particular with the aim of reducing energy costs and cutting greenhouse gas emissions.

In late 2016, the E-FACE carbon-energy arbitrage fund was implemented at corporate level. This fund aims to support the development of low-carbon solutions, in an extension to the Phosphore research programme.

Table II: provisions and guarantees relating to environmental risks

3.2. 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 impacts 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 re-used, 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.

• Measures to preserve resources and limit environmental impacts

The divisions record their impact management commitments in environmental policy documents and quality and environment charters. Furthermore, environmental management systems, particularly within the ISO 14001 framework, are being implemented to ensure effective environmental impact management.

At Clemessy, environmental impacts are analysed and preventive measures are proposed *via* a "worksite" or "customer facility" environmental assessment. A company procedure defines the process for conducting such assessments. In 2016, 36 worksite environmental assessments were carried out. 60 "worksite environmental compliance", "customer facility" and "workshop environmental compliance" flash audits were performed in the field.

Preserving water resources more effectively
The "Water and Aquatic Habitats" Charter sets out the Group's environmental and water policy. The charter was revised in 2016 and will be the centrepiece of a new environmental awareness campaign led by the Sustainable Development department 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.

Table III: water consumption

Key figure

– 300 standalone waste water drainage systems, mainly at rest areas.
– 1,200 stormwater ponds, in which runoff water from road surfaces is treated to protect water resources against the risk of chronic or accidental pollution.

APRR counts on these facilities to protect tap water extraction points and to preserve water quality in certain waterways.

The aims of the charter are addressed in the various businesses, and the ISO 14001 processes operated by subsidiaries also reflect this issue.

Eiffage Construction and the Infrastructures division issue their operational teams with "water toolkits" and/or a guide to temporary drainage systems, designed to optimise the technical response to regulatory obligations and make systematic use of best practices.

In 2016, APRR and AREA continued to implement the multi-year water resource protection programmes specified in the 2014-2018 management contracts. Work to create eight multi-purpose ponds along the Beaune motorway node on the A6 in Côte-d'Or began in 2016. 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 worksites

Treatment before discharge of water used to wash concrete-soiled equipment is a key factor in preventing pollution at worksites. The use of dry ice to treat water used to wash concrete-soiled tools is being rolled out at Group worksites. Following trials during the work for the Lille stadium and the Bretagne-Pays de la Loire high-speed rail link, the technique was applied at several Eiffage Construction worksites in 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, thereby helping to uphold the commitments in Eiffage's "Water and Aquatic Habitats" Charter.

Rotaclean, a painting accessory cleaning unit that protects the environment and saves resources

Eiffage Construction subsidiaries are using a new type of cleaning unit to clean paint-soiled rollers, brushes and buckets. The process uses a "mixer-and-settler" system to separate paint from the cleaning water. Sludge is trapped in the filter and the processed water returns to the clean water container. The following day, the purified water is ready to be used again to clean tools. As well as decontaminating water, this system conserves resources by minimising water consumption.

Management of air and soil pollution risks and nuisances

Air pollution

In addition to compliance with defined air pollution regulations 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 worksite tracks, to prevent or mitigate dust-raising by passing machinery) and the development of less polluting processes. Aggregate coating plants are a good example of processes that have been significantly improved over the years, and the potential health effects of their atmospheric emissions are managed. These facilities are also part of a national approach including the French road industry association (USIRF), supported by the Infrastructures division's Engineering and Equipment departments. In 2016, Secauto, a Clemessy subsidiary, was accredited by COFRAC to conduct environmental analysis, testing and calibration activities relating to air quality monitoring measurements.

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 there are plans to develop infrastructures to improve flow capacity on the A71, A75, A6, A41 and A480 motorways.

Air pollution inside buildings

Eiffage Construction Grands Projets Île-de-France performed an indoor air quality assessment consistent with the aims of the HQE Construction methodology while working on the Société Générale campus project in Val-de-Fontenay. This initiative not only revealed that the building delivered very good results on several criteria (carbon monoxide, benzine and VOC), but also served to develop in-house expertise.

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 in 2016 began work to improve living conditions for the local population at two sites near the A40-42 motorway interchange in the Ain department.

The 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 worksite 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 (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.

On the motorways, the measures adopted to protect water resources also play a role in protecting the ground, although the primary goal is to prevent accidents resulting in pollutant spillages. 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.

• 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 virgin 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, recovering waste and incorporating it into construction and renovation processes;
- developing skills in natural habitat restoration and ecological engineering, including ground-breaking techniques to restore ecosystem services in urban environments.

Managing waste (including customers' waste) held at Group facilities is a major environmental and economic challenge. In 2016, the Group handled more than 5.3 million tonnes of waste. All divisions operate a long-term waste management policy and regularly remind subcontractors and partners of their requirements in this area *(see "Responsible Purchasing" section)*.

Table IV: 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, along with possible improvements and best practices. Employee awareness campaigns are conducted regularly, to limit waste and encourage waste sorting in the workplace;
- at worksites, waste management is systematic and takes advantage of the recycling facilities available in the area (departmental plans in France) and any scope for re-use on-site or at other worksites, in an approach consistent with the circular economy;
- at motorway areas, where the goal is to provide waste sorting similar to what motorists do at home, APRR and AREA use containers in which customers deposit glass, packaging and mixed household waste on a voluntary basis. Ongoing user awareness efforts focus on keeping areas clean and sorting waste properly. All operational facilities are equipped and organised for selective sorting of waste from commercial activities, mechanical workshops, etc.

Sorting is not just for worksites but for commercial activities too

Clemessy's staff cafeteria in Mulhouse has introduced waste sorting (organic waste, plastic bottles, cans, etc.) and a contract agreed with Agrivalor to recover organic waste in an anaerobic digestion process. This canteen serves an average of 400 meals per day, and up to 650 during busy periods.

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 our products:

- demolition concrete and inert waste from road deconstruction is processed at crushing and grinding plants to produce re-usable aggregate;
- on-site road surface recycling preserves the existing right of way as well as recovering and recycling all materials, generating savings on new materials and transportation;
- Eiffage Route pursued its innovative partnership with Siplast, recovering up to 800 tonnes of previously-scrapped bitumen production per year. To this end, a team was set up to inject this scrapped material into the industrial process and has so far been able to incorporate up to 10% recovered bitumen into its high-value GB5® coated aggregate.

APRR and AREA operate a roadway materials recycling policy to harmonise practices in the drafting of tender preparations. In particular, proposals must include a recycling variant, and target rates are defined for recycled coated aggregate.

Eiffage Route signed the "voluntary engagement by road professionals convention" in 2009, implementing the resulting commitments *via* its Roads Plan. The proportion of recycled coated aggregate in surfacing materials has steadily increased, from 7.2% in 2010 to 15.6% by 2015, prompting Eiffage Route to extend its Roads Plan for the period 2016-2020 and agree to pursue its material and process-related efforts, with a particular focus on:

- steadily increasing the proportion of recycled coated aggregate;
- 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 (aggregate for concrete, in particular) and by recovering marketable surplus stocks as variants.

Clemessy, in partnership with Veolia, has developed the AEROcontrol instrumentation and control system for organic matter recovery. This innovation accelerates composting times (fermentation times are halved) and improves the quality of the end product by managing every step in the process and controlling aeration. Three facilities have been built to date, and Clemessy is working on a project in Australia that will be able to generate more than 200,000 tonnes of compost from organic waste from the city of Sydney and its suburbs.

Table V: raw materials

Making green design a competitive advantage

By rationalising design processes and industrialising products, the green design approach is helping Eiffage Construction to improve its raw materials consumption. The division also factors in the ease of dismantling and subsequent separation of end-of-life materials. The green design approach is leading to the implementation of a variety of solutions, such as optimising worksite procurement phases, including a minimum volume of FSC or PEFC-certified wood, and considering factors such as building adaptability and the ease of dismantling and subsequent separation of end-of-life materials. Eiffage Construction has developed a structured, innovative and clearly identifiable offer, organised around concepts that combine energy performance and streamlined costs, *via* the industrialisation of green products and construction processes. These include Concept Lignum®, combining the benefits of concrete and engineered hardwood, the core feature of the division's dry process technology.

Community-oriented and industrial ecology initiatives

Since 2016, Clemessy has been taking part in the "Collaborative action for industry" initiative organised by the Alsace Chamber of Commerce and Industry, which aims to pool the resources, equipment, purchasing and waste and energy management efforts of its members. This collaborative group approach is able to better identify waste held by certain members and match it to the requirements of other members, enabling it to be reinjected into production systems. It also enables underused equipment and facilities (washing stations, paint booths, etc.) to be pooled in order to optimise their use. This project will enable Clemessy to implement its circular economy strategy *via* an approach based on local partnerships.

AREA has maintained its partnership with a 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 is a resource-intensive activity for the Group, which consumes 60,000 tonnes of salt annually. As a result of the partnership, this waste is being used instead of coarse salt extracted from Mediterranean salt marshes. This partnership is featured in the Auvergne Rhône- Alpes directory of circular economy initiatives, which was published in late 2016.

Eiffage is a partner of the Noé project, which provides construction firms with a system of shared services for worksites. By offering a very broad range of services (including site accommodation, worksite refuse disposal facilities, contaminated earth and spoil management, parking and employee transport from site accommodation to worksites, and material storage and transportation), this solution will make it possible to provide shared services with a short supply chain. Eiffage has used the Noé facility for several current and planned projects in the EPA Bordeaux-Euratlantique areas, and the solution will be rolled out to worksites in other cities in 2017.

• Land use

The Group is aware of its activities' impact on the ground, whether as a result of building infrastructures or extracting raw materials, or due to the risk of contamination during works. Effective management of these impacts requires exemplary compliance with environmental offset regulations *(see "Proactive biodiversity protection")*, pollution risk prevention initiatives and an optimised quarry management programme.

Along their 2,300 km of motorways, APRR and AREA manage a 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 currently being built to the north of Lyon, 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. In 2016, standardised key performance indicators were used to monitor 90% of quarries (and output volumes) managed by the Group.

3.3. 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".

• 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. The Group reports its emissions annually to the Carbon Disclosure Project.

In the light of the climate conferences COP 21 and COP 22 (which was held in Marrakesh in 2016), Eiffage has set a target of reducing its greenhouse gas emissions by 5% over the period 2015-2018. The Group believes that its proactive positioning on this set of issues represents a competitive advantage as it supports customers 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 divisions also provide expert solutions and know-how. For buildings, this includes lean construction processes, multi-technical and multi-site energy performance offerings, as well as facility management for roads and real estate, based on appropriate processes and optimised energy management.

In late 2016, the Group prepared to launch a "carbon energy" fund to support this strategy and encourage adoption of low-carbon solutions. This fund replicates the carbon arbitrage fund trialled on the BPL high-speed rail link, which enabled the emission of 14,000 tonnes of equivalent carbon dioxide to be avoided over the course of the project.

By this means, Eiffage aims to eliminate obstacles to the adoption of new low-carbon technologies and encourage voluntary efforts to decrease greenhouse gas emissions. Other goals include working more closely with suppliers that promote low-carbon solutions and pooling resources and arbitrage decisions across the Group.

The carbon arbitrage fund for the Bretagne-Pays de la Loire high-speed rail project

Proposed for the first time in France in 2010, in Eiffage's bid for the BPL rail project, a carbon arbitrage fund was set up in 2012 to cover the works period. The purpose of this fund was to finance any difference in cost between traditional solutions and alternatives with superior emissions performance. It also provided an opportunity to initiate collaboration between technical, structural and process engineers, purchasers and environmentalists, opening up the debate on carbon issues and paving the way for low-carbon variants and innovations.

The key commitments defined by the Group are addressed by action plans within its constituent businesses and regional entities.

Eiffage Énergie energy policy

Eiffage Énergie regards its activities as levers for the energy and environmental transition, and the division is committed to rolling out the necessary resources to achieve its targets of a 10% decrease in energy consumption by its buildings and 2% by its vehicle fleet. The division aims to make it easier 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.

APRR

APRR-AREA's greenhouse gas emissions reduction action plan for the period 2016-2018 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;
- rally teams around Behaviour Guidelines intended to limit greenhouse gas emissions and provide a self-survey tool for assessing individual and collective requirements as a stepping-stone toward leaner energy use;
- 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.

Clemessy

In the context of the continuous improvement process featuring in 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.

Infrastructure 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;
- increase the proportion of low temperature coated aggregate.

The plan also renews the existing eco-driving initiatives.

• Exemplary, proactive energy management initiatives

The Group is committed to sustained action to reduce carbon emissions across its internal scope.

In 2016, scopes 1 and 2 greenhouse gas emissions totalled slightly more than 400,000 teq. CO_2 for France, and nearly 129,000 teq. CO_2 outside France.

Table VI: energy

Table VII: 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 real estate assets (Energy division) or industrial sites. Eiffage Route's 69 aggregate coating and binder plants, which have been certified since November 2015, have disseminated their best practices through energy action plans and energy reviews not only at their wholly-owned coating and binder plants but also at coating plants in which the division has a participating interest.

Managing employee travel
In 2016, after conducting energy audits that included travel (fuel consumption) in their scope, several consumption improvement actions were identified. In response to the wide variety of operating contexts across the Group, the decision was made in 2016 to implement a unified fuel consumption tracking system, and to review the commercial vehicle management policy. The Infrastructures division achieved a 100% take-up rate for eco-driving training among the target population in 2016. As a result, this initiative is henceforth complete and has transitioned to the upkeep phase.

Driving down fuel consumption

In 2016, the principal improvements at Clemessy relate to energy review and consumption monitoring reliability improvements, and the development of a comprehensive energy policy supported by fleet managers and building technical managers (RTB). This policy has several objectives:

- increase the number and frequency of vehicle flash audits;
- ensure that technical inspections and servicing operations are performed correctly;
- audit fleet managers;
- identify a sustainable, reliable means of minimising fuel card misuse;
- continue to promote electric vehicle use by Clemessy.

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:

- APRR and AREA are continuing to improve their internal organisation and streamline their energy procurement contracts; in particular, unified contracts for natural gas and propane came into full effect in 2016. Furthermore, the operating equipment renewal programme for the period 2012-2016 aims, among other things, to upgrade the energy performance of facilities;
- the Infrastructures division continues to roll out practical initiatives 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. Eiffage Route has set energy consumption monitoring improvement targets in its Roads Plan *(see above)*;
- Clemessy has drawn up a plan to reduce energy consumption by its own buildings. In 2015, Clemessy obtained its first ISO 50001 energy management certification. In 2016, Clemessy conducted a comprehensive energy review resulting in an action plan to achieve reductions on the main consumption items (namely buildings and travel) through a series of targeted measures (installing speed controllers and other energy-saving equipment, eco-driving, installing photovoltaic panels, purchasing electric vehicles, etc.). Clemessy has set a target of reducing energy consumption by 1% per year for each energy performance indicator.

Quarry energy performance monitoring

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. These indicators are monitored in a tracking process overseen by the Infrastructures division's Quarries director.

Promoting renewable energy-related techniques
Eiffage boasts wide-ranging expertise in the area of renewably energy *(see below)*. Complementing the Group's sales strategy, establishments regularly promote innovative systems.

For example, Clemessy began work on a major project installing 1,400 sq. m of photovoltaic panels on the roof of its C3 headquarters in Mulhouse. The aim is to save 7% on the C3 building's energy spending and avoid producing 132,000 kg of carbon dioxide per year. Some 30% of the cost of this project, which is backed by Clemessy's expertise, was funded through subsidies from Alsace Regional Council arising out of a call for projects that support the installation of photovoltaic panels generating power for on-site consumption.

Transforming used food oil into biodiesel

At its facility in Saint-Étienne, Forézienne (operating in partnership with the Ondaine Agro association) has built a new used vegetable oil refining unit specialised in recovering organic fatty waste for energy. This technology was used during the 2016 UEFA Euro football championship, helping to light the Geoffroy Guichard Stadium *via* a biodiesel-fuelled generator. This project is innovative inasmuch as its oil-to-biofuel processing model could be reproduced in other areas, including relatively small communities.

• 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 6,143,893 teq. CO_2 for 2016. 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

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 companies and SME, start-up incubators, non-profit organisations and research organisations). Eiffage Construction and Eiffage Énergie 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.

The Smartseille eco-neighbourhood – Eiffage's "living lab" for sustainable development

This is the first milestone in the Euroméditerranée expansion, and the largest urban regeneration site in Europe. The project, which is part of a larger, 170-ha operation, aims to create an exemplary green neighbourhood qualifying for the "EcoCité" label—part of Marseille's contribution to the city of tomorrow. The aim of the project, which bears the Eiffage hallmark and is led by Eiffage Immobilier, is to create a neighbourhood that will serve as a demonstrator with regard to Mediterranean sustainable development while fully serving the needs of its residents and users. Designed using the HQVie methodology, Smartseille is an innovation-rich project. Features include a coastal geothermal energy system (known as Massiléo) for which the sub-station was commissioned in 2016, electric car-sharing and neighbourhood concierge services that began operating in time to serve the first residents and users, volunteer landfill waste disposal points and an experimental green roof with integrated storage. This is a multi-partner approach, and the project is designed to address cross-cutting challenges associated with sustainable development, combining exemplary energy and environmental performance (enabling more than 70% of heating requirements to be covered by renewable energy) and creating new local services. The goal is for the neighbourhood to have a good functional and generation mix that fosters community spirit. The constituent elements of this pilot development are scheduled for handover during the period 2016-2018.

Eiffage Construction collects two awards at the COP 22 climate conference in Marrakesh

Organised by the building industry's "Construction 21" social network, the Sustainable Construction award was presented to Eiffage Construction, for the secondary school in Les Mauges. The Smartseille project in Marseille received awards from users and consumers, and for producing a "connected intelligent city" project.

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. The Group has been using lifecycle 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, Eiffage Construction took part in the working group that tested the initial version of the E+C− label. This new government certification, based on a life-cycle analysis, is a forerunner to the incoming RT 2018 thermal regulation applicable to new buildings.

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 maturity 3 mark, which is the highest recognised standard for all of the company's housing developments across France. This standard covers the company's internal operation as well as its monitoring of real estate 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 seeks NF Bâtiments Tertiaires-Démarche HQE or comparable environmental certifications for most of its office developments in the Paris region. Furthermore, a growing number of Eiffage Construction commercial buildings are being handed over with dual French and international certification. Additionally, over 20 completed or ongoing new-build and renovation projects are being conducted using the BREEAM® or LEED® methodologies. Examples include Société Générale's new head office at Les Dunes building in Val-de-Fontenay, which was handed over in 2016. Since 2015, Eiffage Immobilier has been taking part in trials of a new Franco-Chinese standard for sustainable business districts in the Inovel Parc business park where Eiffage's headquarters are located.

This organisational foundation has given Eiffage Aménagement a springboard for more ambitious processes such as HQE Aménagement™ certification. The aim of this methodology 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 carried out by Eiffage Aménagement satisfy these twin requirements: the Cours des marchandises neighbourhood in Pontoise and the Plaine Sud development in Clamart. Eiffage Aménagement is aiming to qualify for the "Ecoquartier" green neighbourhood label at the Parc d'affaires mixed-use development area in Asnières, for which it won the contract in 2016.

Lean products and processes

Low-emission road surfacing products

The Group also uses proven low-emission solutions, such as EBT® low-temperature aggregate, used by Eiffage Route since 2005. In 2016, production was relatively stable at 863,739 tonnes; the Biocold® range of low-temperature coated aggregates for road maintenance is another such solution.

Developing wood-based construction processes

With nearly ten wooden building projects either already completed, under construction or signed, and many others at the design stage, Eiffage Construction is demonstrating its commitment to researching and building low-carbon structures for our future cities. This renewable material releases four times less carbon dioxide than an equivalent concrete solution during the shell construction phase, which accounts for around half of the total carbon assessment. It was used for the Jean Jouzel student residence in La Rochelle, the Hyperion composite wood-and-concrete tower in Bordeaux (which will be commissioned in 2019), a 140-apartment timber-framed social housing building in Ris-Orangis, a project comprising energy renovation work in 261 apartments and the construction of 60 new apartments in Cormeilles-en-Parisis.

Developing renewable energy use for a more balanced energy mix

The divisions specialising in energy production and maintenance provide their expertise to promote renewable energy, designing and building state-of-the-art technical solutions such as wind farms, photovoltaic power plants, co- and tri-generation plants, or biomass and waste-to-energy power plants. In 2016, several projects illustrated the Group's leadership in the development of fossil energy alternatives, both in France and internationally:

- Clemessy developed solar projects in Morocco: as part of the work for the Noor II and Noor III phases of the Moroccan solar power plan in Ouarzazate, Clemessy Maroc and RMT launched three new projects for the Moroccan Agency for Solar Energy (MASEN) and the Saudi industrial group Acwa Power in 2016. Clemessy Maroc was selected by the EPC formed by the Spanish-Chinese consortium Sepco III-Sener to build the core electrical projects for the two new plants, Noor II and Noor III. Note that the Noor II solar power plant uses concentrating solar power (CSP) technology, features a capacity of 200 MW and combines parabolic mirrors with a 7.2-hour, molten salt-based heat storage system.
- in 2016, following a competitive bidding process, Eiffage Métal and other partners (ENGIE, EDP Renewables and Caisse des Dépôts) was selected by the French environment and energy management agency (ADEME) to build offshore floating wind turbines in the Mediterranean. The advantage of floating wind turbines is the ability to install them in very windy, deepwater locations far offshore.

Wind power development projects and partnerships in 2016

- The offshore works for the Rampion wind farm, located 13 km of the coast of Sussex in the United Kingdom, are proceeding swiftly. When completed, this wind farm will have a power generating capacity of 400 MW, and should generate 1,300 GW of renewable energy, enough to supply 300,000 homes. It will decrease carbon dioxide emissions by 600,000 t per year.
- Eiffage Métal Espagne invested more than €1 million to expand production capacity to keep pace with growing demand.
- Eiffage Métal Espagne formed a partnership with Vestas, the world leader in wind power, resulting in joint projects in France, Poland, the Czech Republic, South Africa, Canada and the United States.

Energy performance management offering

In 2016, Eiffage Énergie honed its energy management customer offering with the introduction of Uptimum services. In response to the realisation that a growing number of Eiffage customers were seeking to make energy performance part of their growth strategy, a new all-round service was designed to empower asset managers and facility owners to reduce their energy consumption. This modular solution is structured in five phases:

- energy audit;
- 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.

To support growth in electric mobility, following on from the Seesolar experimental project, Eiffage Énergie's infrastructures network has been building a turnkey business specialising in electric charging stations since 2013. Drawing on the special qualifications of its offices across France, Eiffage Énergie sells, integrates, installs and maintains charging facilities for electric vehicles nationwide.

This offering, which is aimed at businesses and private citizens alike, with particular emphasis on motorway network users, is helping to cut greenhouse gas emissions and reduce transport-related atmospheric and noise pollution. As part of this drive, Eiffage Énergie installed nearly 560 charging stations in France in 2016, including 14 Autolib' stations in the Paris region and eight supercharger facilities for Tesla vehicles in hotel and restaurant car parks.

A systemic vision of our roads

Road structures are set to become increasingly active and interactive. Recently, every aspect of the road industry has experienced renewal, from the refinery to the construction site, with particularly radical changes in terms of new road uses and functionality.

Among other things, these technological changes have resulted in:

- enhanced safety;
- connectivity with the surrounding community, managers, operators and users;
- roads harnessed for use as energy or information sources.

Furthermore, newly-developed embedded sensors can be used to monitor transport infrastructures, providing a promising option for preventing risks associated with ageing structures. Such sensor systems are a component of the Fifth-Generation Road concept ("Road of the Future"). In the context of the Group's road infrastructure management activities, sustainable roads may see broader adoption, at city scale for example, with a key role in interactions between urban systems: transportation, energy, lighting, water, waste, buildings, etc. Such roads would make allowance for users and their varied means of transport, and would themselves be sources of energy or information.

AREA partners with an experimental application to encourage car pooling

Car pooling is a new form of mobility that streamlines vehicle use (average car occupancy is 1.2 people for commuting trips (source: AIE). iDVROOM, a pioneer in short-trip daily car pooling, and AREA launched the "POP&VROOM—my car-pooling route" application in late 2016. This new motorway mobility concept is currently in the experimental phase. This dynamic car-pooling solution is designed for daily users of the A43 motorway between Bourgoin-Jallieu and Lyon, which carries dense commuter traffic. It provides customers of the "car-pooling route" with real-time information regarding drivers and passengers travelling toward previously identified meeting points, enabling them to use car-pooling as a form of public transport.

Extreme weather events

Extreme weather events are becoming increasingly frequent, prompting APRR and AREA to address their consequences in designing, building and operating its network, for example tripling storm-water basin capacities or including larger flood plains in planning. A partnership with the Météo France meteorological service was stepped up to better anticipate impactful events, as was the cooperation with the Red Cross organisation, in order to provide additional support to users in the event of an emergency. Motorways are technical assets subject to a wide variety of loads; fitting sections with instruments can help to monitor "fatigue" in the various road courses more precisely and hence anticipate the effects of heat waves on bitumen ageing, in particular.

3.4. Proactive policy to preserve biodiversity

• Eiffage Biodiversity policy

Addressing biodiversity issues is an integral part of construction businesses, and the Eiffage Group accepts that protecting biodiversity is not only a prerequisite for obtaining administrative permits, but increasingly, also a competitive advantage, particularly for high environmental-value projects. Eiffage is conscious of the impact of its activities on biodiversity, and constantly develops new expertise, introduces innovative design and construction techniques and shares its experience with the environmental community. Issues relating to the living world are addressed at every step in the activity chain.

Reflecting this, Eiffage has been committed to a very proactive biodiversity protection policy since 2009, based in particular on the Biodiversity Charter signed in 2009, before being taken to the next level in 2011 *via* 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.

In motorway concessions, projects to build new sections apply the "avoid, mitigate, offset" sequence of biodiversity priorities; in some cases, this results in significant offset measures that must be monitored by a scientific committee. This was the case of the A406 motorway in Val de Saône, which remains the subject of scientific monitoring. Similar monitoring is soon to begin for the project to restore the natural habitat of the southern damselfly, a nationally-protected species found in farm ditches near the A406-RN 79 link road development south of Mâcon.

Furthermore, APRR and AREA operate differentiated management strategies for the more than 10,000 ha of natural spaces at motorway areas and extending along motorway banks and verges. The natural spaces 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.

• 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 arising out of 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.

• Sustained employee awareness effort

Eiffage and its divisions inform and motivate their employees, 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 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.

Using comedy to raise awareness of local biodiversity issues

Eiffage Route Sud-Ouest, FRTP Poitou-Charentes and Ré Travaux Public received a joint award from the roads institute IDRRIM at its annual "Infrastructures for Mobility, Biodiversity & Landscape" contest. The award was presented in the "Awareness and Communication" category, in recognition of a joint project to inform employees about environmental action. For Les Doreaux dyke reconstruction project in Saint-Clément-des-Baleines on the île de Ré—a particularly sensitive location from a biodiversity and seashore protection perspective—the consortium decided to commission a theatrical company to raise employee awareness of environmental topics in a light-hearted, humorous approach. This novel angle proved effective and was greatly appreciated by staff.

The Eiffage Group headquarters at the Pierre Berger campus sets an example for others to follow. In the campus' nature garden, which was handed over in 2015, a series of nature activities aimed at employees working at the site were organised during the spring and summer of 2016. Workshops devoted to pollinating insects and edible plants were held, together with a bird-spotting walk and a tour of the green roof and beehive. The garden provided the backdrop to the first national meeting of the Eiffage Biodiversity Ambassadors network, which now has around 30 members. Lastly, work to prepare a participatory vegetable garden is well under way; the garden will be ready for use in 2017.

As a result of awareness-raising initiatives and the consolidating effect of the Biodiversity Act on the regulatory framework, best practices continue to spread across the Group, particularly in the real estate and construction businesses. The tools implemented in this area—the biodiversity risk prevention kit and the "Butterfly Effect" website—are continuously enriched with operational feedback and new tools are being rolled out. In 2016, new guidelines relating to ecological offset measures for French and international projects were issued by the Sustainable Development department. These guidelines were distributed Groupwide in order to capitalise the expertise acquired during projects.

The eco-grazing alternative

APRR trialled eco-grazing as a solution for maintaining land adjoining motorways in 2016, specifically using goats and ibexes to control invasive plant species in an environmentally-friendly manner and reduce the risk of occupational accidents involving manual mowing on certain steep banks inaccessible to mowing machinery. For four months in 2016, Solognote sheep also grazed areas adjoining the Lavaret motorway area overlooking Aiguebelette lake on the A43. These trials helped to identify the success conditions for such alternative solutions, in terms of flocks and the effects of grazing on vegetation.

• Sharing mature know-how

The Group is actively developing expertise in protecting and promoting biodiversity, through its ongoing partnership with the non-profit organisation Humanité et Biodiversité and its contribution to progress circles, such as the biodiversity working group set up by the public works federation FNTP and the HQE association, the linear infrastructure and biodiversity club (CILB), the Business & Biodiversity Offset Program (BBOP), the Inspire institute and the International Biodiversity and Property Council (IBPC), of which Eiffage became a board member in May 2016. Eiffage deepened its partnership with the European Centre of Excellence in Biomimicry (CEEBIOS) in Senlis, taking part in the Biomim'expo event in July 2016, and contributing to the "bio-inspired living" strategic innovation group.

APRR organised a conference, attended by around 40 people, on the theme "Small steps to help small wildlife". This event provided an opportunity to discuss experience gained in recent years—relating in particular to amphibians, reptiles and bats on and around motorways. Employees from APRR, AREA and Eiffage discussed these initiatives with experts from varied backgrounds, including nature-oriented design consultancies, academia and the motorway sector, as well as the Bourgogne nature conservation agency, the Bourgogne-Franche-Comté Regional Environment, Development and Housing department (DREAL) and the national forestry office (ONF).

Volume 8 of the *Motorway Guides* series was presented at the conference. This edition, published by APRR in mid-2016, focuses on green spaces on and around motorways, and biodiversity in an enclosed environment.

Furthermore, Eiffage published and distributed a technical appendix for inventory services, effective from January 2016. This step was taken in anticipation of incoming regulations (decree of November 30th 2016) in order to ensure that collected data is transferred to the National Inventory of Natural Heritage (INPN). More than 2,000 items of information were submitted to INPN in 2016, drawn from naturalists' observations of the Bretagne-Pays de la Loire high-speed rail line, a number of APRR-AREA projects and the Isle-Adam port development.

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 national public works' federation (FNTP), has co-chaired a biodiversity research foundation (FRB) working group on ecological offset-related research topics since 2015. The Group is also 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. At the BBOP annual conference, Eiffage presented a practical application of ecological offset relating to a major land development project (the construction of the Bretagne-Pays de Loire high-speed rail line), highlighting the Group's commitment to environmental responsibility in a presentation focussed on the 20-year operational management cycle of an offset programme. The BPL offset measures, managed by ERE and implemented by the Dervenn Compensation consortium, concern 223 sites at locations around the line, representing more than 800 hectares of natural habitat that must be managed and maintained until 2036.

Infra Eco Network Europe (IENE) held the fifth International Conference on Ecology and Transportation in Lyon in 2016. Eiffage, APRR and AREA took part, with the Linear Infrastructures and Biodiversity Club, organising a tour of a shared offset measures site on the A48 in the Isère department, and providing the 400 participants with copies of *Towards Ecological Engineering*, a guide published by Eiffage, and two recent *Motorway Guides* devoted to biodiversity in wetlands and green spaces.

4. Enlarging our social footprint

The Eiffage Group actively contributes to the social and economic vitality of regions *via* its many worksites 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**	**Customers Local authorities Integration players Working population Young people**

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 develops many sponsorship programmes, notably through 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 also culture and sport, two effective vehicles for social bonding.

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 assets;
- 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 territories 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 our customers.

4.1. Contributing to regional economic development and enhancing local assets

• Committed to territorial development in France and internationally

The Eiffage Group is a key player in sustainable territorial development *via* its many and diverse worksites 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.

Socio-economic and environmental observatory for the Bretagne-Pays de la Loire high-speed rail line (BPL LGV)

Within the framework of its partnership with SNCF Réseau for the construction of the BPL LGV, ERE set up an Observatory involving the French government and the high-speed line's other financial backers, representatives of corridor regions, economic stakeholders, urban planning agencies and community organisations, for a ten-year period (2012-2022). In addition to mandatory regulatory monitoring, the observatory analyses the issues and opportunities associated with the line, in terms of territorial development, employment opportunities and local economic dynamics. It also aims to advance scientific knowledge of the behaviour of certain species and the line's ecological footprint. A study conducted between May 2012 and June 2015 measured the indirect economic benefits (except for subcontracts) of local spending by staff involved in the project.

Fostering access to fast, safe transport networks

As use of the existing network intensifies, motorway links and motorway access roads are a central focus of APRR-AREA's investment and development policy. Motorways contribute to improving the daily lives of users, by combining reduced travel times compared with existing roads and road safety—the motorway is five times safer than secondary road networks. They also contribute to regional tourism and economic development by facilitating access to a rapid and flexible transportation network.

Emblematic of this approach are the stimulus plan projects rolled out by the French government in 2015 following the agreement of the European Commission, which will make user mobility easier.

New Eiffage concession on the A75 to improve traffic east of Clermont-Ferrand

By 2020, the A75 motorway will be widened to dual three-lane status south-east of Clermont-Ferrand. APRR won this project as part of the stimulus plan. There is strong local demand for this approximately 11 km-section of road, which will require three years of work and an investment of €170 million to complete. Traffic peaks considerably at rush hours, however it can exceed 90,000 vehicles a day during the summer holidays in the busiest areas. This project will help to open up the area, facilitating its economic and tourism development.

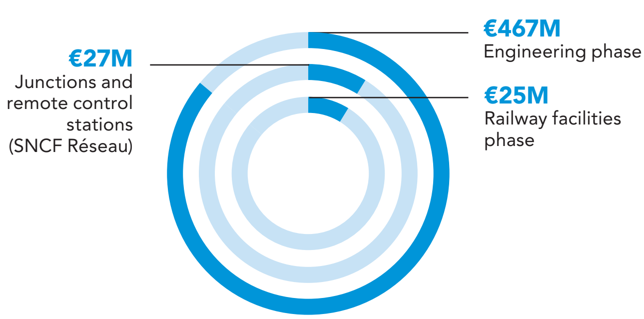
The extension of the "Motorway of the Future" in Senegal, which opened in October 2016, was built by Eiffage *via* an integrated offering. The project opened up the country's capital city, enabling the development of hitherto isolated urban areas and fostering economic expansion throughout the Dakar region.

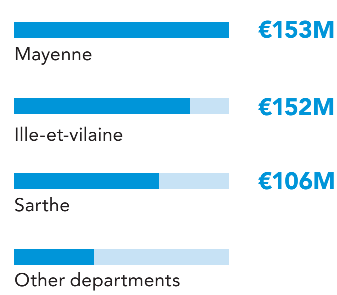
Enhancing territorial value

APRR and AREA develop responsible motorway projects, giving proper consideration to the geographic, historical and cultural context of impacted regions from the earliest stages. APRR is continuing, for example, along with 12 other public and private organisations in the Bourgogne-Franche-Comté region, to implement the 2015-2017 Destination Bourgogne contract to spur tourist traffic in the Burgundy region. APRR is also pursuing its cooperation with local and regional authorities to install tourist-oriented signage. In 2016, the Aube department of France was showcased *via*

• Indirect economic benefits of the BPL LGV construction project

Breakdown of local economic activity generated by type of work and by department





Spending by project staff:
€195M

Accommodation	Food	Other expenses	Fuel	Recreation	Non-food products
27%	22%	16%	13%	13%	9%

a gallery of 23 promotional boards inspired by 11 themes, featuring pop art graphics by the artist Tino.

Eiffage also contributes to improving natural and urban surroundings by building specific structures that positively showcase sites or blend infrastructure into the landscape. For example, Eiffage Énergie helped to build the International Centre for Cave Art, which features a reconstruction of the well-known Lascaux cave.

Eiffage contributes to the development of France's wood industry

The Hyperion 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 into 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 contribute to improving skills among the industry's professionals thanks to these new areas of expertise.

Upskilling for the local workforce

When working on construction projects in developing countries, the divisions support the host countries' economic development and promote technical skills training for local staff.

The renovation of the stormwater drainage system in Brazzaville (Congo) by Eiffage Infrastructures with funding from the French Development Agency, includes a major social and environmental component. Locally-hired workers and supervisors in a number of construction trades are trained in the building methods specific to this kind of project by experts in engineering, excavation and wastewater drainage from Eiffage Génie Civil, giving them experience in the latest building techniques.

Work done by RMT, a Clemessy subsidiary specialised in the African continent, contributes to improving local people's access to drinking water. This is the case of a project in Benin to equip seven water wells and renovate a water treatment plant. The project includes the design, supply, installation and commissioning of electrical and remote management equipment for the wells and the water treatment plant. RMT contributes to local employment by hiring local workers where possible and providing prior technical training in addition to supplemental or on-the-job training.

In 2016, RMT was required to carry out an environmental and social impact study as part of a project for electrical distribution and construction of drinking water treatment plants in the Cuvette, Plateaux, Pool and Niari departments of Congo. The primary goal is to improve the living conditions of supplied populations through an environmentally-sound project.

It is being managed by Clemessy's subsidiary RMT, which drew on the expertise of the Egis and CAERD International design offices to carry out the impact study.

• Construction projects to meet inhabitants' new needs

The Group's construction and urban development projects impact regions directly by giving them new vitality. Eiffage must also respond to changes in society in which a growing number of people live in isolation or face energy insecurity. It must therefore adapt its sales offering to encourage social diversity, intergenerational balance and local solidarity initiatives.

Eiffage Immobilier launches Cocoon'Ages accommodation and Kaps solidarity student residences

Anticipating demographic changes and people's needs, Eiffage Immobilier and Récipro-Cité, a social engineering firm specialised in intergenerational balance, have teamed up to develop Cocoon'Ages, an intergenerational family accommodation programme featuring appropriate architecture and a range of services and activities.

Solidarity student accommodation

Eiffage Immobilier has partnered with the Association de la fondation étudiante pour la ville (Afev) to develop Kaps residences (Kolocations à Projets Solidaires). These solidarity project residences are based on student flat-sharing in working-class neighbourhoods, coupled with a social project implemented with and for local residents. Eiffage Immobilier contributes its methodology and expertise to assist with the rollout of these residences, including design, organisation, operational set-up, and finding potential letting agents and managers. Kaps residences are developed in partnership with regional student organisations (Crous), local authorities, universities and social housing providers. These projects are reinventing student accommodation in many parts of France by giving students an opportunity to play an active role in building social bonds and fighting inequality.

4.2. Boosting the local economic fabric with action for employment and integration

The projects executed by Eiffage Group companies are significant local job creators. The construction sector has always been a powerful "integrator" offering scope for employment and self-fulfilment to people with highly diverse profiles, particularly workers 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.

• An active employment integration policy on major projects

For the work to extend line 14 of the Paris Metro, the Infrastructures division expects more than 5% of the total number of production hours (45,000 hours in all) to be dedicated to the integration of unemployed individuals through to 2017.

The BPL LGV construction project included a voluntary commitment to work integration representing 8% of total hours worked. The project ultimately led to hiring 1,315 job-seekers from Brittany and the Loire, 60% of whom met at least one integration criterion, resulting in a work integration rate of 13.5%. The initiative was run in coordination with the local Pôle emploi (the public employment agency) and placed particular emphasis on anticipating and supporting end-of-contract transitions. Thanks to this initiative, 206 job-seekers re-entered work outside the Eiffage Group, including 63 in the construction sector. Considering staff kept on the project and workers identified as having found alternative employment, a total of 43.4% of locally-hired personnel returned to paid work.

Other initiatives conducted with CREPI job clubs or under the Companies and Neighbourhoods Charter are described in the section on integrating populations marginalised from employment *(see Integrating marginalised unemployed populations)*.

Solidarity initiative to help young graduates from disadvantaged districts of Mulhouse

The "Helping Hand" employment initiative in the Drouot neighbourhood of Mulhouse was initiated by Clemessy and the Alsace CREPI job club to hire job-seekers from a "disadvantaged" neighbourhood. Ten private and public sector managers assisted ten young graduates from priority neighbourhoods in Mulhouse with their job search. One aim is to help them develop their career project while giving them concrete experience of the world of work, to familiarise them with codes of the company.

• Solidarity projects supported by the Eiffage foundation

The Group, through the Eiffage Foundation, places high priority on social and employment integration projects. Since 2008, the Eiffage Foundation has supported projects fostering the integration of people experiencing social exclusion, whatever their specific difficulty (lack of access to vocational training, disruptive life event, housing issues, illiteracy, disability, etc.). The Foundation aims to promote community service by Group employees and retirees, primarily by supporting solidarity projects in which they volunteer. Eiffage does not therefore operate a systematic community service programme, but rather supports its employees in their own volunteer initiatives. For example, since September 2015, employees have volunteered (outside their work time) to tutor students from diverse backgrounds with the association Passeport Avenir all over France.

4.3. Encouraging dialogue and consultation with local residents to develop territories harmoniously

Proper execution of projects entails taking into account their impacts on local residents 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.

Fostering consultation and dialogue to facilitate land transactions

Land transactions are a key element of motorway construction, and APRR and AREA take a very active consultative approach with all parties involved by holding regular public meetings to address economic, agricultural and habitat-related issues, and take 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.

Minimising nuisances to communities through better communication

Creation of a nature trail at the Grands Caous quarry

The purpose of this nature trail is twofold: firstly, it seeks to foster local ownership and present the little known profession of quarriers; and secondly, it aims to raise awareness of the wealth of biodiversity found at this exceptional site. The project allows the quarry to be shown to visitors, elected representatives and community organisations *via* a safe learning trail featuring a series of educational materials recounting the history of the quarry and describing the species found. Designed by the quarry's staff, the trail was created by teams from Eiffage Route in partnership with the National Forests Office with the goal of obtaining industrial tourism certification.

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 formed to coordinate and initiate non-corporate communication with stakeholders (residents, local and regional authorities, community organisations, etc.). Projects like the Bretagne-Pays de Loire high-speed rail (LGV-BPL in french), the T4-T5-T6 projects to install roofs over SNCF tracks near Saint-Lazare train 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. On T4-T5-T6, communication on social media and information about restrictions on movement on Waze were successfully deployed and are becoming a voluntary offer at Eiffage Infrastructures.

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, worksite 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 and this pilot project will be reproduced on other Eiffage worksites in other cities.

4.4. 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. The social acceptability 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 service quality

Consulting and communicating with the general public 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 2016, for example, APRR launched the SMART website to provide temporary mobility support during the A89-A6 motorway project in the north of Lyon. The site presents the project goals, construction schedule, deviations, key phases and progress updates. Registered SMART users can also receive personalised information about traffic disruptions and deviations in the area.

• Consultation with customers and users

Customer satisfaction surveys are also used in the divisions, in particular within the framework of ISO 9001 certification. The survey conducted by Clemessy in 2016 showed that 43% of customers declare that eco-design criteria are already or are 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 2016, over 98% of customer complaints or requests 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. Clemessy replies to CSR assessments on behalf of its customers. Following the EcoVadis survey assessment, the company scored 68/100 and received a Gold level of recognition, placing it among the top 5% of EcoVadis ratings. Clemessy was also assessed *via* the AFNOR ACESIA web-based platform, obtaining a self-reported score of 89/100.

Lastly, in 2016, the Group had several opportunities to dialogue with customers, partners and the general public, through its participation in trade fairs such as Futurapolis and Biomim'expo at which the Group's Sustainable Development department gave a presentation on the role of biomimetics in its "Building differently" offering.

The Infrastructures division rethinks its customer focus policy

Following its reorganisation and the unification of the environmental 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 new 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.

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. On the mammoth Porte de Versailles exhibition park project, Eiffage teams plan micro-phases of work compatible with the park's many activities, proceeding in close coordination with managers to avoid interfering with activity. This ongoing, structured dialogue enables work to progress smoothly. At Eiffage Construction in particular, as energy renovation projects grow more common, direct interaction is increasingly becoming a prerequisite for carrying out work in residential units. The division deploys dedicated consultation systems to gather feedback and questions from residents and local populations. At worksites 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. Through this approach, Eiffage Construction has developed expertise in luxury hotel accommodation and works with the greatest discretion for the tranquillity of clients. This was demonstrated through renovation projects at two iconic Parisian hotels, the Lutetia and the Georges V.

Listening to road users to facilitate mobility

Protecting users, informing them 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. 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. Within the framework of their certified Diversity initiative, APRR and AREA provided a new service in 2016 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 now means a hearing-impaired person can obtain information like any other customer.

• Bespoke partnerships with NGO and community organisations

The divisions and entities of Eiffage build partnerships with NGO on a local or broader scale to support local or Group social initiatives (for instance for employment integration with Les Cravates solidaires, or for housing with Humanisme et Habitat) and environmental action (LPO, Humanité et Biodiversité, etc.). *(See Developing partnerships and sponsorship initiatives to connect projects to territories.)*

Eiffage Sénégal, longstanding community service

Eiffage Sénégal is a 2012 signatory to the Charter for CSR and sustainable development of Senegalese companies and has been assisting employees and local populations for many years, in particular by providing logistics support to NGO. In 2016, through a partnership with two NGO, Village Pilote and ASEDEME (Senegalese association for the protection of mentally handicapped children), street children were provided with training in an innovative construction technique using local materials (clay bricks). 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.

Eiffage active in industry associations

Eiffage is a member of numerous national and local industry associations (FNTP, FRTP, EGFBTP, SERCE, USIRF, UNICEM, UNPG FGC, CNCT, CIAN, Centre technique des industries mécaniques, ConstruirAcier, 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 SME 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 SME in its sourcing activities. Eiffage has also developed an open-innovation programme implemented in specific projects as well as long-term initiatives. For example, the Astainable project identified and promoted the offering of 54 SME and start-up businesses proposing sustainable urban planning solutions. And the construction of the Smartseille eco-neighbourhood serves as a laboratory where shared parking and urban faming solutions developed by two start-up businesses have been deployed. Eiffage Group entities regularly implement a variety of innovative solutions *via* partnerships with start-up businesses (such as the car-pooling offer by APRR).

APRR also signed a partnership in 2016 with TUBA, the collaborative urban laboratory of Lyon, in order to share data with other service companies and thereby create value in the smart city.

An "Open-Innovation Day" organised in 2016 gave eight start-up businesses the opportunity to present their innovative offers to 80 managers from all Group divisions with a view to including them in Eiffage's offers. The event was organised by the Sustainable Development department within the framework of a partnership with the Paris & Co business incubator and will be held again in 2017. Lastly, the Group's open innovation policy will be implemented in 2017 *via* a fund created particularly to co-finance innovations proposed in partnership with a start-up business.

4.5. Developing partnerships and sponsorship initiatives to connect projects to territories

As well as being recognised local economic partners, Eiffage Group companies are involved in cultural and social partnerships and philanthropy initiatives. These initiatives are often supported by the corporate 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.

Among the highlights of 2016:

- The Group worked with Cravates Solidaires, a solidarity organisation that was able to collect 136 kg of clothes and objects at the Pierre Berger campus in Vélizy. Founded by three business school students, the organisation helps job-seekers with their dress the day before their job interview, thus helping to fight discrimination based on appearance. Volunteer image consultants and recruiters are also involved *via* the organisation, helping to prepare job applicants for their interviews. This operation has also been organised in several Group divisions.
- Eiffage Infrastructures took part in 2016 in «La Ronde des Carrières» (quarry tour). With support from the towns of Martot and Criquebeuf-sur-Seine, this first quarry tour is a novel trail that passes through several quarry sites. All registration fees collected by Eiffage were paid to the organisation "TI'TOINE", which helps children suffering from cancer.
- Eiffage Immobilier signed an agreement with the French Ministry of Culture and Communication in 2015, in which the division undertakes to accommodate a work of art in each new building completed. In 2016, this agreement resulted in the production of the EC876, an artwork created from 876 pictures of Eiffage Construction employees taken at a company event celebrating "Our buildings, our regions, our values… Our work".

Support to the Pavillon de l'Arsenal, a unique venue for the promotion of construction and architecture

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. Eiffage Immobilier signed a cooperation agreement with the Pavillon de l'Arsenal in 2016 to co-fund exhibition and publishing projects on sustainable construction and urban planning.

Eiffage Sénégal participates in numerous community initiatives in sports and education, donating equipment, business creation assistance or financial support for social and environmental projects: financial support for the creation of the DEGGO economic interest grouping, a beneficiary of the reforesting/market gardening programme, constructions to restructure the flooded areas of Dalifort, donation of materials for the Diogo mosque, donation of materials to the association NEBEDAY (Senegalese NGO dedicated to resource conservation/development) and to various local associations of working women. In the Casamance region, the eco-park, the country's main protected natural reserve created in 2010, and its new eco-lodge were opened in November 2015 at a ceremony attended by Eiffage Senegal, which took part in their rehabilitation and contributed financially to the project.

For its part, the Eiffage Foundation is involved in many educational and cultural projects as well as actions involving integration into employment. It develops multi-year partnerships to support these actions, such as with the network of Jardins de Cocagne, which employs 4,000 people in integration programmes centred on organic market gardening activities, Habitat et Humanisme Île-de-France, which supports vulnerable people to prepare for independent living, ATD Quart-Monde for its projects dedicated to the long-term unemployed, and with Passeport Avenir, which helps underprivileged youths pursue engineering careers with their volunteer tutors (Eiffage employees). All these actions strengthen the Group's local roots and relations with host communities.

A new socially-oriented partnership was also set up in 2016 with a "Fondation INSA Lyon—Eiffage" sponsorship agreement devoted to social responsibility among engineers. Under this agreement, Eiffage is funding a PhD thesis in sociology on "CSR and engineering practices".

4.6. Including sustainable development in selection criteria *via* the Group's purchasing policy

• Directions of the Purchasing department

The Group's purchasing is widely varied and breaks down as follows:
- Outsourcing and supplies account for 50% of total 2016 expenditures.
- The other half of expenditure goes to:
  - – equipment, materials, services (30%);
  - – overheads, labour, energy and fluids, real estate, works, equipment and telecommunications (these four final categories represent less than 5% of total expenses).

Within the framework of Eiffage's 2020 strategic plan, the Purchasing department defined its roadmap based on the following main focuses:
- Strenghten supplier relationship management:
  - – identify the business lines' strategic suppliers and build a special relationship;
  - – 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-up businesses;
  - – 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: at the end of 2016, 280 trainees had attended the curriculum 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 family 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. The project was rolled out throughout 2016 and by the end of the year more than 2,000 machines had been installed: 80% at permanent facilities, 14% on worksites, and 6% for the business lines. Clemessy and APRR have already achieved their target of saving 44% on printing.

Carbon emissions

Reducing carbon emissions from employee travel remains another key focus of corporate and division-level greenhouse gas emissions reduction plans. Purchasing contributes to this goal: average CO_2 emissions for the corporate fleet totalled 97.13 g CO_2 per km in 2017, and the fleet currently includes 40 hybrid vehicles and 62 electric vehicles.

Waste management

A new request for proposals on waste was launched in 2016 with the aim of having specialised suppliers for each type of waste across the entire Group, as well as tightening traceability and reporting requirements.

The Purchasing and Sustainable Development departments sent out a survey to regional QSE to find out about needs and assess the expectations of internal opinion leaders. A market analysis was then done to detect innovations and new opportunities.

Tar removers

The Purchasing department and the Risk Prevention and Safety department at the Infrastructures division launched a joint initiative in 2016 to assess the hazardousness of tar removers available from our current suppliers. The goal for mid-2017 is to select a range of products more suited to the Group's requirements as regards protecting Eiffage employees.

Responsible purchasing policy on the BPL LGV project

As part of the BPL project, ERE made a commitment to implement a responsible purchasing policy in accordance with the Group's general policy. To fulfil this commitment, CLERE set up an investment fund which pursues two objectives:

- identify and assess subcontractors on their CSR performance *via* a platform which referenced 1,883 suppliers;
- support SME with improvement initiatives (environmental and social audits) through a CSR fund. Using the supplier portal, around 20 companies were selected to test the approach and one company received financial aid to implement its CSR programme.

• Including supplier and subcontractor social and environmental responsibility in supplier relations

Purchasing code of conduct

The purchasing code of conduct was updated in December 2016 and communicated to all Group buyers who confirmed they had read 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 is committed to a goal of 50% coverage of suppliers under framework contracts by 2017, 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 110 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 our suppliers of the risks of fraud and identity theft in purchase orders, a warning message has been posted on the Eiffage website.

4.7. Our commitments to fair and responsible business practices

• Anti-corruption initiatives

The Group's *Ethics & Commitments Guide* contains guidelines relating to competition rules, insider trading, conflicts of interest, bribes and gifts, and is accessible to all employees and posted on the Group's websites. Eiffage also has a whistleblowing system which enables any employee aware of anticompetitive practices, acts of corruption or abuse of confidence to report these to management bodies. The procedures introduced by the Group provide concrete tools for managing the risk of irregular practices which might cause 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.

• 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

They pursue this major goal *via* actions to contribute to optimised risk management: safety installations, 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. The section of the A75 motorway under concession to APRR is another example. Safety equipment, including six surveillance 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.

Vehicles driving in the wrong direction are a genuine safety concern. APRR has initiated a shared information system in partnership with ASFA and Autoroute Info to alert the authorities and users as quickly as possible (information signs, radio and digital apps). APRR and AREA are also continuing to test tools to detect wrong-way vehicles on the A432, the major bypass east of Lyon.

APRR and AREA 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, 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. AREA works in partnership with Météo France for 48-hour weather forecasts, targeted according to the geographic specificities of its network (lakes, mountains, frigid regions, etc.). The two companies use new information technologies to improve and facilitate communication with users, transmitting updates on traffic conditions, weather and accidents in real time. A "road service text" system is now 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.

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, *via* the use of more responsible materials, its divisions' eco-design processes, and the reduction of impacts and pollution from its activities—including industrial activities—to enhancing safety at its own locations, worksites and the facilities it builds.

Usage and quality of life are key focuses of the sustainable city offering

More broadly, through the French sustainable city offer embodied by the Astainable® project, as well as on the Smartseille worksite, Eiffage focuses on usage and quality of life, and using new technologies to serve residents. The sustainable city is 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.

To learn more,
additional information is available at: www.developpementdurable.eiffage.com/en/

5. Appendices

5.1. 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	134
			Developing human capital / Employment—Labour relations—Health and safety—Training—Equal opportunities	136
			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	134
			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	134
			Developing human capital / Labour relations	138
			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	134
			Ethics & Commitments Guide	Internet
	5	Support the effective abolition of child labour	**Strategy, values and organisation** / A common charter and shared values	134
			Ethics & Commitments Guide	Internet
	6	Support the elimination of discrimination in respect of employment and occupation	**Strategy, values and organisation** / A common charter and shared values	134
			Developing human capital / Employment—Equal opportunities	144
			Ethics & Commitments Guide	Internet
Environment	7	Support a precautionary approach to environmental challenges	**Strategy, values and organisation** / The Group's sustainable development strategy	132
			Reducing the environmental impact / Organisation—protecting resources and contributing to the circular economy—Reducing the carbon footprint—Protecting biodiversity	147
			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	147
			Enlarging our social footprint / Including sustainable development in selection criteria *via* the purchasing policy	165
			Ethics & Commitments Guide	Internet
	9	Encourage the development and diffusion of environmentally friendly technologies contributing	**Reducing the environmental impact /** Organisation—Protecting resources and to the circular economy—Reducing the carbon footprint—Protecting biodiversity	146
			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	167
			Ethics & Commitments Guide	Internet

Additional information is available at:
www.developpementdurable.eiffage.com/en/ and www.unglobalcompact.org

5.2. Quantitative report on employment information

Table no. 1—Workforce at 12/31/2016

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Total Managers	2014	2,515	2,797	3,516	547	46	278	9,699
	2015	2,499	2,715	3,518	538	81	276	9,627
	2016	**2,513**	**2,685**	**3,512**	**531**	**81**	**345**	**9,667**
Total technical, clerical and supervisory staff	2014	1,886	5,072	8,279	1,890	71	102	17,300
	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**
Total blue-collar workers	2014	5,608	10,439	9,028	1,427	0	0	26,502
	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**
Total workforce	2014	10,009	18,308	20,823	3,864	117	380	53,501
	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**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Total Managers	2014	420	127	828
	2015	407	131	846
	2016	**405**	**126**	**850**
Total technical, clerical and supervisory staff	2014	1,499	391	1,900
	2015	1,458	390	1,906
	2016	**1,445**	**381**	**1,966**
Total blue-collar workers	2014	866	609	907
	2015	833	561	854
	2016	**807**	**536**	**797**
Total workforce	2014	2,785	1,127	3,635
	2015	2,698	1,082	3,606
	2016	**2,657**	**1,043**	**3,613**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Total workforce	2014	3,285	3,395	2,284	837	758	1,315	NC
	2015	3,515	3,383	2,386	826	914	1,185	703
	2016	**3,724**	**3,196**	**2,296**	**800**	**736**	**975**	**389**

– Others Europe = United Kingdom, Italy, Portugal, Romania, Slovakia, Switzerland. 91% of the workforce outside France is included in the reporting scope.
– Others International = Canada, Colombia, India.

Table no. 2—Hires and dismissals

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Hires of fixed-term + permanent managers	2014	178	219	318	13	6	30	764
	2015	219	195	301	5	6	9	735
	2016	**287**	**281**	**359**	**10**	**8**	**35**	**980**
Ratio of female fixed-term and permanent managers hired	2014	27.53%	20.55%	15.72%	53.85%	16.67%	43.33%	21.60%
	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%**
Hires of fixed-term + permanent technical, clerical and supervisory staff	2014	184	467	629	83	13	8	1,384
	2015	185	356	597	71	25	3	1,237
	2016	**208**	**512**	**765**	**75**	**42**	**36**	**1,638**
Ratio of female fixed-term + permanent technical, clerical and supervisory staff hired	2014	47.83%	38.33%	20.35%	37.35%	63.64%	37.50%	31.50%
	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%**
Hires of fixed-term + permanent blue-collar workers	2014	127	626	552	68	0	0	1,373
	2015	62	432	521	72	0	0	1,087
	2016	**59**	**655**	**723**	**76**	**51**	**0**	**1,564**
Ratio of female fixed-term and permanent blue-collar workers hired	2014	0.79%	0.96%	0.72%	10.29%	N/A	N/A	1.31%
	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%**	**N/A**	**1.34%**
Hires of fixed-term + permanent	2014	489	1,312	1,499	164	19	38	3,521
	2015	466	983	1,419	148	31	12	3,059
	2016	**554**	**1,448**	**1,847**	**161**	**101**	**71**	**4,182**
Hires of young people under the age of 26	2014	246	585	618	68	7	13	1,537
	2015	249	497	537	76	4	4	1,367
	2016	**257**	**609**	**730**	**70**	**34**	**31**	**1,731**
Hires of seniors (age 50 and above)	2014	23	78	113	13	0	2	229
	2015	23	73	124	6	0	1	227
	2016	**30**	**105**	**155**	**13**	**5**	**5**	**313**
Dismissals of permanent employees excluding termination by mutual agreement	2014	274	758	375	11	2	0	1,420
	2015	328	648	429	18	4	7	1,434
	2016	**248**	**684**	**342**	**21**	**7**	**5**	**1,307**

Table no. 2—Hires and dismissals

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Hires of fixed-term + permanent managers	2014	7	6	72
	2015	2	3	57
	2016	**8**	**2**	**65**
Ratio of female fixed-term and permanent managers hired	2014	14.29%	100%	15.28%
	2015	0%	0%	8.77%
	2016	**38%**	**100%**	**6.15%**
Hires of fixed-term + permanent technical, clerical and supervisory staff	2014	47	36	142
	2015	43	28	121
	2016	**62**	**13**	**149**
Ratio of female fixed-term + permanent technical, clerical and supervisory staff hired	2014	51.06%	19.44%	18.31%
	2015	37.21%	39.29%	20.66%
	2016	**38.71%**	**23.08%**	**16.78%**
Hires of fixed-term + permanent blue-collar workers	2014	40	28	61
	2015	46	26	76
	2016	**38**	**38**	**97**
Ratio of female fixed-term and permanent blue-collar workers hired	2014	17.50%	0%	0%
	2015	19.57%	0%	0%
	2016	**13.16%**	**0%**	**1.03%**
Hires of fixed-term + permanent	2014	94	70	275
	2015	91	57	254
	2016	**108**	**53**	**311**
Hires of young people under the age of 26	2014	45	23	126
	2015	52	24	124
	2016	**58**	**12**	**127**
Hires of seniors (age 50 and above)	2014	7	6	21
	2015	2	4	18
	2016	**7**	**6**	**29**
Dismissals of permanent employees excluding termination by mutual agreement	2014	5	6	39
	2015	11	7	36
	2016	**16**	**5**	**30**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Hires of fixed-term + permanent	2014	417	305	992	189	69	1,097	NC
	2015	502	308	839	127	87	751	153
	2016	**600**	**370**	**1,084**	**184**	**63**	**806**	**80**
Dismissals	2014	142	239	172	38	12	0	NC
	2015	105	199	81	94	32	0	5
	2016	**134**	**244**	**50**	**44**	**10**	**0**	**11**

Table no. 3—Trainees and work-study

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Active mentors	2014	296	N/A	N/A	202	49	0	2,359
	2015	244	968	957	223	51	0	2,443
	2016	**213**	**882**	**897**	**166**	**52**	**0**	**2,210**
Trainees during the year	2014	844	891	1,137	68	12	28	2,980
	2015	676	745	1,193	85	17	18	2,734
	2016	**692**	**740**	**1,186**	**85**	**12**	**24**	**2,739**
Work-study students at 12/31	2014	262	696	799	87	5	8	1,857
	2015	211	591	689	106	10	3	1,610
	2016	**180**	**655**	**769**	**109**	**14**	**8**	**1,735**
Work-study students during the year	2014	398	1,084	1,269	152	13	12	2,928
	2015	360	982	1,128	160	10	11	2,651
	2016	**299**	**961**	**1,126**	**186**	**20**	**11**	**2,603**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Active mentors	2014	147	55	213
	2015	166	57	222
	2016	**117**	**49**	**219**
Trainees during the year	2014	64	4	165
	2015	78	7	189
	2016	**80**	**5**	**197**
Work-study students at 12/31	2014	62	25	172
	2015	78	28	171
	2016	**90**	**19**	**158**
Work-study students during the year	2014	106	46	239
	2015	117	43	255
	2016	**146**	**40**	**241**

Table no. 4—Gross remuneration excluding leave (annual average)

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Female managers	2014	47,619	48,098	46,091	53,981	49,949	61,371	48,629
	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**
Male managers	2014	63,564	62,155	54,858	65,299	81,487	93,468	60,749
	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**
Managers	2014	60,702	60,134	53,794	62,117	71,166	84,921	58,849
	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**
Female technical, clerical and supervisory staff	2014	29,723	28,975	28,043	31,758	26,710	33,719	29,288
	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**
Male technical, clerical and supervisory staff	2014	35,231	35,610	33,073	34,997	30,450	36,441	34,215
	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**
Technical, clerical and supervisory staff	2014	33,298	34,093	32,096	33,520	28,260	35,702	32,979
	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**
Female blue-collar workers	2014	22,306	23,698	22,309	30,526	N/A	N/A	28,021
	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**
Male blue-collar workers	2014	29,434	27,211	26,952	30,368	N/A	N/A	27,707
	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**
Blue-collar workers	2014	29,393	27,192	26,893	30,422	N/A	N/A	27,714
	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**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Female managers	2014	53,441	55,879	45,712
	2015	53,292	53,800	45,019
	2016	**55,120**	**51,519**	**46,712**
Male managers	2014	66,583	61,175	53,719
	2015	65,785	65,812	53,112
	2016	**67,004**	**65,003**	**54,721**
Managers	2014	62,832	59,761	52,980
	2015	62,161	62,305	52,343
	2016	**63,493**	**61,145**	**53,968**
Female technical, clerical and supervisory staff	2014	31,116	34,365	29,195
	2015	31,071	34,348	29,656
	2016	**31,152**	**35,120**	**30,136**
Male technical, clerical and supervisory staff	2014	34,037	38,948	33,178
	2015	34,004	39,921	33,237
	2016	**34,427**	**40,658**	**33,510**
Technical, clerical and supervisory staff	2014	32,707	36,845	32,543
	2015	32,649	37,330	32,681
	2016	**32,901**	**38,047**	**32,998**
Female blue-collar workers	2014	29,554	31,911	22,231
	2015	29,603	32,997	22,335
	2016	**29,859**	**33,189**	**23,325**
Male blue-collar workers	2014	29,961	31,042	25,224
	2015	30,546	32,147	25,273
	2016	**30,193**	**31,689**	**25,479**
Blue-collar workers	2014	29,827	31,359	25,188
	2015	30,252	32,456	25,237
	2016	**30,095**	**32,213**	**25,453**

Table no. 5—Organisation of working time

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Ratio of male managers working part-time	2014	0.49%	0.38%	0.59%	0.77%	0.00%	1.50%	0.53%
	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%**
Ratio of female managers working part-time	2014	8.28%	6.80%	6.82%	11.95%	0.00%	6.41%	7.69%
	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%**
Ratio of managers working part-time	2014	1.95%	1.32%	1.37%	4.02%	0.00%	2.88%	1.67%
	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%**
Ratio of male technical, clerical and supervisory staff working part-time	2014	0.25%	0.31%	0.96%	1.59%	10.34%	0.00%	0.76%
	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%**
Ratio of female technical, clerical and supervisory staff working part-time	2014	12.90%	10.30%	17.29%	13.05%	19.05%	3.57%	13.84%
	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%**
Ratio of technical, clerical and supervisory staff working part-time	2014	4.88%	2.64%	4.17%	6.93%	15.49%	0.98%	4.13%
	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%**
Ratio of male blue-collar workers working part-time	2014	0.29%	0.22%	0.70%	5.71%	N/A	N/A	0.59%
	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%**
Ratio of female blue-collar workers working part-time	2014	14.29%	33.85%	22.22%	36.24%	N/A	N/A	32.61%
	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%**
Ratio of blue-collar workers working part-time	2014	0.37%	0.43%	1.00%	16.75%	N/A	N/A	1.49%
	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%**
Ratio of employees working part-time	2014	1.62%	1.18%	2.32%	10.14%	9.40%	2.37%	2.38%
	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%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Ratio of male managers working part-time	2014	1.01%	0.00%	0.81%
	2015	0.70%	1.08%	0.39%
	2016	**0.71%**	**0.00%**	**0.39%**
Ratio of female managers working part-time	2014	14.75%	2.70%	7.23%
	2015	14.17%	5.26%	8.33%
	2016	**13.11%**	**10.81%**	**11.54%**
Ratio of managers working part-time	2014	5.00%	0.00%	2.88%
	2015	4.67%	2.29%	1.18%
	2016	**4.44%**	**3.17%**	**1.41%**
Ratio of male technical, clerical and supervisory staff working part-time	2014	1.26%	2.82%	0.94%
	2015	1.43%	1.91%	0.69%
	2016	**0.92%**	**2.51%**	**0.78%**
Ratio of female technical, clerical and supervisory staff working part-time	2014	12.94%	13.48%	23.62%
	2015	12.94%	13.26%	22.98%
	2016	**12.01%**	**12.64%**	**22.08%**
Ratio of technical, clerical and supervisory staff working part-time	2014	6.74%	7.67%	4.63%
	2015	6.86%	7.18%	4.30%
	2016	**6.16%**	**7.35%**	**4.12%**
Ratio of male blue-collar workers working part-time	2014	2.32%	11.11%	1.34%
	2015	1.40%	9.73%	1.30%
	2016	**1.23%**	**8.96%**	**1.14%**
Ratio of female blue-collar workers working part-time	2014	20.36%	55.08%	25.00%
	2015	18.32%	54.05%	9.09%
	2016	**20.00%**	**53.23%**	**11.11%**
Ratio of blue-collar workers working part-time	2014	8.33%	28.79%	1.65%
	2015	6.72%	27.27%	1.41%
	2016	**6.82%**	**25.56%**	**1.25%**
Ratio of employees working part-time	2014	6.96%	18.10%	3.16%
	2015	6.49%	17.01%	2.88%
	2016	**6.10%**	**16.20%**	**2.85%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Ratio of employees working part-time	2014	3.41%	9.34%	4.55%	0.72%	6.46%	0.00%	NC
	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%**

Table no. 6—Absenteeism

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Net rate of absenteeism	2014	6.00%	6.33%	5.12%	5.24%	3.34%	1.94%	5.80%
	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%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Net absenteeism rate	2014	4.91%	6.06%	3.74%
	2015	5.04%	6.53%	4.06%
	2016	**4.81%**	**6.34%**	**4.10%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Net absenteeism rate	2014	5.39%	6.85%	2.84%	10.17%	1.93%	0.92%	NC
	2015	5.69%	8.33%	3.04%	6.68%	1.61%	0.78%	2.17%
	2016	**6.91%**	**7.25%**	**4.18%**	**8.25%**	**4.17%**	**0.75%**	**3.53%**

Table no. 7—Health & Safety

France		Construction	Infrastructures*	Energy	APRR	Other Concessions	Holding	Total France
Frequency rate of workplace accidents	2014	17.48	14.44	9.58	10.96	24.47	4.83	13.05
	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**
Frequency rate for temporary staff	2014	37.28	N/A	N/A	34.45	0.00	0.00	29.03
	2015	41.01	27.24	22.31	8.31	0.00	0.00	26.51
	2016	**35.05**	**29.56**	**22.55**	**17.19**	**0.00**	**0.00**	**26.73**
Statutory severity rate	2014	1.35	1,0	0.58	0.83	0.20	0.11	0.90
	2015	1.50	0.96	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**
Occupational illnesses identified during the year and attributable to the company	2014	68	N/A	N/A	3	0	0	230
		62	57	77	4	0	0	200
	2016	**80**	**64**	**100**	**4**	**0**	**0**	**248**

* Excluding Goyer (FR: 15.60—SR: 0.90 in 2016)

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Frequency rate of workplace accidents	2014	9.97	13.08	6,5
	2015	13.52	9.82	7.72
	2016	**4.98**	**2.12**	**5.79**
Frequency rate for temporary staff	2014	37.2	0	28.34
	2015	9.325	0	24.48
	2016	**19.23**	**0**	**14.4**
Statutory severity rate	2014	0.66	1,2	0.43
	2015	0.74	1.11	0.28
	2016	**0.48**	**1.09**	**0.34**
Occupational illnesses identified during the year and attributable to the company	2014	2	1	12
	2015	3	1	13
	2016	**2**	**2**	**15**

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.

Only data for France is published. It is not currently possible to consolidate harmonised International data, due to regulatory differences between the various countries in which the Group operates.

Table no. 8—Training

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Total hours of training	2014	172,988	300,982		83,747	592	5,595	947,424
	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**
Total training cost (%)	2014	1.90%	1.85%	2.69%	3.76%	0.98%	1.94%	2.29%
	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%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Total hours of training	2014	63,389	20,358	70,900
	2015	57,635	20,482	73,041
	2016	**54,947**	**19,742**	**84,598**
Total training cost (%)	2014	3.80%	3.66%	5.12%
	2015	4.04%	3.68%	5.26%
	2016	**3.97%**	**3.76%**	**5.32%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Total hours of training	2014	30,377	60,179	28,566	12,053	7,634	4,221	NC
	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**

Table no. 9—Employment of women

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Percentage of female managers	2014	18.73%	14.73%	12.51%	29.07%	28.26%	28.06%	16.22%
	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%**
Percentage of female technical, clerical and supervisory staff	2014	36.59%	23.36%	19.63%	46.61%	59.15%	27.45%	25.73%
	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%**
Percentage of female blue-collar workers	2014	0.62%	0.62%	1.40%	36.16%	N/A	N/A	2.80%
	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%**
Percentage of female employees	2014	11.95%	9.08%	10.52%	40.27%	47.01%	27.89%	12.65%
	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%**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Percentage of female managers	2014	29.05%	29.13%	10.02%
	2015	29.48%	29.01%	9.93%
	2016	**30.12%**	**29.37%**	**9.18%**
Percentage of female technical, clerical and supervisory staff	2014	46.90%	45.52%	16.26%
	2015	47.19%	46.41%	16.21%
	2016	**47.27%**	**47.77%**	**15.67%**
Percentage of female blue-collar workers	2014	33.33%	40.20%	1.32%
	2015	31.45%	39.57%	1.29%
	2016	**29.74%**	**37.50%**	**1.13%**
Percentage of female employees	2014	40.05%	40.81%	11.11%
	2015	39.66%	40.76%	11.20%
	2016	**39.33%**	**40.27%**	**10.93%**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Percentage of female employees	2014	10.99%	8.72%	6.61%	23.66%	10.55%	4.18%	NC
	2015	11.52%	9.03%	7.16%	25.67%	9.49%	4.73%	8.11%
	2016	**13.16%**	**9.47%**	**7.97%**	**25.00%**	**11.77%**	**5.53%**	**10.80%**

Table no. 10—People with disabilities*

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Number of people with disabilities (DOETH form, section C)	2014	400.28			129.32	3.00	3.68	1,972.77
	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**
Number of units under contracts with sheltered, supported and employment integration centres (DOETH form, section D2)	2014	15.35			4.59	0.00	0.21	85.69
	2015	14.21	21.47	21.78	3.99	1.49	0.55	63.49
	2016	**10.45**	**21.89**	**29.91**	**6.11**	**0.00**	**0.65**	**69.01**
Eligible employee shortfall after above initiatives (DOETH form, section G)	2014	149.98			41.47	0.00	16.11	609.70
	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**
Penalties paid (DOETH form, section P) (€)	2014	234,687			128,324	0	70,254	1,139,840
	2015	215,798	222,390	629,528	101,920	5,870	61,926	1,237,432
	2016	**187,523**	**276,460**	**475,005**	**55,613**	**0**	**52,836**	**1,047,438**
Hires of people with disabilities	2014	6			3	0	0	47
	2015	1	7	6	0	0	0	14
	2016	**6**	**4**	**14**	**2**	**0**	**0**	**26**

* Published data based on the DOETH form is for the previous year (N-1).

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Number of people with disabilities (DOETH form, section C)	2014	91.00	38.32	116.92
	2015	93.24	45.19	156.54
	2016	**106.53**	**44.44**	**119.04**
Number of units under contracts with sheltered, supported and employment integration centres (DOETH form, section D2)	2014	3.71	0.88	5.27
	2015	3.25	0.74	6.42
	2016	**5.64**	**0.47**	**8.44**
Eligible employee shortfall after above initiatives (DOETH form, section G)	2014	36.20	5.27	37.86
	2015	31.65	0.00	44.53
	2016	**20.44**	**0.00**	**27.05**
Penalties paid (DOETH form, section P) (€)	2014	125,839	2,485	214,212
	2015	101,920	0	239,748
	2016	**55,613**	**0**	**155,970**
Hires of people with disabilities	2014	3	0	8
	2015	0	0	3
	2016	**1**	**1**	**5**

Table no. 11—Breakdown by age

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Number of employees aged under 26	2014	832	1,756	1,709	115	8	16	4,436
	2015	662	1,468	1,488	116	13	6	3,753
	2016	**581**	**1,418**	**1,515**	**114**	**36**	**28**	**3,692**
Number of employees aged between 26 and 30	2014	1,462	2,216	2,238	130	16	36	6,098
	2015	1,326	1,973	2,112	129	26	37	5,603
	2016	**1,163**	**1,850**	**2,000**	**123**	**45**	**57**	**5,238**
Number of employees aged between 31 and 35	2014	1,385	2,197	2,594	211	20	80	6,487
	2015	1,344	2,122	2,459	192	40	65	6,222
	2016	**1,306**	**2,022**	**2,408**	**174**	**50**	**83**	**6,043**
Number of employees aged between 36 and 40	2014	1,237	2,049	2,299	457	24	69	6,135
	2015	1,170	1,943	2,292	392	38	75	5,910
	2016	**1,110**	**1,887**	**2,373**	**326**	**45**	**95**	**5,836**
Number of employees aged between 41 and 45	2014	1,356	2,437	2,938	787	12	50	7,580
	2015	1,285	2,244	2,683	745	34	51	7,042
	2016	**1,182**	**2,132**	**2,416**	**703**	**34**	**79**	**6,546**
Number of employees aged between 46 and 50	2014	1,488	2,903	3,350	788	19	54	8,602
	2015	1,401	2,745	3,242	771	29	56	8,244
	2016	**1,322**	**2,585**	**3,105**	**767**	**41**	**62**	**7,882**
Number of employees aged between 51 and 55	2014	1,247	2,522	3,107	705	9	45	7,635
	2015	1,213	2,538	3,086	746	21	48	7,652
	2016	**1,209**	**2,571**	**3,082**	**786**	**23**	**76**	**7,747**
Number of employees aged between 56 and 60	2014	803	1,886	2,251	570	7	22	5,539
	2015	803	1,863	2,308	570	7	22	5,573
	2016	**813**	**1,743**	**2,306**	**564**	**13**	**43**	**5,482**
Number of employees aged between 61 and 65	2014	184	339	263	98	2	6	892
	2015	143	300	324	117	3	6	893
	2016	**141**	**282**	**330**	**140**	**3**	**11**	**907**
Number of employees aged over 65	2014	14	26	17	3	0	2	62
	2015	18	29	13	5	0	4	69
	2016	**16**	**25**	**20**	**3**	**0**	**2**	**66**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Number of employees aged under 26	2014	81	34	366
	2015	86	30	343
	2016	**95**	**19**	**343**
Number of employees aged between 26 and 30	2014	81	49	368
	2015	76	53	363
	2016	**75**	**48**	**363**
Number of employees aged between 31 and 35	2014	130	81	372
	2015	121	71	359
	2016	**115**	**59**	**386**
Number of employees aged between 36 and 40	2014	333	124	348
	2015	283	109	371
	2016	**228**	**98**	**376**
Number of employees aged between 41 and 45	2014	583	204	445
	2015	554	191	406
	2016	**523**	**180**	**367**
Number of employees aged between 46 and 50	2014	554	234	647
	2015	538	233	621
	2016	**536**	**231**	**579**
Number of employees aged between 51 and 55	2014	519	186	608
	2015	559	187	618
	2016	**582**	**204**	**638**
Number of employees aged between 56 and 60	2014	407	163	424
	2015	401	166	450
	2016	**409**	**155**	**478**
Number of employees aged between 61 and 65	2014	68	30	55
	2015	78	39	74
	2016	**92**	**48**	**79**
Number of employees aged over 65	2014	3	0	2
	2015	2	3	1
	2016	**2**	**1**	**4**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Number of employees aged under 26	2014	501	265	70	97	49	54	NC
	2015	590	230	66	92	79	44	108
	2016	**626**	**209**	**61**	**77**	**41**	**28**	**51**
Number of employees aged between 26 and 30	2014	247	339	172	118	79	183	NC
	2015	308	318	199	102	134	142	116
	2016	**346**	**352**	**130**	**84**	**98**	**72**	**59**
Number of employees aged between 31 and 35	2014	307	366	362	148	89	242	NC
	2015	322	376	352	147	136	223	104
	2016	**313**	**366**	**304**	**163**	**85**	**189**	**93**
Number of employees aged between 36 and 40	2014	307	366	362	148	89	242	NC
	2015	284	358	485	143	120	225	83
	2016	**314**	**374**	**463**	**134**	**93**	**198**	**60**
Number of employees aged between 41 and 45	2014	339	491	423	108	98	230	nc
	2015	340	446	484	132	100	225	61
	2016	**343**	**417**	**484**	**124**	**90**	**188**	**56**
Number of employees aged between 46 and 50	2014	572	544	308	55	111	189	NC
	2015	558	543	352	61	109	180	39
	2016	**548**	**513**	**377**	**72**	**106**	**158**	**21**
Number of employees aged between 51 and 55	2014	472	484	242	57	119	129	NC
	2015	531	512	237	51	107	124	29
	2016	**591**	**495**	**276**	**46**	**98**	**96**	**28**
Number of employees aged between 56 and 60	2014	359	370	125	68	77	13	nc
	2015	393	385	139	61	87	21	21
	2016	**435**	**334**	**147**	**61**	**78**	**45**	**15**
Number of employees aged between 61 and 65	2014	170	163	73	22	32	1	NC
	2015	170	204	71	30	36	1	3
	2016	**180**	**138**	**53**	**31**	**38**	**1**	**4**
Number of employees aged over 65	2014	14	4	0	6	7	1	NC
	2015	19	11	1	7	6	0	1
	2016	**28**	**7**	**1**	**8**	**9**	**0**	**2**

5.3. Quantitative environmental reporting

Table I—Certification

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
ISO 14001 certified revenue (%)	2014	99%			100%	N/A	N/A	90%
	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%**
ISO 9001 certified revenue (%)	2014	99.48%			100%	N/A	N/A	93.09%
	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%**
Safety-certified revenue (%)	2014	78.30%			24.98%	N/A	N/A	44.26%
	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%**

Data for 2014 has not been restated to reflect the scope of the Infrastructures and Energy divisions.

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
ISO 14001 certified revenue (%)	2014	100%	100%	68%
	2015	100%	100%	98%
	2016	**100%**	**100%**	**100%**
ISO 9001 certified revenue (%)	2014	100%	100%	68%
	2015	100%	100%	98%
	2016	**100%**	**100%**	**100%**
Safety-certified revenue (%)	2014	0%	100%	67%
	2015	0%	100%	51%
	2016	**0%**	**100%**	**72%**

The Infrastructures and Energy divisions are continuing to roll out ISO 50001 certification. In 2016, 67% of Energy division revenue in France was covered by this certification. A total of 24% of energy consumption in the Infrastructures division was covered by ISO 50001 certification.

Table II—Provisions and guarantees relating to environmental risks

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Posted environmental provisions (€)	2014	115,000	12,931,891	63,300	0	0	0	13,110,191
	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**
Environment-related guarantee bonds (€)	2014	0	42,147,471	0	374,085	0	0	42,521,556
	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**
Preventive environment investments (€)	2014	413,086			24,142,478	0	0	34,737,297
	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**
Preventive expenditure for environmental operations (€)	2014	552,753			18,609,808	0	0	24,470,211
	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**
Expenditure for environmental operations (€)	2014	0.01%			0.77%	0%	N/A	0.18%
	2015	0%	0.71%	0.01%	0.80%	0%	N/A	0.16%
	2016	**0.02%**	**0.11%**	**0.02%**	**0.78%**	**0%**	**N/A**	**0.20%**
Cost of court-ordered remedial action (€)	2014	1,000	76,209	0	0	0	0	77,209
	2015	1,000	80,500	31,800	0	0	0	113,300
	2016	**1,000**	**35,650**	**34,458**	**0**	**0**	**0**	**71,108**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Posted environmental provisions (€)	2014	0	0	0
	2015	0	0	0
	2016	**0**	**0**	**0**
Environment-related guarantee bonds (€)	2014	374,085	0	0
	2015	374,085	0	0
	2016	**0**	**0**	**0**
Preventive environment investments (€)	2014	19,098,923	5,043,555	29,977
	2015	10,435,694	5,468,689	23,043
	2016	**15,478,482**	**1,693,231**	**46,337**
Preventive expenditure for environmental operations (€)	2014	14,802,255	3,807,553	0
	2015	13,787,113	3,917,507	0
	2016	**14,079,644**	**4,051,765**	**0**
Expenditure for environmental operations (€)	2014	0.81%	0.65%	0%
	2015	0.83%	0.71%	0%
	2015	**0.81%**	**0.70%**	**0%**
Cost of court-ordered remedial action (€)	2014	0	0	0
	2015	0	0	0
	2015	**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 III—Water consumption

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Mains water (cu. m)	2014	268,875	715,135	376,153	400,829	9,831	2,584	1,804,695
	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**
Extracted water (cu. m)	2014	320	1,759,757	588	98	N/A	N/A	1,760,763
	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**	**3,211,743**
Recovered water (cu. m)	2014	2,334	463,474	N/A	N/A	N/A	N/A	465,896
	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**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Mains water (cu. m)	2014	299,679	101,150	16,249
	2015	335,740	69,132	14,842
	2016	**334,000**	**90,762**	**14,018**
Extracted water (cu. m)	2014	0	98	N/A
	2015	0	1,334	N/A
	2016	**0**	**2,581**	**N/A**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Mains water (cu. m)	2014	42,851	40,691	175,380	14,077	3,069	53,721	NC
	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**
Extracted water (cu. m)	2015	285	0	74,506	0	20	0	0
	2016	**311**	**132**	**69,574**	**0**	**25**	**0**	**967**
Recovered water (cu. m)	2015	0	182	1,422	0	6,500	0	0
	2016	**0**	**7,863**	**0**	**0**	**5,800**	**0**	**0**

Table IV—Waste

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Hazardous waste (t)	2014	193	N/A	N/A	1,236	0	N/A	5,287
	2015	207	2350.79	598.82	3,101	0	N/A	6,258
	2016	**215**	**3,636**	**354**	**557**	**0**	**N/A**	**4,762**
Non-hazardous waste (t)	2014	81,028	N/A	N/A	8,257	0	N/A	120,183
	2015	68,066	55,664	9,079	7,932	2,152	N/A	142,893
	2016	**69,175**	**16,561**	**39,840**	**8,338**	**N/A**	**N/A**	**133,913**
Inert waste (t)	2014	53,225	1,437,818	63,316	3	0	N/A	1,554,388
	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**
Waste-related expenditure (€)	2014	10,928,049	6,345,739	2,134,664	2,394,779	NC	0	22,120,301
	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**	**NC**	**43,136**	**20,827,938**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Hazardous waste (t)	2014	509	727	27
	2015	1,952	1,149	63
	2016	**341**	**216**	**31**
Non-hazardous waste (t)	2014	6,371	1,886	722
	2015	6,506	1,426	2,899
	2016	**6,971**	**1,367**	**577**
Inert waste (t)	2014	3.4	0	0
	2015	0	0	0
	2016	**0**	**0**	**0**
Waste-related expenditure (€)	2014	**2,223,079**	**171,700**	**73,089**
	2015	**2,312,869**	**221,836**	**482,524**
	2016	**2,181,273**	**181,047**	**339,493**

The Group's activities outside France generated 8,043 tonnes of hazardous waste.

Table V—Raw materials

France		Infrastructures
Aggregate consumption (t)	2014	17,152,725
	2015	15,009,005
	2016	**15,312,086**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Aggregate consumption (t)	2014	NC	NC	3,703,865	0	0	297,171	NC
	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**

France		Infrastructures
ARC 1000 or similar (sq. m)	2014	381,785
	2015	274,116
	2016	**208,516**

Table VI—Energy

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Electricity consumption (GWh)	2014	52.76	N/A	N/A	76.76	1.35	2.45	369.63
	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**
Renewable energy production sold to EDF (kWh)	2014	157,935	N/A	N/A	54,458	0	N/A	347,445
	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**
Petrol consumption (l)	2014	171,320	212,156	67,176	29,342	0	N/A	484,873
	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**
Kerosene consumption (l)	2014	N/A	330,000	N/A	N/A	N/A	N/A	330,000
	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**
Domestic fuel oil consumption (l)	2014	238,606	3,532,191	493,287	452,811	0	N/A	4,781,455
	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**
Diesel consumption (l)	2014	6,861,273	35,454,637	18,819,395	5,515,135	25,775	116,491	69,563,132
	2015	5,983,315	34,642,207	19,783,185	5,406,342	78,129	NC	65,893,178
	2016	**5,967,245**	**32,380,061**	**19,492,258**	**5,013,287**	**15,856**	**122,638**	**62,991,345**
Non-road diesel consumption (l)	2014	499,069	56,901,526	792,135	0	0	N/A	58,444,846
	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**
Heavy fuel oil consumption (l)	2014	137,537	12,451,172	0	N/A	21,703	N/A	12,640,044
	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**
Butane and propane consumption (kWh)	2014	42,881	9,289,236	755,058	301,724	N/A	N/A	12,227,200
	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**
Natural gas consumption (kWh)	2014	3,334,245	890,657,087	58,210,206	5,184,194	N/A	N/A	967,154,162
	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**
Lignite consumption (t)	2014	N/A	3,119	N/A	N/A	N/A	N/A	3,119
	2015	N/A	2,908	N/A	N/A	N/A	N/A	2,908
	2016	**N/A**	**3,004**	**N/A**	**N/A**	**N/A**	**N/A**	**3,004**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Electricity consumption (kWh)	2014	56,097,436	20,658,369	7,997,847
	2015	53,469,258	19,694,879	8,263,084
	2016	**49,113,128**	**20,026,169**	**7,552,308**
Renewable energy production sold to EDF (kWh)	2014	18,458	36,000	3,419
	2015	19,074	39,500	2,870
	2016	**16,335**	**38,092**	**4,065**
Petrol consumption (l)	2014	28,922	420	547
	2015	18,001	0	19,836
	2016	**6,589**	**0**	**17,891**
Domestic fuel oil consumption (l)	2014	361,351	91,460	N/A
	2015	418,313	129,484	N/A
	2016	**483,164**	**119,678**	**N/A**
Diesel consumption (l)	2014	4,225,772	1,289,363	1,550,352
	2015	4,164,027	1,242,315	1,567,056
	2016	**3,819,370**	**1,193,917**	**1,447,204**
Non-road diesel consumption (l)	2014	0	0	N/A
	2015	86,769	110,746	N/A
	2016	**145,374**	**114,151**	**N/A**
Butane and propane consumption (kWh)	2014	303,703	30,444	N/A
	2015	277,530	43,207	N/A
	2016	**354,621**	**45,008**	**N/A**
Natural gas consumption (kWh)	2014	4,230,394	838,291	5,933,262
	2015	5,846,618	576,452	6,138,266
	2016	**4,881,556**	**456,593**	**6,599,159**

International		Germany	Benelux	Spain	Poland	Others Europe	Senegal	Others International
Electricity consumption (GWh)	2014	6.23	23.47	16.27	5.13	0.69	0.87	NC
	2015	6.93	22.55	21.85	5.28	0.67	0.75	0.96
	2016	**6.13**	**25.75**	**13.50**	**5.99**	**0.69**	**0.97**	**1.09**
Renewable energy production (kWh)	2014	103	26,389	N/A	613,248	98	N/A	NC
	2015	75	75,000	N/A	674,452	0	N/A	0
	2016	**90,879**	**1,030,601**	**0**	**0**	**4,832**	**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**
Petrol consumption (l)	2014	343,886	10,379	17,217	33,515	93,826	150,000	NC
	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**
Kerosene consumption (l)	2014	N/A	N/A	N/A	N/A	N/A	80,000	NC
	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**
Diesel consumption (l)	2014	7,022,697	3,377,385	7,413,462	277,487	379,956	8,114,571	NC
	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**
Domestic fuel oil consumption (l)	2014	4,972,343	1,095,350	1,737,297	N/A	N/A	N/A	NC
	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**
Heavy fuel oil consumption (l)	2014	187,144	337,962	4,905,523	8,700	N/A	445,000	NC
	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**
Butane and propane consumption (kWh)	2014	NC	4,856,277	NC	NC	N/A	N/A	NC
	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**
Natural gas consumption (kWh)	2014	6,554,513	7,392,967	11,435	376,508	94,731	N/A	NC
	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**

France		
Low temperature coated aggregate, EBT (t)	2014	781,664
	2015	649,441
	2016	**863,739**

Table VII—Greenhouse gas emissions assessment

France		Construction	Infrastructures	Energy	APRR	Other Concessions	Holding	Total France
Greenhouse gas emissions (teqCO_2)	2014	24,894			23,474	235	539	553,979
Greenhouse gas emissions (teqCO_2)	2015	135,201	340,976	63,722	24,067	12,669	155	576,790
Greenhouse gas emissions (teqCO_2)	**2016**	**20,890**	**296,206**	**60,828**	**23,996**	**89**	**1,469**	**400,389**

Limited companies (SA) impacted by the Grenelle II Decree		APRR (SA)	AREA (SA)	Clemessy (SA)
Greenhouse gas emissions (teqCO_2)	2014	17,893	5,563	6,044
Greenhouse gas emissions (teqCO_2)	2015	18,304	5,762	6,200
Greenhouse gas emissions (teqCO_2)	**2016**	**18,224**	**5,772**	**6,084**

In 2016, emissions factors were updated on the Enablon platform to include changes to the carbon base (Base carbone®) and in particular the March 2015 update by the French environment and energy management agency (ADEME). Note that the selected emission factor for electricity consumption corresponds to scope 2.

Carbon dioxide emissions outside France (scopes 1 and 2) totalled 128,961 teq CO_2.

5.4. 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 beyond the reporting scope as food waste is not a significant issue in the context of the Group's activities. The supplier CSR commitment monitoring process will in 2017 yield information relating to initiatives by Eiffage's catering contractors at the small number of service-sector establishments concerned by this issue.

Regarding training, note that the reporting methodology was revised in 2016, and the training session threshold changed to three hours.

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, 97.5% of the Group workforce is covered, rising to 100% in France. The contribution rate for environmental reporting *via* the Enablon software application was 99% for France and 95% 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. Note that France accounts for 85% of global revenue.

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 foreign subsidiaries.

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 in Enablon. The 2012 upgrade to version 6.0 of this software included a greenhouse gas management module, the emission factors for which were updated in 2016. This change enables the Group to calculate its statutory greenhouse gas emissions assessment and lets establishments determine their individual greenhouse gas emissions situation.

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 referee 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 Corporate Sustainable Development department, which selects and formats the information. The final draft is submitted for approval before publication to the sustainable development correspondents in each division and to general management.

5.5. 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 December 31st 2016

Eiffage SA
Registered office: 3-7, place de l'Europe
78140 Vélizy-Villacoublay
Share capital: €392,329,060

To the Shareholders,

In our capacity as independent third party for Eiffage SA, accredited by the French national accreditation body COFRAC (reference number 3-1049)[1], and a member of the KPMG International network as one of your statutory auditors, we hereby report to you on the consolidated employment, environmental and CSR information for the year ended December 31st 2016, 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 preparing 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).

Our review was conducted by a team of six people between November 2016 and March 2017, over a total period of around 12 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 CSR 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 scope of consolidation, i.e., the company, its subsidiaries as defined by Article L. 233-1 and the companies it controls as defined by Article L. 233-3 of the French Commercial Code, within the limitations set out in the methodological information provided in section 5-4 of the management report.

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, as shown in the following tables:

- 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 entities listed in Appendix 1, which we selected based on 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 20% of the workforce considered to be representative of the employment component and between 19% and 34% of the environmental data considered to be representative of the environmental component *(see list of environmental indicators below)*.

Employment indicators
Total workforce (permanent and fixed-term contracts) at 12/31/2016 and breakdown by gender and age Number of hires Number of dismissals Absenteeism rate Total hours of training Frequency rate of lost-time workplace accidents Statutory severity rate Number of people with disabilities (DOETH form, section C)

Environmental indicators
ISO 14001 certified revenue Electricity consumption Natural gas consumption Fuel consumption Total water consumption Quantity of hazardous waste

Qualitative information	
Employment	Health and safety in the workplace
Environment	Measures to reduce noise pollution and other types of pollution generated by the business Land use Significant greenhouse gas emissions generated by the company's business, in particular through the use of the goods and services it produces Measures to preserve or enhance biodiversity
CSR	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 Importance of subcontracting and consideration of subcontractors' and suppliers' corporate social and environmental responsibility Anti-corruption measures

For the other CSR information, we assessed consistency based on our understanding of the company. We also 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, March 28th 2017
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

1- Scope details available on: www.cofrac.fr/en/home.
2- ISAE 3000—Assurance engagements other than audits or reviews of historical financial information.

Appendix 1

Selected sample of entities

Employment and environmental information	Concessions	AREA SA (France)
	Construction	Eiffage Construction Provence (France)
	Infrastructures	Eiffage Route Centre-Est Andrézieux (France) Eiffage Infraestructuras (Spain) CALCA (Spain) Faber Bau (Germany)
	Energy	Clemessy SA (France) Eiffel Industrie South East Regional Division (France)
Employment information	Infrastructures	Eiffage Route Centre-East (France) Eiffage Infraestructuras (Spain) Los Serranos (Spain) Eiffage Deutschland (Germany)
	Energy	Groupe Clemessy (France) Clemessy Services (France)
Environmental information	Concessions	APRR Paris (France) APRR Rhin (France) APRR Rhône (France)
	Construction	EC Résidentiel (France) Valens SA (Benelux) Duchêne SA (Benelux)
	Infrastructures	Route Nord-Est Mont Saint Eloi Matériel 1330 & Industrie 1333 (France) Bocahut Haut-Lieu (France) Matériaux Enrobés du Nord—Annay sous Lens (France) Hainaut Enrobés (France) Forezienne Sud (France) Eiffage Rail—BPL (France) Eiffage GC Pipeline (France) Est Granulats—Gerstheim (France) Heinrich Walter Bau (Germany) Wittfeld (Germany) Smulders Projects (Benelux) Eiffage Sénégal (Senegal)
	Energy	Eiffage Énergie IDF Dammarie Les Lys (France) Eiffage Énergie Basse Normandie—Giberville (France) Eiffage Énergie Telecom—Ambérieux (France)

Report by one of the statutory auditors, appointed as independent third party, on the consolidated employment, environmental and corporate social responsibility information contained in the management report

Financial year ended December 31st 2016

APRR SA
Registered office: 36 rue du Docteur Schmitt
21800 Saint-Apollinaire
Share capital: €33,911,447

To the Shareholders,

In our capacity as independent third party for APRR SA, accredited by the French national accreditation body COFRAC (reference number 3-1049)[1], we hereby report to you on the consolidated employment, environmental and corporate social responsibility information for the year ended December 31st 2016, 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 preparing 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).

Our review was conducted by a team of six people between November 2016 and March 2017, 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 CSR 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 scope of consolidation, i.e., the company, its subsidiaries as defined by Article L. 233-1 and the companies it controls as defined by Article L. 233-3 of the French Commercial 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

Note that as this is the first year that a reasoned opinion on the fairness of the company's CSR Information has been issued, the CSR information for the financial year ended December 31st 2015, provided for comparative purposes, was not reviewed.

Nature and scope of work
We conducted around ten 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, as shown in the following tables:

- 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[3] 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 28% of the workforce considered to be representative of the employment component and between 29% and 99% of the environmental data considered to be representative of the environmental component *(see list of environmental indicators below)*.

Employment indicators
Total workforce (permanent and fixed-term contracts) at 12/31/2016 and breakdown by gender and age Number of hires Number of dismissals Absenteeism rate Total hours of training Frequency rate of lost-time workplace accidents Statutory severity rate Number of people with disabilities (DOETH form, section C)

Environmental indicators
ISO 14001 certified revenue Electricity consumption Natural gas consumption Fuel consumption Total water consumption Quantity of hazardous waste

Qualitative information	
Employment	Health and safety in the workplace Anti-discrimination policy
Environment	Measures to reduce noise pollution and other types of pollution generated by the business Significant greenhouse gas emissions generated by the company's business, in particular through the use of the goods and services it produces Measures to preserve or enhance biodiversity
CSR	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

For the other consolidated CSR information, we assessed consistency based on our understanding of the company. We also 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, March 28th 2017
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

1– Scope details available on: www.cofrac.fr/en/home.
2– ISAE 3000—Assurance engagements other than audits or reviews of historical financial information.
3– Environmental and employment information: AREA SA.
Environmental information: APRR Direction Régionale Paris, APRR Direction Régionale Rhin, APRR Direction Régionale Rhône.

Report by the independent third party on the consolidated employment, environmental and corporate social responsibility information contained in the management report

Financial year ended December 31st 2016

AREA SA
Registered office: 260, avenue Jean Monnet
69500 Bron
Share capital: €82,900,000

To the Shareholders,

In our capacity as independent third party for AREA SA, accredited by the French national accreditation body COFRAC (reference number 3-1049)[1], we hereby report to you on the employment, environmental and corporate social responsibility information for the year ended December 31st 2016, 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:

- cerify 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).

Our review was conducted by a team of six people between November 2016 and March 2017, 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

Note that as this is the first year that a reasoned opinion on the fairness of the company's CSR Information has been issued, the CSR information for the financial year ended December 31st 2015, provided for comparative purposes, was not reviewed.

Nature and scope of work

We conducted around ten 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, as shown in the following tables:

- 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 *(see list of environmental indicators below)*.

Employment indicators
Total workforce (permanent and fixed-term contracts) at 12/31/2016 and breakdown by gender and age Number of hires Number of dismissals Absenteeism rate Total hours of training Frequency rate of lost-time workplace accidents Statutory severity rate Number of people with disabilities (DOETH form, section C)

Environmental indicators
ISO 14001 certified revenue Electricity consumption Natural gas consumption Fuel consumption Total water consumption Quantity of hazardous waste

Qualitative information	
Employment	Health and safety in the workplace Anti-discrimination policy
Environment	Measures to reduce noise pollution and other types of pollution generated by the business Significant greenhouse gas emissions generated by the company's business, in particular through the use of the goods and services it produces Measures to preserve or enhance biodiversity
CSR	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

For the other CSR information, we assessed consistency based on our understanding of the company.

We also 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, March 28th 2017
KPMG SA

Philippe Arnaud
Partner
Sustainability Services

Baudouin Griton
Partner

1– Scope details available on: www.cofrac.fr/en/home.
2– ISAE 3000—Assurance engagements other than audits or reviews of historical financial information.

Report by one of the statutory auditors, appointed as independent third party, on the consolidated employment, environmental and corporate social responsibility information contained in the management report

Financial year ended December 31st 2016

Clemessy SA
Registered office: 18 rue de Thann
68100 Mulhouse
Share capital: €19,281,029

To the Shareholders,

In our capacity as independent third party for Clemessy SA, accredited by the French national accreditation body COFRAC (reference number 3-1049)[1], we hereby report to you on the employment, environmental and corporate social responsibility information for the year ended December 31st 2016, 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 preparing 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).

Our review was conducted by a team of six people between November 2016 and March 2017, 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

Note that as this is the first year that a reasoned opinion on the fairness of the company's CSR Information has been issued, the CSR information for the financial year ended December 31st 2015, provided for comparative purposes, was not reviewed.

Nature and scope of work

We conducted seven 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, as shown in the following tables:

- 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 *(see list of environmental indicators below).*

Employment indicators
Total workforce (permanent and fixed-term contracts) at 12/31/2016 and breakdown by gender and age Number of hires Number of dismissals Absenteeism rate Total hours of training Frequency rate of lost-time workplace accidents Statutory severity rate Number of people with disabilities (DOETH form, section C)

Environmental indicators
ISO 14001 certified revenue Electricity consumption Natural gas consumption Fuel consumption Total water consumption Quantity of hazardous waste

Qualitative information	
Employment	Health and safety in the workplace Policies on training
Environment	Integration of environmental issues into the organisation of the company Measures to improve energy efficiency Significant greenhouse gas emissions generated by the company's business, in particular through the use of the goods and services it produces
CSR	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

For the other CSR information, we assessed consistency based on our understanding of the company.

We also 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, March 28th 2017
KPMG SA

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

1– Scope details available on: www.cofrac.fr/en/home.
2– ISAE 3000—Assurance engagements other than audits or reviews of historical financial information.

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 may 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 analysing regularly 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. Similarly, 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 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.

Concerning risks linked to the emission of carbon dioxide and other greenhouse gases, the Sustainable Development department distinguishes between:

- regulations relating to the European Union Carbon Emissions Trading System, applicable to the Bocahut quarry in Aisne, which is the only entity at Eiffage Infrastructures 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.

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 towards the country's National Biodiversity Strategy for the period 2011 to 2020;
- 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-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 regulatory requirements arising from the Grenelle I and II laws as well as 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 €492 million at December 31st 2016). Of the concessions activity's non-recourse net debt (€11,705 million at December 31st 2016 excluding the fair value of the CNA loans and financial instruments entered into to hedge interest rate risks), part (mainly at fixed rates) is carried by the APRR group and its holding company Eiffarie, part by 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), part by A'Liénor, the operator of the Pau-Langon A65 motorway (at mostly fixed rates), and part by companies that are party to public-private partnerships, including for the Bretagne-Pays de la Loire high-speed rail line (nearly all of which is 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 95.8% 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 has defined a policy for arranging and renewing confirmed credit lines. In this respect, at December 31st 2016, 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 billion of net cash and cash equivalents. In addition, a programme for the securitisation of trade receivables was renewed in March 2016 for five years, for a maximum amount of €0.6 billion (compared with €0.4 billion previously). Eiffage also has a €1 billion commercial paper programme having given rise to issues totalling €0.3 billion at December 31st 2016.

As for APRR, it put into place an EMTN programme in 2007, under which it can issue up to €8 billion of bonds.

In 2016, the company completed two bond issues:

- in June, it issued €0.7 billion of fixed-rate bonds maturing in January 2026;
- in November, it issued €1 billion of fixed-rate bonds, consisting of two tranches of €0.5 billion each maturing in 2027 and 2031, respectively.

At December 31st 2016, a further €0.85 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 (plus two possible extensions of one year each, of which one was exercised in 2016). No amounts have been drawn against this facility, the full amount of which was therefore available at December 31st 2016.

Finally, APRR has arranged a commercial paper programme, under which it had issued €0.35 billion at December 31st 2016, used to improve short-term liquidity.

APRR's credit rating was upgraded to A- Stable (from BBB+ Stable) by the Standard & Poor's credit rating agency in November 2016.

As regards Eiffarie, it successfully refinanced the credit facilities contracted in 2012, which were due to expire in February 2017. It arranged a term loan for an initial amount of €1.5 billion, with a five-year term (plus two possible extensions of one year each, of which one was exercised in 2016). This loan amounted to €1.4 billion at December 31st 2016 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 2016, 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 enterprises 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 high 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 €56 million in 2016, unchanged from 2015.

Consolidated financial statements

Consolidated statement of financial position

Assets

In millions of euros	Notes	December 31st 2016	December 31st 2015
Non-current assets			
Property, plant and equipment	6.4	1,585	1,481
Investment property	6.4	4	4
Concession intangible assets	6.1	11,408	11,701
Goodwill	6.2	2,945	2,904
Other intangible assets	6.4	175	172
Equity-method investments	6.3	144	82
Non-current financial assets in respect of concession service arrangements	6.1	1,886	1,732
Other non-current financial assets	8.6	219	266
Deferred tax assets	10.1, 10.2, 10.4	274	292
Total non-current assets		**18,640**	**18,634**
Current assets			
Inventories	6.6	728	600
Trade and other receivables	6.6	4,292	3,966
Current tax assets	10.1	174	137
Current financial assets in respect of concession service arrangements	6.1	19	20
Other current assets	6.6	1,184	1,116
Cash and cash equivalents	8.7	4,466	3,641
Assets classified as held for sale	3.3	-	-
Total current assets		**10,863**	**9,480**
Total assets		**29,503**	**28,114**

Notes 1 to 14 form an integral part of the consolidated financial statements.

Equity and liabilities

In millions of euros	Notes	December 31st 2016	December 31st 2015
Equity			
Share capital	7.1	392	382
Consolidated reserves		3,012	2,789
All other comprehensive income items		(237)	(286)
Profit for the year		475	312
Equity attributable to equity holders of the parent company		**3,642**	**3,197**
Non-controlling interests	7.2	623	275
Equity		**4,265**	**3,472**
Non-current liabilities			
Borrowings	8.1, 8.2, 8.3, 8.4	12,706	12,847
Deferred tax liabilities	10.1, 10.2, 10.4	984	1,159
Non-current provisions	9	583	581
Other non-current liabilities		93	46
Total non-current liabilities		**14,366**	**14,633**
Current liabilities			
Trade and other payables	6.6	3,041	2,924
Loans and other borrowings	8.1, 8.2, 8.3, 8.4	1,685	1,520
Non-current borrowings due within one year	8.1, 8.2, 8.3, 8.4	1,716	1,468
Current income tax liabilities	10.1	144	106
Current provisions	9	573	523
Other liabilities	6.6	3,713	3,468
Liabilities directly associated with assets classified as held for sale	3.3	-	-
Total current liabilities		**10,872**	**10,009**
Total equity and liabilities		**29,503**	**28,114**

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated income statement

In millions of euros	Notes	December 31st 2016	December 31st 2015
Operating income[1]	5.1	14,307	14,060
Other operating income		3	6
Raw materials and consumables used		(2,554)	(2,775)
Employee benefits expense	5.2.1	(3,219)	(3,240)
Other operating expenses		(5,780)	(5,463)
Taxes (other than income tax)		(448)	(426)
Depreciation and amortisation	5.2.2	(820)	(833)
Net increase (decrease) in provisions		(78)	(37)
Change in inventories of finished goods and work in progress		70	43
Other operating income (expenses) on ordinary activities	5.2.3	116	96
Operating profit on ordinary activities	5.2	**1,597**	**1,431**
Other income (expenses) from operations	5.3	(71)	(94)
Operating profit		**1,526**	**1,337**
Income from cash and cash equivalents		16	33
Finance costs		(555)	(648)
Net finance costs	8.5	**(539)**	**(615)**
Other financial income (expenses)	8.5	(41)	(39)
Share of profit (loss) of equity-method investments	6.3	(2)	(5)
Income tax	10.3	(167)	(220)
Profit for the year		**777**	**458**
– Holders of the parent company		475	312
– Non-controlling interests	7.2	302	146
1 - Of which construction revenue of concessions (IFRIC 12).		272	206

Earnings per share attributable to the holders of the parent company (in euros)			
Basic	7.4	5.13	3.42
Diluted	7.4	4.99	3.31

Net profit for the year attributable to the holders of the parent company before deferred tax adjustments[1]		**416**	**312**
Diluted earnings per share before deferred tax adjustments		4.37	3.31

1 - Adjustments to non-current deferred tax to reflect the decrease in the French corporation tax rate from 2020 amounted to €59 million.

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

In millions of euros	Notes	December 31st 2016	December 31st 2015
Profit for the year		**777**	**458**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains and losses on defined benefit plans	9.3	(15)	19
Tax on items that will not be reclassified subsequently to profit or loss		5	(7)
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)	-
Re-measurement of derivative hedging instruments[1]	8.3	155	159
Tax on items that are or may be reclassified subsequently to profit or loss		(58)	(61)
Share of gains and losses of equity-method investments that are or may be reclassified subsequently to profit or loss		12	4
Items of other comprehensive income		**96**	**114**
Comprehensive income for the period		**873**	**572**
– Equity holders of the parent company		523	386
– Non-controlling interests		350	186
1 - Of which amount reclassified to profit or loss in the period.		(209)	(194)

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 holders of the parent company	Non-controlling interests	Total
Equity at January 1st 2015	**369**	**341**	**2,551**	**4**	**(317)**	**(46)**	**2,902**	**76**	**2,978**
Capital increase/ reduction	13	104	-	-	-	-	117	22	139
Treasury shares	-	-	(99)	-	-	-	(99)	-	(99)
Share-based payments	-	-	6	-	-	-	6	-	6
Dividends	-	-	(111)	-	-	-	(111)	(10)	(121)
Buyouts and other changes in non-controlling interests	-	-	(4)	-	-	-	(4)	1	(3)
Transactions with shareholders	**13**	**104**	**(208)**	**-**	**-**	**-**	**(91)**	**13**	**(78)**
Profit for the year	-	-	312	-	-	-	312	146	458
Items of other comprehensive income	-	-	-	1	62	11	74	40	114
Comprehensive income	**-**	**-**	**312**	**1**	**62**	**11**	**386**	**186**	**572**
Equity at December 31st 2015	**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**

Notes 1 to 14 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

In millions of euros	Notes	2016	2015
Cash and cash equivalents at the beginning of the year		**3,448**	**4,120**
Effect of foreign exchange rate changes		(4)	-
Restated cash and cash equivalents at the beginning of the year		**3,444**	**4,120**
Profit for the year		777	458
Profit (loss) of equity-method investments	6.3	2	5
Dividends from equity-method investments	6.3	5	20
Depreciation and amortisation	5.2.2	737	751
Net increase in provisions		80	43
Other non-cash items		1	14
Gain or loss on disposals		(31)	(30)
Cash-flows from operations before interest and taxes		**1,571**	**1,261**
Net interest expense	8.5	530	592
Interest paid		(631)	(685)
Income tax charge	10.3	167	220
Income tax paid		(375)	(204)
Changes in working capital requirement	6.6	(95)	46
Net cash from operating activities (I)		**1,167**	**1,230**
Purchases of property, plant and equipment and intangible assets	6.4	(241)	(248)
Purchases of concession intangible assets	6.1	(284)	(231)
Purchases of non-current financial assets	6.1	(269)	(349)
Disposals of property, plant and equipment and intangible assets		44	80
Net operating investments[1]		**(750)**	**(748)**
Purchases of controlling interests[2]		(150)	(58)
Disposals of controlling interests and assets held for sale		40	19
Cash and cash equivalents of entities bought or sold		2	6
Net financial investments	**3.2**	**(108)**	**(33)**
Net cash used in investing activities (II)		**(858)**	**(781)**
Dividends paid to shareholders		(145)	(121)
Capital increase		131	139
Purchases/disposals of non-controlling interests		-	-
Repurchase and resale of treasury shares	7.1	(75)	(99)
Repayments of borrowings	8.4	(1,784)	(4,380)
New borrowings	8.4	2,439	3,340
Net cash from (used in) financing activities (III)		**566**	**(1,121)**
Net increase (decrease) in cash and cash equivalents (I + II + III)		**875**	**(672)**
Cash and cash equivalents at the end of the year	**8.7**	**4,319**	**3,448**

1- Of which €94 million of investment subsidies in 2016 and €290 million in 2015.
2- Of which €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)

Contents

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 62,940 persons on average in 2016 and 64,606 persons on average in 2015.

The consolidated financial statements for the year ended December 31st 2016 were approved by the Board of Directors on February 22nd 2017 and will be submitted for the shareholders' approval at the general meeting to be held on April 19th 2017.

Significant events in 2016

Eiffage SA staged a capital increase reserved for the Group's employees in France and abroad, which resulted in the issue of 2,648,274 shares with a nominal value of €4 each. Following this increase, the share capital of Eiffage SA amounted to €392,329,060.

A new amendment to the APRR concession agreement was approved by Decree no. 2016-70 of January 29th 2016, published in the Official Gazette of January 31st 2016. This amendment provides for the merger of the Maurice Lemaire tunnel (TML) concession into the APRR concession agreement, thereby allowing a significant reduction in TML tariffs in exchange for a ten-month extension to the APRR concession agreement (therefore until November 2035).

APRR has also undertaken to reimburse and cancel certain subsidies relating to TML as well as co-fund certain ancillary investments by the French State.

Following the extension of the concession, the amortisation of the infrastructures concerned by the concession agreements was revised prospectively from January 1st 2016.

Eiffage strengthened its positions in Europe with the acquisition, in the energy sector, of Switzerland's Yerly group, specialised in thermal engineering, and, in the construction sector, of Belgium's Chris Vuylsteke group, specialised in construction and property development.

Events since the balance sheet date

The French State and the companies APRR and AREA have signed a motorway investment plan with a value of approximately €220 million.

This plan which is to be financed by an additional annual tariff increase over the years 2019 to 2021 of 0.287% for APRR and 0.413% for AREA comprises some fifteen projects, with some to be undertaken in association with local authorities. These investments will permit the acceleration of the network's modernisation, in particular in the fields of environmental protection, customer services and geographical coverage.

Subject to the opinion of the French rail and road regulatory body (Autorité de régulation des activités ferroviaires et routières—ARAFER) and to concession contracts being amended, work on these projects is expected to get under way at the end of 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 charges reported in the income statement. These estimates and assumptions are based on past experience and on various other factors, bearing in mind the current economic and financial environment has lowered visibility as regards business prospects. 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).

2.2 Treatment of monetary effects

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 ruling 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 ruling 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 ruling 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 ruling 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 ruling 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 2016:

- annual improvements process, 2010-2012 cycle;
- amendments to IAS 19, "Defined Benefit Plans: Employee Contributions";
- amendments to IAS 1, "Disclosure Initiative";
- amendments to IAS 16 and IAS 38, "Clarification of Acceptable Methods of Depreciation and Amortisation";
- amendments to IFRS 11, "Accounting for Acquisitions of Interests in Joint Operations";
- annual improvements process, 2012-2014 cycle;
- amendments to IAS 27, "Equity Method in Separate Financial Statements".

A number of new standards will be effective for annual periods beginning on January 1st 2018. These were not applied prospectively for the preparation of these financial statements. Are concerned:

- IFRS 9, "Financial Instruments";
- IFRS 15, "Revenue from Contracts with Customers".

An analysis is currently under way of the expected impacts of applying these standards.

Concerning IFRS 15, the Group has analysed current accounting methods in light of the new standard's requirements, this analysis covering the different types of contracts entered into in each sector of activity.

As regards standards and amendments that have not yet been adopted by the European Union, a study is underway concerning IFRS 16, "Leases", which 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:

- significantly affect the investee's returns;
- 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 2016, each of the divisions completed acquisitions, in France and in other European countries where the Group is present.

The Construction division expanded its presence in Belgium, completing the acquisition of Chris Vuylsteke, a group based in West Flanders, in the second half of 2016.

In the first half of 2016, the Infrastructures division completed the acquisitions of Chastagner in France and MDM in Germany.

The Energy division completed further small in-fill acquisitions as well as more significant ones, notably of the Yerly group in Switzerland and of Barth, Lohner and Meci in France.

The Concession division increased its shareholding in Adelac, the operator of the northern section of the A41 motorway, by 24% to 48.9%.

In the summary of the impact of consolidation scope changes below, the financial statement lines include the contributions made by these new subsidiaries since their inclusion in the consolidation scope in 2016 as well as the contribution made by companies consolidated for the first time during the course of 2015 (mainly Pichenot, which comes under the Infrastructures division).

The summary below reflects the deconsolidation of four companies, not material, sold by the Energy division, as well the disposal by Eiffage of its 36% interest in Norscut (accounted for by the equity method) and of Eiffigen (public-private partnership for the national police headquarters).

TP Ferro (accounted for by the equity method) was deconsolidated from July 1st following its liquidation.

Impacts of changes in the consolidation scope on the financial statements for the year ended December 31st 2016:

Statement of financial position
- Non-current assets: €49 million decrease;
- Current assets: €72 million increase;
- Non-current liabilities: €116 million decrease;
- Current liabilities: €40 million increase.

Income statement
- Revenue: €129 million increase;
- Operating profit: €2 million decrease;
- Net finance costs: €2 million increase;
- Profit for the year: no impact.

The total cost of the acquisitions, net of disposals, completed in 2016 was €108 million, of which €66 million to increase the shareholding in Adelac.

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 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: 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.

4.1 Year ended December 31st 2016

Information by operating segment

	Construction	Infrastructures	Energy	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	28	140	(449)	-
Operating income	**3,726**	**4,521**	**3,491**	**2,861**	**157**	**(449)**	**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

4.2 Year ended December 31st 2015

Information by operating segment

	Construction	Infrastructures	Energy	Concessions	Holding	Eliminations	Total
Income statement							
Gross operating income	3,437	4,583	3,298	2,731	11	-	14,060
Inter-segment sales	47	101	309	4	131	(592)	-
Operating income	**3,484**	**4,684**	**3,607**	**2,735**	**142**	**(592)**	**14,060**
Operating profit on ordinary activities	136	75	132	1,106	(18)	-	1,431
Operating profit	113	23	118	1,106	(23)	-	1,337

Information by geographical area

	France	Rest of Europe	Rest of the world
Operating income	11,565	2,237	258
Non-current assets	17,705	805	124

5. Information concerning the income statement

5.1 Revenue recognition

5.1.1 Reconciliation of reported revenue and operating income

	December 31st 2016	December 31st 2015
Revenue – Contracting	11,452	11,466
Revenue – Concessions	2,556	2,443
Reported revenue	**14,008**	**13,909**
Revenue – IFRIC 12	272	206
Other items	27	(55)
Operating income	**14,307**	**14,060**

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 division.

IAS 11 is also applied to construction contracts for facilities or installations that are to be 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.

	December 31st 2016	December 31st 2015
Revenue from construction contracts recognised during the period	9,345	9,791
For contracts in progress at the balance sheet date:		
– Contract costs incurred plus recognised profits less recognised losses to date	12,076	11,400
– Advances received	683	719
– Amounts retained by contract customers	13	9
– Amounts due from contract customers	1,324	1,129
– Amounts due to contract customers	751	822

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 2016	December 31st 2015
For contracts in progress at the balance sheet date:		
– Contract costs incurred plus recognised profits less recognised losses to date	404	437
– 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.

Retirement indemnities

	December 31st 2016	December 31st 2015
A. Charge for the year recognised for accounting purposes		
Current service cost	16	17
Past service cost – plan amendments	–	–
Past service cost – plan curtailment	–	(1)
(Gain)/loss on liquidations	–	-
Service cost	**16**	**16**
Net interest on provision (asset)	5	4
Cost of defined benefits recognised in profit or loss	**21**	**20**
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**	**20**
B. Other comprehensive income items		
Actuarial (gains) losses due to experience adjustments	(3)	(5)
Actuarial (gains) losses due to changes in actuarial assumptions	16	(15)
Actuarial (gains) losses recognised in other comprehensive income	**13**	**(20)**
(Higher) lower return on plan assets than that based on discounting	–	–
Effect of plan asset ceiling	–	–
Total (gain) loss recognised in other comprehensive income	**13**	**(20)**
C. Cost of defined benefits		
Recognised in profit and loss	21	20
Recognised in other comprehensive income	13	(20)
Cost of defined benefits	**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 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
Number of share allotted	234,030
Spot price of shares on allotment date	€65.37
Expected volatility	24.17%
Interest rate	-0.35% to -0.38%
Expected annual dividend	€1.50
Bonus shares at the start of the period	**-**
Allotment of bonus shares	234,030
Cancellation of rights	(1,655)
Bonus shares at the end of the period	**232,375**

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 this plan 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 from 2016 to 2019. This performance was simulated using a Monte Carlo algorithm.

Share purchase options

Plan	Feb. 24th 2011	Dec. 14th 2011	Dec. 13th 2012	Feb. 26th 2014	Feb. 25th 2015
Number of options granted	677,600	956,000	958,150	947,000	934,750
Option exercise price	€41.24	€21.00	€29.00	€45.43	€46.41
Expiration date	March 9th 2018	April 29th 2016	Dec.13th 2019	Feb. 26th 2021	Feb.25th 2022
Expected volatility	26.00%	33.00%	29.63%	25.01%	26.24%
Risk-free rate on grant date	2.78%	1.74%	1.15%	1.43%	0.45%
Expected annual dividend growth	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value of option on grant date	€7.79	€2.09	€7.76	€9.61[1]	€9.41[1]
Options in issue at start of the period	**242,139**	**840,130**	**875,200**	**914,100**	**926,050**
Options allotted	-	-	-	-	-
Options exercised	76,239	836,430	145,210	100,000	100,000
Options cancelled	3,800	3,700	36,900	33,300	29,100
Options in issue at end of the period	**162,100**	**-**	**693,090**	**780,800**	**796,950**

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 2016	December 31st 2015
Charge in respect of share subscription and purchase options	6	6
Charge in respect of bonus issues of shares	2	-
Total	**8**	**6**

5.2.2 Depreciation and amortisation charges

	December 31st 2016	December 31st 2015
Property, plant and equipment	252	251
Concession intangible assets	543	561
Other intangible assets	25	21
Depreciation and amortisation – Income statement	**820**	**833**
Of which finance leases	83	82
Depreciation and amortisation – Statement of cash flows	**737**	**751**

5.2.3 Other operating income (expenses) on ordinary activities

	December 31st 2016	December 31st 2015
Share of profits of joint ventures	19	23
Other income from property transactions	2	1
Depreciation of current assets	13	4
Profit on sale of equipment	14	24
Currency translation differences	12	8
Miscellaneous	56	36
Total	**116**	**96**

5.3 Other operating income and charges

Accounting principles

Other operating income and charges 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 2016	December 31st 2015
Risks of penalties and other risks	(9)	(10)
Restructuring	(58)	(85)
Closure costs	-	(2)
Proceeds from the sale of land, buildings and/or public-private partnership interests	1	5
Miscellaneous	(5)	(2)
Total	**(71)**	**(94)**

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.

Year ended December 31st 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)	268	-	-	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 €269 million, correspond to acquisitions of non-current financial assets in respect of concession service arrangements totalling €268 million, adjusted for the change in amounts not disbursed at the period end, amounting to €1 million.

At December 31st 2016, concession intangible assets were carried mainly by APRR/AREA (€9,954 million), A'Liénor (€927 million), CEVM (€345 million) and SENAC (€101 million).

At December 31st 2016, 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 (€1,033 million), the Lille Métropole Stadium (€241 million), the Seine-Saint-Denis secondary schools—lots 1 and 3—(€198 million) and the renovation of the Grande Arche de La Défense (€176 million).

With regards to the concession agreements, the Group has the following firm investment commitments (exceeding €100 million and not delivered at the end of reporting period):

- €790 million at the level of APRR for the construction and widening of motorways and the creation of new interchanges between 2017 and 2021;
- €1,135 million for the construction of the Bretagne-Pays de la Loire high-speed rail line;
- €184 million for the renovation of the Grande Arche de La Défense.

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.

Year ended December 31st 2015

	Net value at January 1st 2015	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	12,069	-	214	(21)	(561)	11,701	20,433	(8,732)
Non-current financial assets in respect of concession service arrangements	1,406	(22)	348	-	-	1,732	1,732	-
Current financial assets in respect of concession service arrangements	17	3	-	-	-	20	20	-

Purchases of concession intangible assets reported in the statement of cash flows, amounting to €231 million, correspond to acquisitions totalling €214 million, adjusted for the change in amounts not disbursed at the period end, amounting to €17 million.

Purchases of non-current financial assets reported in the statement of cash flows, amounting to €349 million, correspond to acquisitions of non-current financial assets in respect of concession service arrangements totalling €348 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 (1,894 kilometres)	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 (409 kilometres)	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 kilometres)	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 kilometres)	Payment by users	Tariffs defined in concession agreement and validated by grantor	None	Returned to grantor at end of agreement without compensation	2079
Société Eiffage de la Nouvelle Autoroute Concédée (SENAC)	Motorway network in Senegal (41 kilometres)	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 local agreements (Territoire de Belfort, Côtes d'Armor, Aix-en-Provence)	Rollout and operation of electronic communications network	Payment by users (telecom-munication operators)	Tariff grid validated with the grantor	None	Returned to grantor at end of agreement without compensation	From 2024 à 2029

Financial assets

Description	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Public facilities						
Jarny secondary school	Restructuring of buildings	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2033
Seine-Saint-Denis secondary schools Lot 1	Construction and operation of four secondary schools	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2034
Seine-Saint-Denis secondary schools Lot 3	Construction and operation of four secondary schools	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2034
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
Grenoble University	Grenoble Research and University Education Centre (GreEn-ER) project	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2041
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
Aix-Marseille University	Transformation, renovation and construction of a series of university buildings and facilities	Rent paid by grantor	None	None	Returned to grantor at end of agreement without compensation	2042
Plessis-Robinson underground car park and market hall	Construction and operation of an underground car park and market hall	Rent paid by grantor	Step rental	None	Returned to grantor at end of agreement without compensation	2031
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 without compensation	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

Accounting principles

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; and 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 2015	Acquisitions/ Increases	Reclassifications	December 31st 2016
Construction	423	11	-	434
Infrastructures	356	(1)[1]	-	355
Energy	557	31	-	588
Concessions	1,568	-	-	1,568
Total	**2,904**	**41**	**-**	**2,945**

1 - Of which a negative amount of €3 million by way of an adjustment to goodwill recognised in 2015.

The Construction division consolidated its presence in Belgium with the acquisition of Chris Vuylstecke, a group based in West Flanders. The Energy division pressed ahead with the development of its traditional business lines through acquisitions, while strengthening its position in Europe with the acquisition of Yerly, a Swiss group specialised in thermal engineering and plumbing.

No capital instruments were issued in connection with the company acquisitions completed in 2016.

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:

	Discount rate	
CGU groups at the level of the operating segments	2016	2015
Construction	5.10%	5.80%
Infrastructures	5.10%	5.80%
Energy	4.50%	5.00%
Concessions	3.90%	3.90%

The Group assumed that nil growth would be recorded by CGU groups cash generating unit groups other than 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	Breakeven point – revenue
Construction	23.1%	20%	1,600
Infrastructures	7.0%	75%	3,800
Energy	12.1%	35%	2,500

At December 31st 2016, no impairment loss had been recognised against any of the goodwill.

6.3 Equity-method investments

Significant joint ventures and associates 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), Bagnolet Promotion (property developer), Est Granulats (quarry operator), 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 2016

	Joint ventures						Associates
Abridged financial information at 100%	**Adelac**	**Bagnolet Promotion**	**Est Granulats**	**Normalux**	**Prado Sud**	**SMTPC**	**Axxès**
Country	France	France	France	Belgium	France	France	France
% held	48.9%	50%	49%	25%	41.5%	32.9%	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
Revenue from continuing operations	51	-	4	-	7	41	876
Operating profit on ordinary activities	40	-	(2)	-	3	21	-
Net 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)	NA
Interest receivable	-	-	-	-	-	-	NA
Interest payable	(76)	-	-	-	(9)	-	NA
Tax (charge) credit	5	-	-	-	3	(7)	NA
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	-	-
Group's share of the investee's shareholders' equity	69	-	15	5	(2)	24	2
Group's share of investments not giving control over the investee	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	-

Year ended December 31st 2015

Abridged financial information at 100%	Adelac	Est Granulats	Normalux	Prado Sud	St Mandé Commandant Mouchotte	SMTPC	TP Ferro	Axxès	Norscut
	Joint ventures							Associates	
Country	France	France	Belgium	France	France	France	Spain	France	Portugal
% held	24.9%	49.0%	25.0%	41.5%	50.0%	32.9%	50.0%	17.0%	36.0%
Dividends paid to the Group	-	-	-	-	-	4	-	-	13
Current assets	22	17	24	10	76	32	7	153	126
Non-current assets	813	20	28	176	-	77	753	25	312
Total assets	835	37	52	186	76	109	760	178	438
Shareholders' equity	1	32	21	(4)	-	69	(4)	6	33
Current financial liabilities	-	-	-	-	18	-	398	-	-
Other current liabilities	3	3	2	23	58	11	106	159	49
Non-current financial liabilities	769	-	28	167	-	25	68	13	356
Other non-current liabilities	62	2	1	-	-	4	192	-	-
Total liabilities and shareholders' equity	835	37	52	186	76	109	760	178	438
Revenue from continuing operations	48	3	-	7	-	41	9	818	8
Operating profit on ordinary activities	34	-	-	4	-	21	(6)	(10)	2
Net profit (loss) for the year	(7)	1	1	(4)	-	13	(26)	(7)	11
Items of other comprehensive income	12	-	-	3	-	-	2	-	4
Comprehensive income for the period	5	1	1	(1)	-	13	(24)	(7)	15
Above results are stated after:									
Amortisation and depreciation charges	(11)	(1)	-	(3)	-	(10)	(5)	NA	NA
Interest receivable	-	-	-	-	-	-	-	NA	NA
Interest payable	(38)	-	(2)	(9)	-	(1)	(20)	NA	NA
Tax (charge) credit	4	(1)	(1)	2	-	(7)	-	NA	NA
Share of investee's profit (loss) recognised by the Group	-	1	-	(1)	-	4	(13)	(2)	4
Shares of investee's items of other comprehensive income recognised by the Group	-	-	-	1	-	-	1	-	2
Group's share of the investee's shareholders' equity	-	16	5	(2)	-	23	(2)	2	12
Group's share of investments not giving control over the investee	-	-	-	-	-	-	-	-	-
Share of investee's profit (loss) not recognised by the Group	4	-	-	2	-	-	-	-	-
Shares of investee's items of other comprehensive income not recognised by the Group	(4)	-	-	-	-	-	-	-	-
Value at which investment recognised	0	16	5	0	0	23	(2)	2	12
Stock market value of investment	-	-	-	-	-	66	-	-	-

Aggregate financial information concerning equity-method investments:

	December 31st 2016			December 31st 2015		
	Significant entities	Non-significant entities	Total	Significant entities	Non-significant entities	Total
Aggregate financial information concerning joint ventures						
Investments in joint ventures (I)	114	20	134	42	20	62
Share of the profit (loss) of joint ventures (II)	2	(5)	(3)	(9)	2	(7)
Share of items of other comprehensive income of joint ventures	5	-	5	2	-	2
Share of comprehensive income of joint ventures	7	(5)	2	(7)	2	(5)
Aggregate financial information concerning associates						
Investments in associates (III)	4	6	10	14	6	20
Share of the profit (loss) of associates (IV)	(1)	2	1	2	-	2
Share of items of other comprehensive income of associates	-	7	7	2	-	2
Share of comprehensive income of associates	(1)	9	8	4	-	4
Total equity-method investments (I + III)	**118**	**26**	**144**	**56**	**26**	**82**
Total share of profit (loss) of equity-method investments (II + IV)	**1**	**(3)**	**(2)**	**(7)**	**2**	**(5)**

Changes in investments in joint ventures and associates are analysed in the table below:

At January 1st 2015	**102**
Loss of the year 2015	(5)
Dividends distributed	(20)
Capital increase	-
Change in fair value of financial instruments	4
Other	1
At December 31st 2015	**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**

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 (expenses) 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.

Year ended December 31st 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:

	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.

Year ended December 31st 2015

	Net value at January 1st 2015	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2015	Gross value	Accumulated amortisation and depreciation
Land	356	(3)	36	-	(7)	382	478	(96)
Buildings	287	3	32	(3)	(24)	295	549	(254)
Technical installations, equipment and tooling	449	11	121	(53)	(110)	418	1,370	(952)
Other property, plant and equipment	371	(22)	162	(15)	(110)	386	1,431	(1,045)
Total property, plant and equipment[1]	**1,463**	**(11)**	**351**	**(71)**	**(251)**	**1,481**	**3,828**	**(2,347)**
Investment properties	**5**	**-**	**-**	**(1)**	**-**	**4**	**4**	**-**
Other intangible assets	**175**	**1**	**17**	**-**	**(21)**	**172**	**437**	**(265)**
Other non-current financial assets	**267**	**-**	**14**	**(11)**	**(4)**	**266**	**294**	**(28)**

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:

	Net value at January 1st 2015	Changes in consolidation scope and currency translation differences	Acquisitions	Disposals	Amortisation and depreciation	Net value at December 31st 2015	Gross value	Accumulated amortisation and depreciation
Property, plant and equipment	337	(1)	99	(37)	(82)	316	554	(238)

Purchases of property, plant and equipment and intangible assets reported in the statement of cash flows, amounting to €248 million, correspond to the acquisition of property, plant and equipment for €351 million and to the acquisition of intangible assets for €17 million, adjusted for amounts involving finance leases, resulting in a €99 million decrease, and for the change in amounts not disbursed at the period end, resulting in a €21 million decrease.

6.5 Finance leases

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 2016	December 31st 2015
Net book value		
Land	10	7
Buildings	34	34
Technical installations	181	172
Other property, plant and equipment	109	103
Other non-current intangible assets	-	-
Total	**334**	**316**
Obligations under finance leases		
Up to 1 year	94	81
1 to 2 years	62	69
2 to 3 years	49	48
3 to 4 years	33	28
4 to 5 years	19	20
Over 5 years	46	40
Total	**303**	**286**
Minimum remaining lease payments		
Up to 1 year	115	97
1 to 2 years	67	83
2 to 3 years	52	54
3 to 4 years	33	35
4 to 5 years	19	21
Over 5 years	49	47
Total	**335**	**337**

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 2016	December 31st 2015	Movements		
			Relating to operating activities	Due to fixed asset suppliers	Changes in consolidation scope and other
Inventories	728	600	67	-	61
Trade and other receivables	4,292	3,966	284	-	42
Other assets	1,184	1,116	49	-	19
Sub-total – Operating assets	**6,204**	**5,682**	**400**	**-**	**122**
Trade and other payables	3,041	2,924	73	29	15
Other liabilities	3,713	3,468	185	-	60
Sub-total – Operating liabilities	**6,754**	**6,392**	**258**	**29**	**75**
Working capital surplus (requirements)	**550**	**710**	**(142)**	**29**	**(47)**

The change in working capital requirements reported in the statement of cash flows, amounting to an increase of €95 million, is stated after the change in non-current deferred income relating to operating activities, which reduced working capital requirements by €47 million.

Inventories

	December 31st 2016	December 31st 2015
Raw materials and other supplies	193	174
Property development and services inventories and work in progress	535	426
Total	**728**	**600**

Impairment losses recognised against inventories represented 2.4% of their gross value at December 31st 2016 (2.8% at December 31st 2015).

Trade and other receivables

	December 31st 2016			December 31st 2015		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Construction	1,531	(22)	1,509	1,487	(24)	1,463
Infrastructures	1,313	(53)	1,260	1,216	(53)	1,163
Energy	1,346	(43)	1,303	1,191	(48)	1,143
Concessions	225	(5)	220	201	(5)	196
Holding	-	-	-	1	-	1
Total	**4,415**	**(123)**	**4,292**	**4,096**	**(130)**	**3,966**

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 2016	December 31st 2015
Due for less than three months	522	522
Due for between three and six months	79	77
Due for more than six months	246	250
Total due	**847**	**849**

Other assets

	December 31st 2016	December 31st 2015
Payments on account	60	46
French State	459	468
Staff and social security	100	88
Amounts due by suppliers, advances and payments on account	81	123
Current accounts with joint ventures and non-consolidated companies	177	98
Miscellaneous debtors	199	217
Prepayments	108	76
Total	**1,184**	**1,116**

Trade and other payables

	December 31st 2016	December 31st 2015
Trade payables	2,921	2,833
Due to fixed asset suppliers	120	91
Total	**3,041**	**2,924**

Other liabilities

	December 31st 2016	December 31st 2015
Payments on account	396	368
Taxes due to the French State	915	828
Staff and social security	620	621
Amounts due to customers	26	58
Current accounts with joint ventures and non-consolidated companies	137	49
Miscellaneous creditors	230	211
Deferred income	1,389	1,333
Total	**3,713**	**3,468**

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 Share capital

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 2015 attributable to the equity holders of the parent company, which amounted to €312 million, dividends amounting to €142 million were distributed, the balance being transferred to consolidated reserves.

Composition of and changes in share capital
The capital is composed of 98,082,265 fully paid-up shares of €4 each, all ranking *pari passu*.

	Total number of shares	Of which treasury shares	Free float
At January 1st 2015	**92,271,466**	**(3,139,125)**	**89,132,341**
Capital increase reserved for employees	3,162,525	-	3,162,525
Purchases, sales and allotments	-	(1,540,879)	(1,540,879)
At December 31st 2015	**95,433,991**	**(4,680,004)**	**90,753,987**
Capital increase reserved for employees	2,648,274	-	3,162,525
Purchases, sales and allotments	-	(440,481)	(1,540,879)
At December 31st 2016	**98,082,265**	**(5,120,485)**	**92,375,633**

In 2015, in connection with plans for the allocation of options, the Group purchased 2,296,969 Eiffage shares and allotted 704,453 Eiffage shares.

As part of the liquidity agreement, Eiffage purchased 3,318,073 of its own shares and sold 3,369,710 shares.

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.

Changes in the carrying value of treasury shares

	2016	2015
At January 1st	212	101
Purchases	306	304
Sales	(232)	(193)
At December 31st	**286**	**212**

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) and A'Liénor (A65 motorway concession operator).

Key financial data concerning these companies or groups of companies is summarised below:

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%
Profit 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
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 profit 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

Year ended December 31st 2015

Abridged financial information at 100%	Financière Eiffarie	VP 1	A'Liénor
Country	France	France	France
% held by non-controlling interests	50%	49%	35%
Profit for the year attributable to non-controlling interests	141	3	1
Total non-controlling interests at the end of the period	308	(108)	63
Dividends paid to non-controlling interests	-	5	-
Current assets	1,823	46	53
Non-current assets	12,051	368	1,064
Current liabilities	2,038	4	20
Non-current liabilities	11,219	631	917
Net assets	617	(221)	180
Operating income	2,379	43	54
Net profit for the year	281	6	2
Comprehensive income for the year	363	6	2
Cash and cash equivalents at January 1st	2,374	41	58
Net cash from (used in) operating activities	813	14	(50)
Net cash from (used in) investing activities	(233)	(1)	(1)
Net cash from (used in) financing activities	(1,457)	(10)	42
Cash and cash equivalents at December 31st	1,497	44	49

7.3 Dividend

The general meeting will be invited to approve the distribution of a dividend of €1.50 per share in respect of the 98,082,265 shares of a nominal value of €4 each in issue at December 31st 2016 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 22nd 2017, apart from the shares held in treasury.

Reserves distributable by Eiffage SA

	December 31st 2016	December 31st 2015
Share premium account	566	445
Other reserves	1	1
Retained earnings	3 386	3 208
Profit for the year	148	322
Minimum transfer to the legal reserve	(1)	(1)
Total	**4,100**	**3,975**

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 2016

	Average number of shares	Profit for the year attributable to 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 option exercises	2,665,315	-	-
After dilution	95,360,537	475	4.99

Year ended December 31st 2015

	Average number of shares	Profit for the year attributable to holders of the parent company (€ million)	Earnings per share (€)
Total number of ordinary shares	95,433,991	-	-
Weighting for capital increase reserved for employees	(1,169,701)	-	-
Treasury shares	(3,257,145)	-	-
Before dilution	91,007,145	312	3.42
Dilution resulting from option exercises	3,257,145	-	-
After dilution	94,264,290	312	3.31

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 indicated 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 Annual Financial Report, is described in the section of the Annual Financial Report devoted to risk factors.

8.1 Carrying value and fair value of financial assets and financial liabilities

Year ended December 31st 2016

		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	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.

		Accounting category				Method for determining fair value		
						Level 1	Level 2	Level 3
Financial liabilities	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.

Year ended December 31st 2015

		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	1,998	163	-	1,827	8	1,998		1,998	
Current financial assets	20	-	-	20	-	20		20	
Cash and cash equivalents	3,641	-	3,641	-	-	3,641	1,787	1,854	
Total	**5,659**	**163**	**3,641**	**1,847**	**8**	**5,659**	**1,787**	**3,872**	

1 - There was no reclassification between financial asset categories in 2015. Note that there are no assets falling to be accounted for as held to maturity.

		Accounting category				Method for determining fair value		
						Level 1	Level 2	Level 3
Financial liabilities	**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	12,847[1]	12,268	-	579[2]	13,354		13,354	
Current loans and other debts	2,988[1]	2,988	-	-	2,988		2,988	
Total	**15,835**	**15,256**	**-**	**579**	**16,342**		**16,342**	

1 - Of which €10,991 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 2015, hedging financial instruments were valued at a total notional amount of nearly €5.7 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 2015 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 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.

The capital and interest flows presented above concern the debt such as reported in the balance sheet at December 31st 2016. 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 2016. 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 2016, 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 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 arranged a €1 billion commercial paper programme, with €0.3 billion outstanding at December 31st 2016.

At December 31st 2016, the Eiffarie/APRR group, the VP1 group (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 €12.1 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.

For example, since 2007, APRR put into place an EMTN programme for a maximum amount of €8 billion.

In 2016, the company completed two bond issues:
- in June, it issued €0.7 billion of fixed-rate bonds maturing in January 2026;
- in November, it issued €1 billion of fixed-rate bonds, consisting of two tranches of €0.5 billion each maturing in 2027 and 2031, respectively.

At December 31st December 2016, a further €0.85 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 (plus two possible extensions of one year each, of which one was exercised in 2016). No amounts have been drawn against this facility, the full amount of which was therefore available at December 31st 2016.

Finally, APRR has arranged a commercial paper programme, with €0.35 million outstanding at December 31st 2016, used to improve short-term liquidity.

As regards Eiffarie, it successfully refinanced the credit facilities contracted in 2012, which were due to expire in February 2017. It arranged a term loan for an initial amount of €1.5 billion, with a five-year term (plus two possible extensions of one year each, of which one was exercised in 2016). This loan amounted to €1.4 billion at December 31st 2016 given the repayments made since its inception.

Year ended December 31st 2015

	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	1,787	1,787	1,787					
Cash at bank and in hand	1,854	1,854	1,854					
Sub-total – Financial assets (I)	**3,641**	**3,641**	**3,641**	**-**	**-**	**-**	**-**	**-**
Bank loans and bonds and equivalent[1]	13,712	13,786	1,473	1,553	1,359	1,203	1,188	7,010
Current loans and other debts	1,520	1,520	1,520					
Interest rate hedging instruments (fixed/variable-rate)[1]	579							
Debt revaluation[1 2]	24							
Sub-total – Financial liabilities (II)	**15,835**	**15,306**	**2,993**	**1,553**	**1,359**	**1,203**	**1,188**	**7,010**
Net debt (II – I)	**12,194**	**11,665**	**(648)**	**1,553**	**1,359**	**1,203**	**1,188**	**7,010**
Interest in respect of financial liabilities	-	3,156	316	488	344	208	172	1,628
Total cash flows linked to net debt	**-**	**14,821**	**(332)**	**2,041**	**1,703**	**1,411**	**1,360**	**8,638**

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

	Fixed rate	Variable rate	Fixed rate on indexed nominal	Adjustable rate	Total
Bank loans	12,492	534	680	-	13,706
Interest rate swaps	420	-	-	-	420
Finance leases	302	-	-	-	302
Other loans	131	-	-	-	131
Bank overdrafts	-	147	-	-	147
Securitisation account	-	522	-	-	522
Miscellaneous	655	204	20	-	879
Total financial liabilities at December 31st 2016	**14,000**	**1,407**	**700**	**-**	**16,107**
Total financial liabilities at December 31st 2015	**13,305**	**1,552**	**978**	**-**	**15,835**

A one percentage point increase in interest rates, applied to the balances at December 31st 2016 net of derivatives and taking into account the terms of the financing agreements, would increase net finance costs by €14 million before taking tax into account.

At December 31st 2016, financial liabilities included a loan denominated in CFA franc and loans denominated in Canadian dollar that, converted at the closing exchange rate, amounting to €63 million and €23 million, respectively.

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 4.3 and 7.2, respectively, on December 31st 2016.

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 1.17 and 1.67 for the first ratio and of 1.43 and 1.90, 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 24.3:75.7 on October 30th 2016;
- debt service coverage ratio for historical debt (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 2016, 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.

Eiffigreen is a company specifically incorporated to finance, design, carry out work, repair, maintain and provide facilities management services for the buildings at the Energy School of the Grenoble Research and University Education Centre (GreEn-ER). In connection with a long-term credit agreement dated July 20th 2012, Eiffigreen undertook with regard to the lenders to comply with the ratios indicated below, as from the date when the buildings were delivered on June 19th 2015 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 equal to or more than 1.10.

When these ratios were calculated on December 31st 2016, they came to 2.06, 1.47 and 1.63, 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 Eiffigreen's project debt.

Eiffly 54 is a company specifically incorporated to finance, design, demolish and reconstruct the Jean Zay secondary school at Jarny, in addition to which it will perform part of the repairs and maintenance. In connection with a long-term credit agreement dated February 11th 2011, Eiffly 54 undertook with regard to the lenders to comply with the ratios indicated below, as from the date when phase 1 of the project was delivered on October 10th 2013 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 equal to or more than 1.15.

When these ratios were calculated on December 31st 2016, they came to 1.55, 1.35 and 2.21, respectively.

Non-compliance with any of these ratios on three consecutive observation dates would be treated as an event of default and trigger the early repayment of all of the debt of Eiffly 54.

Eifficol 1 is a company specifically incorporated to provide part of the financing for and to design, build, operate and maintain four secondary schools located in Aubervilliers, Aulnay-sous-Bois, Clichy-sous-Bois and Le Raincy. In connection with a long-term credit agreement dated April 5th 2012, Eifficol 1 undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on August 18th 2014 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 for servicing the project's expected debt over the outstanding debt at the observation date) equal to or more than 1.15.

When these ratios were calculated on December 31st 2016, they came to 1.49, 1.38 and 1.44, 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 Eifficol 1's project debt.

Eifficol 3 is a company specifically incorporated to provide part of the financing for and to design, build, operate and maintain four secondary schools located in Blanc-Mesnil, Bondy, Noisy-le-Grand and Saint-Denis/Saint-Ouen. In connection with a long-term credit agreement dated April 5th 2012, Eifficol 3 undertook with regard to the lenders to comply with the ratios indicated below, as from the date the project was delivered on August 18th 2014 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 for servicing the project's expected debt over the outstanding debt at the observation date) equal to or more than 1.15.

When these ratios were calculated on December 31st 2016, they came to 1.67, 1.66 and 1.80, 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 Eifficol 3's project debt.

Eiffinov is a company specifically incorporated to provide the financing for and to design, build, operate and maintain 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 equal to or more than 1.15.

When these ratios were calculated on December 31st 2016, they came to 1.89, 1.20 and 1.32, 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.

8.4 Change in loans and other debts

Year ended December 31st 2016

	At January 1st	Changes in consolidation scope	Other movements	Change in fair value of financial instruments	Increase	Decrease	At Dec. 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)	

Year ended December 31st 2015

	At January 1st	Changes in consolidation scope	Other movements	Change in fair value of financial instruments	Increase	Decrease	At Dec. 31st
Non-current loans and portion of non-current loans maturing in less than one year (I)	**15,741**	**(3)**	**(30)**	**(170)**	**3,153**	**(4,376)**	**14,315**
Bank overdrafts	145	2	46	-	-	-	193
Other loans and sundry debts	1,192	(1)	(51)	4	187	(4)	1,327
Loans and other debts (II)	**1,337**	**1**	**(5)**	**4**	**187**	**(4)**	**1,520**
New borrowings and repayment of borrowings reported in the statement of cash flows (I+II)					3,340	(4,380)	

8.5 Net finance cost 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 2016	December 31st 2015
Finance costs	**(539)**	**(615)**
Of which Eiffarie group	(423)	(505)

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.

In 2015, net interest expense reported in the statement of cash flows, amounting to €592 million, corresponds to net finance costs of €615 million, from which have been deducted items not involving the movement of funds totalling €23 million.

	December 31st 2016	December 31st 2015
Effect of discounting	(17)	(9)
Change in the fair value of financial instruments	5	5
Change in provisions and value of receivables	(31)	(21)
Arrangement fees for public-private partnership financing	(5)	(8)
Profit (loss) on the disposal of participating interests	15	(2)
Other income of building material companies	3	3
Other financial charges	(11)	(7)
Other financial income (expenses)	**(41)**	**(39)**

8.6 Other non-current financial assets

	December 31st 2016	December 31st 2015
Unlisted investments	72	67
Receivables relating to participating interests	82	81
Loans	42	95
Other financial assets	23	23
Total	**219**	**266**

8.7 Cash and cash equivalents

Cash and cash equivalents comprise:

		December 31st 2016	December 31st 2015
Assets			
Marketable securities[1]		2,685	1,787
Cash at bank and in hand[1]		1,781	1,854
	(I)	**4,466**	**3,641**
Liabilities			
Bank overdrafts	(II)	147	193
Cash and cash equivalents at December 31st	(I - II)	**4,319**	**3,448**

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

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 division, 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 division, 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 division, 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 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 2016

	At January 1st	Changes in consolidation scope and currency translation differences	Addition	Utilisation	Reversal	Other	At Dec. 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	27	-	39	(23)	-	-	43
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	212	-	115	(77)	(8)	(1)	241
Current provisions	**523**	**1**	**243**	**(176)**	**(24)**	**6**	**573**

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 2015

	At January 1st	Changes in consolidation scope and currency translation differences	Addition	Utilisation	Reversal	Other	At Dec. 31st
Provisions for maintaining in condition infrastructures held under concessions	265	-	35	(34)	-	2	268
Provisions for retirement benefit obligations	298	-	21	(23)	-	(21)[1]	275
Provisions for long-service awards	33	-	1	(3)	(1)	1	31
Other non-current provisions	3	4		(1)	-	1	7
Non-current provisions	**599**	**4**	**57**	**(61)**	**(1)**	**(17)**	**581**
Provisions for maintaining in condition infrastructures held under concessions	34	-	-	-	-	(2)	32
Provisions for losses at completion	32	-	24	(28)	-	(1)	27
Provisions for restructuring	16	-	25	(8)	(1)	3	35
Provisions for property risks		-	-	-	-	-	
Provisions for guarantees given	107	-	55	(26)	(10)	1	127
Provisions for disputes and penalties	63	1	27	(13)	(10)	1	69
Provisions for retirement benefit obligations	15	-	1	-	-	2	18
Provisions for long-service awards	3	-	-	-	-	-	3
Provisions for other liabilities	207	1	83	(51)	(24)	(4)	212
Current provisions	**477**	**2**	**215**	**(126)**	**(45)**	**-**	**523**

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 disputes over the commissioning date of the Pierre Mauroy stadium in Lille between the Eiffage subsidiary operating the stadium and Lille European Métropole, an appeal was filed before the administrative court at the end of July 2015, since when there has been no significant development.

Concerning the concession for a high-speed rail line between Perpignan (France) and Figueras (Spain), given the insufficient traffic and since no agreement was reached with the parties having granted the concession, namely the French and Spanish States, or with the creditors, over the rescue plan proposed by concession holder TP Ferro's shareholders, the insolvency proceedings initiated in July 2015 by Eiffage and its partner Iridium led to the company's liquidation on September 15th 2016. Eiffage and Iridium provided resources to TP Ferro to enable it to maintain in operation the service until its takeover by the French and Spanish States through a company owned by France's SNCF Réseau and its Spanish counterpart ADIF. As regards the calculation of the compensation to be paid to TP Ferro's shareholders and lenders, to be notified by the French and Spanish States within six months of the contract's termination, which took effect on 20 December 2016, it is likely that this will be referred to international arbitration pursuant to the terms of the concession agreement. The absence of continuity in the rail service for the link with Barcelona was referred to arbitration ongoing back in 2013. The Group does not expect the foregoing to have negative financial consequences.

In connection with the construction of a stadium in Poland, legal proceedings were initiated in 2015 against an Eiffage subsidiary over its decision to halt construction work, faced as it was with the inability to execute the contract per the initial design. These proceedings are ongoing.

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 indemnitiese

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 2016	December 31st 2015
Discount rate	1.50%	2.00%
Rate of price inflation	1.75%	1.75%
Expected return on plan assets	1.50%	2.00%
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 10.5 years.

9.3.2 Reconciliation of asset (provision)

	December 31st 2016	December 31st 2015
A. Analysis of provision recognised for accounting purposes		
Actuarial value of obligation	(294)	(277)
Fair value of plan assets	3	4
Net financial situation: (deficit) surplus	**(291)**	**(273)**
Effect of asset ceiling	-	-
Supplementary pensions	(1)	(1)
Foreign subsidiaries	(21)	(19)
Asset (provision) at end of period	**(313)**	**(293)**
B. Reconciliation of provision recognised for accounting purposes		
Asset (provision) at start of period	(273)	(290)
Charge for period recognised for accounting purposes	(21)	(20)
Gain (loss) recognised in other comprehensive income	(13)	20
Employer contributions	-	-
Benefits paid directly by the company	16	17
Acquisitions	-	-
Transfers	-	-
Supplementary pensions	(1)	(1)
Foreign subsidiaries	(21)	(19)
Asset (provision) at end of period	**(313)**	**(293)**

9.3.3 Reconciliation of obligation and plan assets

	December 31st 2016	December 31st 2015
A. Reconciliation of defined benefit obligation		
Obligation at start of period	277	294
Current service cost	16	17
Net interest on provision	5	4
Employee contributions	-	-
Actuarial losses (gains) – experience adjustment	(3)	(5)
Actuarial losses (gains) – demographic assumptions	-	1
Actuarial losses (gains) – financial assumptions	16	(16)
Benefits paid by active participants	(1)	-
Benefits paid by the company	(16)	(17)
Plan amendments	-	-
Plan curtailments	-	(1)
Acquisitions	-	-
Disposals	-	-
Liquidations	-	-
Indemnities on termination of employment contracts	-	-
Obligation at end of period	**294**	**277**
B. Reconciliation of plan assets		
Fair value of assets at start of period	4	5
Net interest on plan assets	-	-
Higher (lower) return on plan assets than that based on discounting	-	-
Employer contributions	-	-
Employee contributions	-	-
Benefits paid	(1)	(1)
Acquisitions	-	-
Disposals	-	-
Liquidations	-	-
Fair value of assets at end of period	**3**	**4**

9.3.4 Additional information

A. Future benefits expected to be settled in the year ending December 31st 2017	**11**
B. Maturity profile of defined benefit obligation	
Benefit payments expected in the year ending December 31st 2018	7
Benefit payments expected in the year ending December 31st 2019	9
Benefit payments expected in the year ending December 31st 2020	15
Benefit payments expected in the year ending December 31st 2021	17
Benefit payments expected from 2021 to 2025	115

9.3.5 Sensitivity analysis

A 0.5 percentage point decrease in the discount rate would lead to a 5.95% 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 rates that are 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.

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.

10.1 Current and deferred tax assets and liabilities

Taxes reported in the income statement and in the comprehensive income statement comprise both current and deferred taxes.

	December 31st 2016	December 31st 2015
Current taxes		
Reported as assets	174	137
Reported as liabilities	144	106
Net asset	**30**	**31**
Deferred taxes		
Reported as assets	274	292
Reported as liabilities	984	1,159
Net liability	**710**	**867**

10.2 Analysis of deferred tax assets and liabilities

	December 31st 2016	December 31st 2015
Assets arising from:		
– Retirement indemnities	74	53
– Timing differences	119	73
– Valuation differences	-	-
– Tax losses	59	105
– Financial instruments at fair value	131	189
– Restatement of concession and public-private partnership agreements	127	131
– Other	-	-
– Deferred tax assets and liabilities netted off within same tax entities	(236)	(259)
Deferred tax assets	**274**	**292**
Liabilities arising from:		
– Timing differences	201	188
– Valuation differences	1 012	1 223
– Financial instruments at fair value	-	-
– Finance leases	7	7
– Deferred tax assets and liabilities netted off within same tax entities	(236)	(259)
Deferred tax liabilities	**984**	**1,159**

10.3 Income tax charge

	December 31st 2016	December 31st 2015
Current tax	(378)	(211)
Deferred tax	211	(9)
Total	**(167)**	**(220)**

10.4 Deferred tax relating to items recognised directly to equity

	2016	2015
Assets[1]	(3)	(17)
Liabilities[1]	(50)	51

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 2016	December 31st 2015
Net profit for the year	777	458
Income tax	167	220
Share of profit (loss) of associates	2	5
Profit before tax	**946**	**683**
Tax rate applicable to the parent company (domestic income tax rate)	34.43%	38.0%
Tax on the profit before tax as determined above	326	259
Permanent differences	(14)	(38)
Effect of different tax rates applicable to subsidiaries operating in other countries	(2)	(1)
Income taxed at lower rates	(8)	-
Effect of change in future tax rates on non-current deferred tax items	(135)	-
Income tax as reported	**167**	**220**

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 2016	December 31st 2015
Unrecognised tax losses	128	80

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 2016 Receivable (payable)	Amount recognised in profit or loss Income (charge)
Financial transactions			
Adelac	Loan	82	5
Bagnolet Promotion	Current account	(13)	-
Clow	Current account	2	-
Normalux	Current account	(3)	-
Rueil Albert 1er	Current account	(4)	-
Saint-Mandé Commandant Mouchotte	Current account	2	-
Société Prado Sud	Loan	9	
Commercial transactions			
Adelac	Sundry services	(5)	6
Axxès	Heavy goods vehicle tolls	27	(1)
Bagnolet Promotion	Sundry services	1	3
Rueil Albert 1er	Sundry services	1	2
Saint-Mandé Commandant Mouchotte	Sundry services	4	8

Remuneration of management bodies*

The remuneration of management bodies (i.e., the Chairman and Chief Executive Officer and the other members of the Board of Directors) 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	2016	2015
Remuneration	1,608	1,688
Benefits in kind	3	2
Employer's social security contributions	415	435
Share-based payments	517	505
Board fees	796	784
Indemnities on termination of employment contracts	-	-
Other long-term benefits	-	-
Total	**3,339**	**3,414**

* The Chairman and Chief Executive Officer and the other members of the Board of Directors.

Other related parties

BPI France, which owned 5.7% of the capital of Eiffage SA at December 31st 2016, is a subsidiary of Caisse des Dépôts and BPI Groupe.

BPI France is also a shareholder of many other French companies.

Group companies are likely to have commercial relations with companies in which BPI France or its shareholders are stakeholders.

Furthermore, Caisse des Dépôts 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.

In thousands of euros	TOTAL			
	Amount (excluding VAT)		%	
	2016	2015	2016	2015
Statutory audit, certification, review of company and consolidated financial statements[1]				
Issuer	170	170	2.6%	2.7%
Fully consolidated subsidiaries	5,795	5,547	87.1%	88.3%
Other reviews and services directly linked to the statutory audit assignment[2]				
Issuer	-	20	-	0.3%
Fully consolidated subsidiaries	193	56	2.9%	0.9%
Sub-total	**6,158**	**5,793**	**92.6%**	**92.2%**
Other services provided by the networks[3]				
Issuer	96	81	1.4%	-
Fully consolidated subsidiaries	396	410	6.0%	6.5%
Sub-total	**492**	**491**	**7.4%**	**7.8%**
Total	**6,650**	**6,284**	**100.0%**	**100.0%**

In thousands of euros	KPMG Audit IS			
	Amount (excluding VAT)		%	
	2016	2015	2016	2015
Statutory audit, certification, review of company and consolidated financial statements[1]				
Issuer	85	85	2.5%	2.5%
Fully consolidated subsidiaries	2,941	2,820	85.4%	84.2%
Other reviews and services directly linked to the statutory audit assignment[2]				
Issuer	-	10	-	-
Fully consolidated subsidiaries	74	27	2.1%	0.8%
Sub-total	**3,100**	**2,942**	**90.0%**	**87.8%**
Other services provided by the networks[3]				
Issuer	96	81	2.8%	-
Fully consolidated subsidiaries	247	326	7.2%	9.7%
Sub-total	**343**	**407**	**10.0%**	**12.2%**
Total	**3,443**	**3,349**	**100.0%**	**100.0%**

In thousands of euros	PricewaterhouseCoopers Audit			
	Amount (excluding VAT)		%	
	2016	2015	2016	2015
Statutory audit, certification, review of company and consolidated financial statements[1]				
Issuer	85	85	2.7%	2.9%
Fully consolidated subsidiaries	2,854	2,727	89.0%	92.9%
Other reviews and services directly linked to the statutory audit assignment[2]				
Issuer	-	10	-	-
Fully consolidated subsidiaries	119	29	3.7%	1.0%
Sub-total	**3,058**	**2,851**	**95.4%**	**97.1%**
Other services provided by the networks[3]				
Issuer	-	0	-	-
Fully consolidated subsidiaries	149	84	4.6%	2.9%
Sub-total	**149**	**84**	**4.6%**	**2.9%**
Total	**3,207**	**2,935**	**100.0%**	**100.0%**

1 - This 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 - This includes due diligence and directly related services performed for Eiffage or its subsidiaries by the Statutory Auditor (in compliance with the provisions of Article 10 of the French Code of Professional Conduct) or by a member of the network (in compliance with the provisions of Articles 23 and 24 of the French Code of Professional Conduct).
3 - This includes services other than auditing rendered in compliance with the provisions of Article 24 of the French Code of Professional Conduct by a member of the network to subsidiaries of Eiffage whose financial statements are certified.

13. Financial commitments

Commitments given

	December 31st 2016	December 31st 2015
Off-balance sheet commitments linked to investing activities		
With partnerships (SNC), non-trading real estate investment companies (SCI) and economic interest groupings (GIE)	84	132
Commitments to purchase participating interests	-	-
Off-balance sheet commitments linked to financing activities		
Securities pledged in connection with credit transactions	50	42
Other commitments given in connection with credit transactions	-	1
Off-balance sheet commitments linked to operating activities		
Future payments in respect of long-term rental agreements		
Up to 1 year	8	17
1 to 5 years	9	12
Over 5 years	-	-
Future payments in respect of commercial property leases		
Up to 1 year	51	54
1 to 5 years	148	142
Over 5 years	91	139
Guarantees, sureties and pledges given in connection with contracts	4,012	3,522
Commitments given to employees	-	-
Other commitments given in connection with operating activities	554	622
Total commitments given	**5,007**	**4,683**

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 2016	December 31st 2015
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	506	426
Other commitments received in connection with operating activities	205	231
Total commitments received	**3,511**	**3,457**

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 PPP 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

Main consolidated companies at December 31st 2016.

Companies mentioned below are consolidated under the full method unless indicated otherwise.

Eiffage and its subsidiaries	**100.0%**
Adelac*	24.0%
A'Liénor	65.0%
Alliance Connectic	81.0%
Armaneo	100.0%
Armor Connectic	81.0%
Capaix Connectic	81.0%
Cologen	100.0%
Dervaux Participations 11	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%
Eifficol 1	100.0%
Eifficol 3	100.0%
Eiffigreen	100.0%
Eiffinov	100.0%
Eiffly54	100.0%
Elisa	100.0%
Elisa Gestion	100.0%
Faber Bau GmbH	100.0%
Faber Infra Bau Gmbh	100.0%
Financière Laborde	100.0%
Laborde Gestion	100.0%
Melaudix	100.0%
Melotech	100.0%
NAT Neuberger Anlagen-Technik AG	100.0%
NPBS	100.0%
Opere	100.0%
Schwarz & Grantz 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%
Soprano	100.0%

Verdun Participation 1 and its subsidiaries	**51.0%**
Verdun Participation 2	51.0%
Compagnie Eiffage du Viaduc de Millau	51.0%

Financière Eiffarie and its subsidiaries	**50.0%**
Eiffarie	50.0%
Autoroutes Paris Rhin Rhône	50.0%
Autoroutes Rhône Alpes	49.9%
Area Participation	50.0%
Adelac*	24.9%
Axxès*	17.0%

Eiffage Construction and its construction subsidiaries	**100.0%**
Antwerpse Bouwwerken	100.0%
Cecom Center SA	100.0%
Chris Vuylsteke Aanemingen	100.0%
Chris Vuylsteke Groep	100.0%
Combined Marine Terminal Operations Worldwide*	25.0%
De Graeve Entreprises Générales	100.0%
Eiffage Bénélux	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 Champagne-Ardenne	100.0%
Eiffage Construction Confluences	100.0%

Eiffage Construction Côte d'Azur	100.0%
Eiffage Construction Equipements	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 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 Nord	100.0%
Eiffage Construction Nord Aquitaine	100.0%
Eiffage Construction Pays de la 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%
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 Grésillions	80.0%
Bagnolet Promotion*	50.0%
Eiffage Aménagement	100.0%
Hotel Dieu	80.0%
Jdml	100.0%
Paris Albert*	50.0%
Rueil Albert 1er*	40.0%
Saint Mandé Commandant Mouchotte*	50.0%
Eiffage Development and its subsidiaries	100.0%
Seop and its subsidiaries	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%
Clere	100.0%
Contratas y Aglomerados Las Cabezuelas	100.0%
Dle Ouest	100.0%
Dle Outre-Mer	100.0%
Durance Granulats*	47.0%
Eiffage Fondations	100.0%
Eiffage Génie Civil	100.0%
Eiffage Génie Civil Antilles	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 IdF 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%
Lemants VN	87.0%
Innovative Civil Constructors Inc	70.0%
Lonete	87.0%
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%
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%
Collignon Eng	100.0%
Defor	100.0%
Eiffage Energía	100.0%
Eiffage Energía 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 la Loire	100.0%
Eiffage Énergie Centre de la Loire	100.0%
Eiffage Énergie Ferroviaire	100.0%
Eiffage Énergie Gestion & Développement	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 Réseaux	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 Sud Est	100.0%
Eiffage Énergie Tertiaire Nord	100.0%
Eiffage Énergie Thermie Centre Est	100.0%
Eiffage Énergie Thermie Île-de-France	100.0%
Eiffage Énergie Thermie Nord	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 Val de Loire	100.0%
Eiffel Industrie	100.0%
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	77.5%
Inelbo	100.0%
JJ Tome	55.8%
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 interests 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 2016)

To the Shareholders,

In fulfilment of the assignment entrusted to us by your shareholders' general meeting, we hereby present our report for the year ended December 31st 2016 on:

- the audit of the accompanying consolidated financial statements of Eiffage, as attached to this report;
- the basis for our opinion;
- the specific verifications required by law.

The consolidated financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these financial statements.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with auditing standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a sample basis or *via* other means of selection, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the information we have obtained provides an adequate and reasonable basis for our opinion.

In our opinion, and in light of International Financial Reporting Standards (IFRS) as adopted by the European Union, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities at December 31st 2016, and of the results of operations of the entities included in the consolidation for the year then ended.

2. Basis for our opinion

Pursuant to the provisions of Article L.823-9 of the French Commercial Code requiring that we indicate the basis for our opinion, we draw your attention to the following elements:

Notes 5, 6 and 9 to the consolidated financial statements set out the accounting principles applied by the Group, notably as regards construction contracts, public service concession arrangements and current provisions:

- when assessing the accounting principles used by the Group, we ensured that the percentage of completion method used to account for revenue and profit from contracting activities as described in Note 5.1.2 had been applied properly and consistently;
- notes 6.1 and 9.1 to the consolidated financial statements describe the accounting methods applied by the Group to its concessions activity. When assessing the accounting policies used by the Group, we ensured that these accounting methods and the information disclosed in the notes to the consolidated financial statements were appropriate and we checked that these methods were applied properly;
- based on the information available to us on the date of this report, our assessment of current provisions detailed in Note 9.1 to the consolidated financial statements was based on an analysis of the risk identification and quantification procedures implemented by the Group for the risks relating to the main provisions that have been set aside. As part of our work, we determined that management's estimates were reasonable.

Furthermore, the Group systematically carries out goodwill impairment tests at the end of each financial year using the methods described in Note 6.2 to the consolidated financial statements. In the context of the current economic and financial environment such as described in Notes 2.1 and 6.2 to the consolidated financial statements, we examined the conditions under which impairment tests were performed as well as the assumptions used, and verified that the information provided in Note 6.2 was appropriate.

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

3. Specific verifications

We also verified, in accordance with auditing standards applicable in France and pursuant to French law, the information on the Group contained in the Directors' Report for the parent company.

We have no comment to make as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 28th 2017

PricewaterhouseCoopers Audit Gérard Morin Partner	KPMG Audit IS Baudouin Griton Partner

Company financial statements

Balance sheet

Assets

In thousands of euros	Notes	2016 Gross	2016 Amortisation, depreciation and provisions	2016 Net	2015
Non-current assets	2	1,505	1,295	210	230
Participating interests	3	3,495,534	30,246	3,465,288	3,418,333
Other investments	3, 4, 11	625,036	49,858	575,178	880,603
Total non-current assets		**4,122,075**	**81,399**	**4,040,676**	**4,299,166**
Trade debtors	4, 11	18,569	-	18,569	5,205
Other debtors	4, 11	735,250	83	735,167	672,514
Current assets other than cash and cash equivalents		**753,819**	**83**	**753,736**	**677,719**
Marketable securities	5	1,281,133	-	1,281,133	1,275,463
Cash at bank and in hand	5	516,982	-	516,982	331,183
Cash and cash equivalents		**1,798,115**	**-**	**1,798,115**	**1,606,646**
Prepayments and accrued income		2,990	-	2,990	3,628
Total assets		**6,676,999**	**81,482**	**6,595,517**	**6,587,159**

Liabilities and shareholders' equity

In thousands of euros	Notes	2016	2015
Share capital	6	392,329	381,736
Share premium account		565,434	445,467
Revaluation reserve		3,415	3,415
Reserves		39,309	38,044
Retained earnings		3,386,345	3,207,803
Net profit for the year		148,233	321,755
Regulated provisions		1,446	1,446
Capital and reserves	7	**4,536,511**	**4,399,666**
Provisions for liabilities and charges	8	**47,560**	**55,490**
Loans and other borrowings	9, 10	961,723	936,317
Trade creditors	9, 10	13,413	18,412
Other creditors	9, 10	1,036,272	1,176,680
Debts		**2,011,408**	**2,131,409**
Bank overdrafts and credit balances	9, 10	**8**	**594**
Accruals and deferred income		30	-
Total liabilities and shareholders' equity		**6,595,517**	**6,587,159**

Income statement

In thousands of euros	Notes	2016	2015
Operating income			
Sales of goods and services		9,468	8,676
Other income		392	656
Provisions reversed		6,800	396
Total operating income		**16,660**	**9,728**
Operating charges			
External charges		(26,123)	(26,845)
Taxes (other than income tax)		(464)	(1,101)
Staff costs		(2,223)	(2,581)
Depreciation and provisions		(12,202)	(3,702)
Total operating charges		**(41,012)**	**(34,229)**
Share of profit (loss) of joint ventures		**22**	**(9)**
Operating profit		**(24,330)**	**(24,510)**
Income from participating interests		136,433	181,961
Net interest payable and similar charges		36,208	39,001
Provisions		(69,075)	(13,307)
Net financial income	14	**103,566**	**207,655**
Profit on ordinary activities		**79,236**	**183,145**
Profit (loss) on the disposal of non-current assets		26,582	67,175
Other exceptional income and charges		(4,046)	(188)
Provisions		5,500	(5,300)
Exceptional income (charges)	15	**28,036**	**61,687**
Income tax credit	16	40,961	76,923
Net profit		**148,233**	**321,755**

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 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 Depreciation

	At January 1st	Provisions	Decrease	At December 31st
Buildings	1,215	13	-	1,228
Other property, plant and equipment	60	7	-	67
Total	**1,275**	**20**	**-**	**1,295**

3. Investments

3.1 Cost

	At January 1st	Additions	Diminutions	At December 31st
Participating interests	3,421,834	87,090	(13,390)	3,495,534
Treasury shares – liquidity contract	2,261	196,038	(196,400)	1,899
Other investments	878,741	60,251	(315,855)	623,137
Total	**4,302,836**	**343,379**	**(525,645)**	**4,120,570**

3.2 Provisions

	At January 1st	Increase	Decrease	At December 31st
Participating interests	3,500	26,746	-	30,246
Other investments	400	49,458	-	49,858
Total	**3,900**	**76,204**	**-**	**80,104**

Provisions recognised in 2016 include an amount of €25,718 thousand against the participating interest in TP Ferro Concesionaria and an amount of €49,122 thousand against the loan extended to this same company.

4. Amounts receivable

4.1 Analysis by maturity

	Net amount	Within one year	More than one year
Included under non-current assets[1]	545,874	-	545,874
Included under current assets[2]			
- Trade debtors	18,569	18,569	-
- Other debtors[3]	735,167	735,157	10
Total	**1,299,610**	**753,726**	**545,884**

1 - Of which €533,723 thousand concerns Group companies.
2 - Of which €120,228 thousand concerns Group companies.
3 - Of which €466,509 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	-	-	83
Total	**83**	**-**	**-**	**83**

5. Marketable securities

5.1 Held in portfolio

	Number of shares		
	At January 1st	At December 31st	Net book value
Treasury shares	4,641,088	5,091,709	284,537
Money market UCITS	-	-	996,596
Total	**4,641,088**	**5,091,709**	**1,281,133**

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 €350,100 thousand remunerated at market conditions.

6. Share capital

At December 31st 2016, the share capital consisted of 98,082,265 shares of €4 each.

	Number
Shares in issue at December 31st 2015	95,433,991
Capital increase reserved for employees	2,648,274
Shares in issue at December 31st 2016	**98,082,265**

7. Changes in shareholders' equity

	Capital	Share premium account	Revaluation reserve	Reserves	Retained earnings	Net profit for the year	Regulated provisions	Total
At December 31st 2015	381,736	445,467	3,415	38,044	3,207,803	321,755	1,446	4,399,666
Appropriation of 2015 net profit	-	-	-	1,265	320,490	(321,755)	-	-
Dividends paid	-	-	-	-	(141,948)	-	-	(141,948)
Capital increase	10,593	119,967	-	-	-	-	-	130,560
Capital reduction	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
2016 net profit	-	-	-	-	-	148,233	-	148,233
At December 31st 2016	**392,329**	**565,434**	**3,415**	**39,309**	**3,386,345**	**148,233**	**1,446**	**4,536,511**

8. Provisions for liabilities and charges

	At January 1st	Increase	Decrease: Corresponding to a charge in the year	Decrease: Not corresponding to a charge in the year	At Dec. 31st
Subsidiaries	23,530	7,000	-	14,330	16,200
Future charges on long-term contracts	13,000	-	-	-	13,000
Options on Eiffage shares and bonus shares	9,600	16,800	1,164	8,436	16,800
Fines	4,800	-	4,800	-	-
Restructuring	3,500	-	3,000	-	500
Tax	960	-	-	-	960
Abroad	100	-	-	-	100
Total	**55,490**	**23,800**	**8,964**	**22,766**	**47,560**

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	961,723	961,723	-
Total	**961,723**	**961,723**	**-**
Other creditors			
Amounts due to Group companies[1]	1,034,202	1,034,202	-
Miscellaneous debt	2,070	2,070	-
Total	**1,036,272**	**1,036,272**	**-**
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 2016, trade creditors totalled €13,413 thousand. They comprised amounts due to suppliers other than Group companies of €3,423 thousand, consisting nearly entirely of amounts payable 30 days from the date of issue of the invoice.

At December 31st 2016, there were no significant past due amounts.

10. Accruals are included under the following balance sheet headings for the amounts indicated

	At December 31st 2016	At December 31st 2015
Loans and other borrowings	64	321
Trade creditors	9,625	7,336
Other creditors	55	61
Bank overdrafts and credit balances	8	8
Total	**9,752**	**7,726**

11. Accrued income is included under the following balance sheet headings for the amounts indicated

	At December 31st 2016	At December 31st 2015
Other investments	19,735	14,780
Trade debtors	16,344	70
Other debtors	-	2,859
Cash and cash equivalents	207	303
Total	**36,286**	**18,012**

12. Treasury shares

At December 31st 2016, Eiffage held in treasury 5,120,485 of its own shares (equivalent to 5.22% of the capital) for a total amount of €286.4 million. Of these, 5,091,709 shares (€284.5 million) were earmarked for the stock option plans, the remaining 28,776 shares (€1.9 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 parties 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 2016	At December 31st 2015
Financial income:		
- Interest received from related undertakings	22,843	32,794
- Other financial income from related undertakings	16,123	-
- Other interest and financial income	5,462	5,769
- Net proceeds on the sale of marketable securities	4,501	10,529
Financial charges:		
- Interest paid to related undertakings	(3,232)	(2,817)
- Other interest and financial charges	(4,058)	(7,264)
- Net charge on the sale of marketable securities	(5,431)	(10)
Net financial income	**36,208**	**39,001**

15. Exceptional income and charges

Net exceptional income amounted to €28 million in 2016 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 245 subsidiaries in 2016. The €41 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 2016	At December 31st 2015
Guarantees and sureties	2,463,302	1,804,978
Non-trading real estate investment companies (SCI), partnerships (SNC) and economic interest groupings (GIE)	771,010	1,317,313
Other commitments given	2,050	2,050
Total	**3,236,362**	**3,124,341**

Commitments received	At December 31st 2016	At December 31st 2015
Confirmed credit lines not used at the year-end	1,000,000	1,000,000
Other commitments	367	363
Total	**1,000,367**	**1,000,363**

18. Average number of employees

Eiffage SA employed an average of one manager, in France, in 2016.

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 2016 totalled €1,608 thousand.

Board fees paid to directors totalled €796 thousand in 2016.

20. Statutory Auditors' feess

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	2012	2013	2014	2015	2016
1 - Share capital at December 31st (in thousands of euros)					
Share capital	348,649	357,755	369,086	381,736	392,329
Number of ordinary shares in issue	87,162,131	89,438,630	92,271,466	95,433,991	98,082,265
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	171,614	82,438	179,173	266,746	176,249
Income tax	34,768	54,275	56,433	76,923	40,961
Employee profit-sharing for the year ended	-	-	-	-	-
Profit after depreciation, provisions, employee profit-sharing and tax	177,994	118,570	285,791	321,755	148,233
Dividends	104,595	107,326	110,726	143,151	147,123
3 - Earnings per share (in euros)					
Profit after employee profit-sharing and tax, but before depreciation and provisions	2.37	1.53	2.55	3.60	2.21
Profit after depreciation, provisions, employee profit-sharing and tax	2.04	1.33	3.10	3.37	1.51
Dividend per share	1.20	1.20	1.20	1.50	1.50
4 - Employees					
Average number of employees during the year	2	1	1	1	1
Salaries and wages	1,848	1,375	1,611	1,718	1,636
Staff benefits (social security and other benefits)	683	444	976	863	586

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

Profit on ordinary activities	**2016**	**2015**
Profit on ordinary activities	79	183
Total (in millions of euros)	0.8	1.9
Per share (in euros)		
Profit before tax	**2016**	**2015**
Total (in millions of euros)	107	245
Per share (in euro)	1.1	2.6

Net profit	**2016**	**2015**
Total (in millions of euros)	148	322
Per share (in euros)	1,5	3,4

Subsidiaries and participating interests at December 31st 2016

A - Detailed information on subsidiaries and participating interests

	Capital	Reserves (including 2016 net profit)	% of capital held	Gross bookvalue of shares held	Net book value of shares held	Loans and advances granted and not yet repaid	Commit-ments given	Revenue excluding VAT in last financial year	Group share of net profit (loss) for the last financial year	Dividends paid to Eiffage during the financial year
1. Subsidiaries (more than 50% of the capital controlled by Eiffage SA)										
Eiffage Construction[1]	204,622	583,165	100.00	1,114,706	1,114,706	-	418,703	3,726,251	72,237	65,858
Eiffage Participations[1]	126,560	632,858	100.00	782,371	782,371	-	11,555	3,257,397	76,249	54,108
Eiffage Infrastructures[1]	282,202	616,084	100.00	780,570	780,570	-	4,700	4,248,603	(2,065)	-
Financière Eiffarie[1]	200,174	1,108,899	50.00	378,707	378,707	-	-	2,583,000	594,565	-
A'Liénor	275,632	(28,143)	65.00	179,161	179,161	74	1,048	56,199	8,822	-
Senac	30,571	286,830	100.00	30,571	30,571	-	-	28,248	6,713	-
Verdun Participations 1[1]	4,185	(219,733)	51.00	20,410	20,410	-	-	46,527	5,758	-
Eiffage GmbH[1]	16,214	2,937	100.00	19,317	19,317	34,563	-	239,316	6,934	5,467
Eiffage Rail Express	19,200	1,643,388	100.00	19,200	19,200	96,101	1,322,921	-	-	-
Eifaltis	13,636	(14)	100.00	13,636	13,636	47,901	-	1	-	-
Eiffage Services	390	2,971	100.00	6,300	6,300	-	-	29,624	2,923	1,533
2. Participating interests (between 10% and 50% of the capital controlled by Eiffage SA)										
Adelac	6,000	8,750	24,00	65,835	65,835	869	-	51,410	(16,075)	-
TP Ferro Concesionaria	51,435	141,752	50,00	25,718	-	49,122	1,510	8,355	3,104	-
Efi	53,317	27,856	23,73	19,420	19,420	-	-	38,277	1,040	607
Smtpc	17,804	40,994	32,92	16,221	16,221	-	-	41,011	14,136	3,651
Société Prado Sud	16,093	11,810	41,49	6,676	6,676	8,702	-	7,472	(5,821)	-

1 - Information provided on a consolidated basis.

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	3,308,427	49,909	110,573	26,625
Net	3,304,300	49,909	110,573	506
Loans and advances granted	603,288	34,577	11,750	51,194
Guarantees and sureties given	2,541,301	3,000	28,426	1,510
Dividends collected	126,373	5,467	4,436	157

Statutory Auditors' Report on the company financial statements

(Year ended December 31st 2016)

To the Shareholders,

In fulfilment of the assignment entrusted to us by your shareholders' general meeting, we hereby present our report for the year ended December 31st 2016 on:

- the audit of the accompanying company financial statements of Eiffage;
- the basis for our opinion;
- the specific verifications and information required by law.

The company financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these financial statements.

1. Opinion on the company financial statements

We conducted our audit in accordance with auditing standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the company financial statements are free of material misstatement. An audit includes examining, on a sample basis or *via* other means of selection, the evidence supporting the amounts and disclosures in the company financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the information we have obtained provides an adequate and reasonable basis for our opinion.

In our opinion, and in light of French generally accepted accounting principles, the company financial statements give a true and fair view of the company's financial position and its assets and liabilities at December 31st 2016, and of the results of its operations for the year then ended.

2. Basis for our opinion

Pursuant to the provisions of Article L. 823.9 of the French Commercial Code requiring that we indicate the basis for our opinion, we draw your attention to the following elements:

The accounting policies and methods applied by the company to participating interests are described, *inter alia*, in Note 1.2 to the financial statements. We checked that these methods were appropriate. We also assessed the methods used by the company to determine the carrying value of these participating interests, as described in the notes, taking into account the fluctuating economic environment, as described in the paragraph of Note 1.2 to the financial statements dealing with non-current financial assets, and based on the information available on the date of this report, and we checked on a sample basis that these methods had been applied properly.

This assessment was made as part of our audit of the company financial statements taken as a whole, and therefore contributed to determining the opinion expressed in the first part of this report.

3. Specific verifications and information

We also performed, in accordance with auditing standards applicable in France, the specific verifications required by French law.

We have no comment to make as to the truth, fairness and consistency with the company financial statements of the information given in the Directors' Report and in the documents sent to the shareholders concerning the company's financial position and the company financial statements.

Concerning the information disclosed pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the remuneration and benefits in kind paid to corporate officers and on the commitments made to them, we checked its consistency with the financial statements or with the data used in preparation of those financial statements and, where applicable, with the information obtained by the company from companies controlling it or controlled by it. On the basis of this work, we certify the accuracy, truth and fairness of such information.

As required by law, we verified that the Directors' Report contains the appropriate disclosures as to equity investments, the acquisition of controlling interests and the identity of the shareholders and holders of voting rights.

Paris La Défense, March 28th 2017

The Statutory Auditors

KPMG Audit IS
Baudouin Griton
Partner

Neuilly-sur-Seine, March 28th 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin
Partner

Statutory Auditors' special report on regulated agreements and commitments

(Financial year ended December 31th 2016)

To the shareholders,
Ladies and Gentlemen,

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 appropriateness, 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 for approval by the shareholders

As required by Article L. 225-40 of the French Commercial Code, we were informed of the following agreements and commitments that have been authorised by your Board of Directors.

Acquisition of Eiffage shares from Bpifrance

Pursuant to the eleventh resolution adopted by the shareholders at the general meeting of April 20th 2016 authorising the company to buy back shares as provided for under Article L. 225-209 of the French Commercial Code, on May 19th 2016 your company purchased 1,000,000 Eiffage shares from Bpifrance at €66.20 per share.

In view of the current coverage of stock option plans explained by Eiffage management and of the current and possible future needs, the Board of Directors authorised the agreement on May 19th 2016. This agreement concerns Bpifrance, which held more than 10% of the voting rights, Mr Marcel and Mr Gilet.

Shareholder Securities Account Pledge Agreement covering all the shares that Eiffage holds or will hold in Prado Sud

As the company that operates the concession for the Prado Sud Tunnel in Marseille transferred its account to another bank, Eiffage has entered into a Shareholder Securities Account Pledge Agreement covering all the shares that Eiffage holds or will hold in Prado Sud, which replaces the previous pledge agreement.

Your Board of Directors approved this agreement on December 14th 2016. It concerns Mr Benoît de Ruffray, Chairman and Chief Executive Officer of your company, and the legal representative of Eiffage, which in turn has a seat on Prado Sud's Supervisory Board.

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.

Paris La Défense, March 28th 2017

The Statutory Auditors

KPMG Audit IS
Baudouin Griton
Partner

Neuilly-sur-Seine, March 28th 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin
Partner

Report by the Chairman of the Board of Directors

On the preparation and organisation of the Board's work, internal control and risk management

This report was prepared by the Chairman in conjunction with Group general management and the Financial division (including Management Control), with contributions from other Group divisions and business lines. Information was obtained from the main relevant internal control and risk management managers. The section on corporate governance was prepared after consulting the relevant persons.

This report was submitted to the Audit Committee on February 20th 2017 and was then approved by the Eiffage Board of Directors on February 22nd 2017.

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 conditions for the preparation and organisation of the work performed by the Board of Directors and on the internal control procedures implemented within the Eiffage Group.

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 seven business lines: Eiffage Construction for construction and property development, Eiffage Infrastructures for roads, civil engineering and metallic construction, Eiffage Énergie for energy and Eiffage Concessions for motorway concessions and PPP.

2. Corporate governance – preparation and organisation of the Board of Directors' work

Corporate governance

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 recommendations are not applied:

AFEP-Medef Code recommendation not applied	Reason and/or corrective action
It is recommended that the lead director be independent (recommendation no. 6.3).	Jean-François 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.
It is recommended that a meeting not attended by the executive officers be organised each year (recommendation no. 10.3).	The date of publication of the updated 2016 version of the AFEP-Medef Code (November 2016) did not provide the company with sufficient time to implement this recommendation in 2016, but this will be done in 2017.

Information that may be relevant in the event of a public offering

This information is detailed in the chapter entitled "General Information".

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.

Composition of the Board of Directors

As at the date of this report the Board of Directors is composed of ten directors, seven of whom are independent directors and one of whom represents employee shareholders, together with the Chairman and Chief Executive Officer and the Vice-Chairman. The Board has four female members. This means 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.

Composition of the Board of Directors as at February 22nd 2017

	Position	Term of office ends	Independent director	Gender	Date of birth	Nationality
Benoît de Ruffray	Chairman and Chief Executive Officer	2019	No	Male	04/06/1966	French
Jean-François Roverato	Vice-Chairman, Senior Director	2020	No	Male	10/09/1944	French
Thérèse Cornil	Director	2017	Yes	Female	27/02/1943	French
Laurent Dupont	Director, representing employee shareholders	2019	No	Male	29/01/1965	French
Jean-Yves Gilet	Director	2017	Yes	Male	09/03/1956	French
Jean Guénard	Director	2020	Yes	Male	11/04/1947	French
Marie Lemarié	Director	2017	Yes	Female	04/01/1972	French
Dominique Marcel	Director	2017	Yes	Male	08/10/1955	French
Isabelle Salaün	Director	2019	Yes	Female	25/08/1961	French
Carol Xueref	Director	2017	Yes	Female	09/12/1955	British
Number	10		7	4		
Total			7/9, i.e., 77.8% independent directors (excluding directors representing employee shareholders)	4/10, i.e., 40% female members (including directors representing employee shareholders)		

The Board also has an advisory member (*censeur*), Bruno Flichy.

The table below summarises changes to the composition of the Board during the last financial year and up to the date of this report:

Members of the Board	Type of change	Entry into effect
Béatrice Brénéol	Resignation	August 31st 2016
Demetrio Ullastres	Resignation	August 31st 2016

The table below summarises changes to the individuals holding office as Chairman of the Board or as members of general management during the last financial year and up to the date of this report:

	January 1st to 17th 2016	From January 18th 2016
Benoît de Ruffray	Director	Chairman and Chief Executive Officer
Jean-François Roverato	Chairman	Vice-Chairman, Senior Director
Max Roche	Chief Executive Officer	Deputy Chief Executive Officer (not a corporate officer)

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 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 and internal control rules and recommendations;
- chairing meetings of the Board of Directors if the Chairman 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;
- contributing to the annual assessment of the functioning of the Board.

The Vice-Chairman and Senior Director may ask the Chairman 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 events and situations 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 2016.

The terms of office as members of the Board of Directors of Thérèse Cornil, Marie Lemarié, Carol Xueref, Dominique Marcel and Jean-Yves Gilet are due to expire at the date of this meeting.

Following the Board's vote on the proposal made by the Appointments and Compensation Committee, the shareholders will be asked to:

- renew the appointments of Thérèse Cornil, Marie Lemarié, Carol Xueref and Dominique Marcel;
- appoint Bruno Flichy, who is currently an advisory member of the Board and who previously served as an independent member of the Board between 2002 in 2015, as a non-independent director replacing Jean-Yves Gilet.

They will be appointed for a four-year term of office to expire in 2021, at the close of the ordinary general meeting called to vote on the financial statements for the previous financial year.

Following the general meeting, the Board of Directors will still have ten members: six independent directors (i.e., 66.66%), one non-independent director, one director representing the employee shareholders, the Chairman and Chief Executive Officer and the Vice-Chairman. The Board will still have four female Board members, in compliance with the applicable legal requirements.

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, Jean-Yves Gilet, 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 following table shows the situation of the independent directors with regard to the AFEP-Medef Code independence criteria applied by the company:

Independence criteria	Marie Lemarié	Thérèse Cornil	Carol Xueref	Isabelle Salaün	Jean-Yves Gilet	Dominique Marcel	Jean Guénard
The director is not and has not been in the past five years: • an employee or executive 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.	✔	✔	✔	✔	✔	✔	✔
The director is not an executive corporate officer of a company in which the company holds office as a director or in which an employee designated as an employee or an executive corporate officer of the company (currently or in the past five years) holds office as a director.	✔	✔	✔	✔	✔	✔	✔
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.	✔	✔	✔	✔	✔	✔	✔
The director does not have any close family ties with a corporate officer.	✔	✔	✔	✔	✔	✔	✔
The director has not been the company's Statutory Auditor during the past five years.	✔	✔	✔	✔	✔	✔	✔
The director has not been a member of the company's Board for more than twelve years (directors lose independent status after twelve years).	✔	✔	✔	✔	✔	✔	✔
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	Independent	Independent	Independent	Independent	Independent	Independent

To the best of the company's knowledge, the independent directors do not have any type of business relationship with the Group.

Preparation and organisation of the Board of Directors' work

Table showing attendance of directors at Board and committee meetings:

	Office	Independence	Board	Audit Committee		Appointments and Compensation Committee		Strategy and CSR Committee	
			Total number of meetings = 7	Total number of meetings = 4	Number of attendees (%)	Total number of meetings = 4	Number of attendees (%)	Total number of meetings = 5	Number of attendees (%)
Benoît de Ruffray	Chairman and CEO	No	7 (100%)					Member	5 (100%)
Jean-François Roverato	Vice-Chairman, Senior Director	No	6 (86%)					Member	5 (100%)
Thérèse Cornil	Director	Yes	7 (100%)			Chair	4 (100%)		
Laurent Dupont	Director, representing employee shareholders	No	7 (100%)	Member	4 (100%)	Member	Appointed on December 14th after the last meeting of the year		
Jean-Yves Gilet	Director	Yes	7 (100%)			Member	4 (100%)	Chair	5 (100%)
Jean Guénard	Director	Yes	7 (100%)			Member	Appointed on December 14th after the last meeting of the year	Member	5 (100%)
Marie Lemarié	Director	Yes	4 (57%)	Member	2 (50%)				
Dominique Marcel	Director	Yes	5 (71%)	Member	3 (75%)				
Isabelle Salaün	Director	Yes	7 (100%)	Chair	4 (100%)				
Carol Xueref	Director	Yes	7 (100%)			Member	4 (100%)	Membre	4 (80%)
Bruno Flichy	Advisory member	No	7 (100%)	Attends	4 (100%)			Présent	5 (100%)
Béatrice Brénéol*	Director, representing employee shareholders	No	6 (100%)			Member	3 (100%)		
Demetrio Ullastres*	Director	Yes	6 (100%)	Chair	2 (100%)	Member	3 (100%)		

* Béatrice Brénéol and Demetrio Ullastres resigned from the Board on August 31st 2016.

The Board met seven times in 2016.

Examples of the Board's work include:

1. Financial statements and everyday management:

- examination and approval of the annual consolidated and company financial statements as at December 31st 2015 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 20th 2016, approval of the agenda and resolutions to be put to the shareholders, and approval of the reports to be put to the general meeting;
- review of the work 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;
- approval of renewal of the powers granted to the Chairman and Chief Executive Officer concerning sureties, endorsements and guarantees, and approval of guarantees;
- approval of the renewal of the programme for the securitisation of trade receivables;
- approval of a number of contracting and concessions external growth transactions;
- regular review of the Group's activities, current developments, financial situation, plans and indebtedness.

2. Corporate governance and compensation:

- assessment of the independence of its members in line with the AFEP-Medef Code criteria;
- approval of modifications to its Internal Regulations in line with legal and regulatory changes;
- modification of the composition of the Audit Committee, the Appointments and Compensation Committee and the Strategy and CSR Committee;
- definition of Pierre Berger's variable compensation for the 2015 financial year;
- definition of Benoît de Ruffray's variable compensation criteria for the 2016, 2017 and 2018 financial years;
- definition of the timetable for Board and Board committee meetings in 2017.

3. Employee savings:

- definition of the subscription price for shares to be issued under the Group savings plan;
- review of the results of the 2016 employee shareholding programme;
- definition of the price and terms and conditions of a bonus share plan.

4. Additional work:

- review of Group strategy;
- review of changes to share capital and the share buyback programme;
- definition of the terms and conditions of the purchase of company shares from Bpifrance.

Two of the Board's meetings in 2016—in April and in December—were not held at head office. The December meeting was preceded by a site visit.

At its meeting on December 14th 2016, the Board carried out an assessment of its work, including an assessment of the effective contribution of each director to the Board's work.

An analysis of the 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 Board members are globally very satisfied or satisfied with the Board and its functioning, although they have suggested certain improvements:
  - strategy: they would like a more detailed annual review of strategic orientations;
  - CSR and innovation: they would also like a more detailed annual review of Group initiatives in this area;
  - directors' liability: they would like more information and perhaps training on this topic.

At its meeting of April 15th 2015, the Board of Directors appointed Bruno Flichy as an advisory member of the Board *(censeur)* for a four-year term of office to expire at the close of the general meeting called to vote on the financial statements for the previous financial year that is held in the year in which his term of office expires. The advisory Board member is invited to all Board meetings, which he attends in an advisory capacity only. He may also attend Board committee meetings. He has the same right to information and documents as the directors, and is bound by the same confidentiality obligation. The advisory Board member is tasked with monitoring compliance with the Memorandum and Articles of Association, the laws and the regulations, and is free to express opinions and give advice as he sees fit.

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 December 14th 2016. 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 and 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.

With regard to the management of conflict of interest situations, the Board 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 he/she 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/she must either:
  - refrain from voting on any related matters;
  - not attend meetings of the Board of Directors for so long as he/she is in a conflict of interest situation;
  - resign from his/her office as a director.

The director may be found liable if he/she 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 that he/she 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 this non-disclosure.

General management

The functions of Chairman and Chief Executive Officer were once again separated between October 26th 2015 and January 17th 2016, pursuant to decisions of the Board of Directors dated October 26th 2015 and December 9th 2015, following Pierre Berger's sudden death, thus re-establishing the method of general management existing before the transitional period during which the succession of the former Chairman and Chief Executive Officer was organised and the two functions were temporarily separated.

In line with the situation that existed before Pierre Berger's death, the Board decided at its meeting on December 9th 2015 to once again combine the functions of Chairman and Chief Executive Officer with effect from January 18th 2016, on which date Benoît de Ruffray took up office. The reasoning behind this decision is the simplification of Group operational management following Benoît 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. During the temporary separation of functions, the office of Senior Director was suspended and was then reinstated on January 18th 2016. Mr Roverato is the Senior Director.

The internal regulations provide that certain decisions require prior authorisation, as explained above.

Board committees
On December 17th 1997, the Board of Directors set up two specialist committees to prepare the resolutions put to the Board, express opinions and make recommendations. Each committee chairperson reports on its work, findings and recommendations to the Board.

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.

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 applicants and makes proposals to the Board of Directors regarding the reappointment or appointment of Board members, in particular concerning the choice of independent directors and their independent status.

The members of the Appointments and Compensation Committee are:

- Thérèse Cornil (Chairperson, independent);
- Jean Guénard (independent);
- Laurent Dupont (director representing employee shareholders);
- Carol Xueref (independent);
- Jean-Yves Gilet (independent).

All the members of the Committee are therefore independent, as recommended by the AFEP-Medef Code, given that Laurent Dupont is not included in the calculation because he is a director representing the employee shareholders.

The Committee met four times in 2016. At these meetings it reviewed compensation (including performance conditions associated with the allotment of bonus shares to the executive corporate officer), applications by candidates for seats on the Board of Directors and senior management positions within the Group, and the independence of directors and candidates for directors in light of the criteria laid down in the AFEP-Medef Code on corporate governance.

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 independently of management at least once a year.

It oversees the procedure for selecting and reappointing the Statutory Auditors, and makes recommendations regarding their appointment and reappointment.

It ratifies the provision by the Statutory Auditors of services other than the statutory auditing of the financial statements, after the Board has agreed to this 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 the management chart used to monitor implementation of said department's recommendations.

The Committee is composed of four 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 *(see comment under "Corporate Governance" above)*.

The members of the Audit Committee as at December 31st 2016 were:

- Isabelle Salaün (Chairperson, independent);
- Laurent Dupont (director representing employee shareholders);
- Marie Lemarié (independent);
- Dominique Marcel (independent).

Bruno Flichy, an advisory Board member, also attends Audit Committee meetings.

The Audit Committee complies with the recommendation concerning the proportion of independent members sitting on the committee, as all of its members are independent directors, given that Laurent Dupont is not included in the calculation because he is a director representing the employee shareholders.

The Audit Committee met four times in 2016. 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 and audit departments also attended.

The Audit Committee also specifically reviewed the following issues:

1. Financial statements:

- modifications to the accounting principles and methods used in 2015, and new standards introduced in 2016;
- the presentations by the Statutory Auditors explaining the main findings of the statutory audit and the accounting options selected.

2. Commitments:

- the Group's real property commitments;
- the budget for the BPL project;
- the consequences of the TP Ferro situation;
- refinancing and hedging transactions;
- a review of provisions in excess of €1 million and major disputes;
- compliance with financial covenants;
- reorganisation of the accounting front and back offices.

3. Financial communication:

- the 2017 financial communication calendar;
- the Group's financial communication materials.

4. Regulatory watch:

- consequences of the audit reform;
- validation of the Statutory Auditors' duties other than the statutory auditing of the financial statements;
- legal and regulatory changes.

5. Risk management:

- review of Internal Audit actions, 2016 results and 2017 programme;
- risk management, with Internal Control and the Risks Committee;
- the effectiveness of the New Business Risks Committee;
- on-going initiatives to prevent fraud, training on good practices.

The Committee may also retain the services of independent auditors.

On September 8th 2004, the Board of Directors set up a Strategy Committee. This was renamed the Strategy and CSR Committee by the Board of Directors on February 22nd 2017.

The Strategy and CSR Committee has responsibility for examining projects involving major acquisitions, investments and divestments. This Committee is also consulted about major restructuring measures within the Group. Finally, it examines the management accounts prepared periodically by the Group as well as budgets and forecasts. This Committee is composed of five members, three of whom are independent directors. The chairperson reports to the Board on the Committee's work, findings and recommendations.

The members of the Strategy and CSR Committee in 2016 were:

- Benoît de Ruffray;
- Jean-François Roverato;
- Jean-Yves Gilet (Chairperson, independent);
- Jean Guénard (independent);
- Carol Xueref (independent).

Bruno Flichy, an advisory Board member, also attends Strategy and CSR Committee meetings.

The Committee met five times in 2016, and more specifically considered the following topics:

- the 2016 draft budget;
- merger and acquisition plans;
- the Group's strategic plan;
- the Group's sustainable development strategy;
- the Group's strategy concerning Grand Paris projects.

3. Principles and criteria relating to compensation paid to corporate officers in respect of 2016

At the general meeting of April 17th 2013, the shareholders set the annual amount of board fees at €900,000. Board fees are paid on a *pro rata* basis to reflect attendance; further details can be found in the chapter on Corporate Governance.

The principles and rules governing the compensation paid to the executive officers, and the board fees paid to the members of the Board of Directors in respect of 2016 are detailed in the Corporate Governance chapter of the reference document filed with the AMF, of which this report forms a part. In 2016, Benoît de Ruffray was awarded 15,000 bonus shares subject to performance conditions; he does not benefit from a supplementary pension plan.

Note that with regard to stock options and bonus shares, the currently valid authorisations place a specific cap on awards to executive officers and prohibit use of hedging techniques, in line with the most recent recommendations set out in the AFEP-Medef Code.

The components of the compensation due or awarded to Benoît de Ruffray, Chairman and Chief Executive Officer from January 18th 2016, for the financial year ended December 31st 2016, as presented in the report by the Board of Directors on the resolutions put to the general meeting, will be put to the shareholders for their opinion at the ordinary and extraordinary general meeting of April 19th 2017, 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.

At Benoît de Ruffray's request, and in anticipation of the legislation that will apply at the 2018 general meeting, his variable compensation for 2016 will only be paid if the shareholders vote in favour thereof at the ordinary and extraordinary general meeting of April 19th 2017.

The shareholders will also be asked to approve the principles and criteria applied to determine Benoît de Ruffray's compensation as Chairman and Chief Executive Officer in 2017, at the ordinary and extraordinary general meeting of April 19th 2017.

The components of the compensation awarded to Jean-François Roverato, Chairman of the Board of Directors, and Max Roche, Chief Executive Officer from January 1st to 17th 2016, will also be put to the shareholders for their opinion at the ordinary and extraordinary general meeting of April 19th 2017.

4. 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.

4.1 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 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.

4.2 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 do provide a reasonable assurance that this will be the case.

4.3 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.

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;
- appraising the implementation of action plans following internal audits;
- carrying out first-level controls to ensure compliance with procedures;
- taking part in the regular updating of internal control and risk management tools.

Divisional internal controllers work in coordination with correspondents within the regions and/or subsidiaries, and present a consolidated quarterly report on progress with regard to the action plans to the 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.

5. 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.

5.1 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, it is involved in all the validation stages, 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.

5.2 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.

5.3 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;
- 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 weak points 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.

5.4 Internal Audit department

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 end of 2016, the Internal Audit and Risks department's accreditation with IFACI Certification, a member of the Institute of Internal Auditors (IA), was renewed.

5.5 Group employees

Each employee is accountable for his/her actions.

This principle can be found in the Eiffage Charter of Values and Objectives (*Charte des valeurs et finalités*), a code of conduct distributed at all levels of the Group. It is on permanent display on Group sites and is available on the Group intranet, so that it can be consulted by all employees.

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, with the assistance of the internal controllers.

6. Internal control procedures

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

- preparing, distributing and explaining to correspondents in French and foreign regions and subsidiaries (or entities) 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 managers;
- organising regular meetings with correspondents in the regions and subsidiaries (or entities) to discuss problems in interpreting 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 eight main areas:

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

6.1 Management rules

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

a. Forecasts and performance reports must come from the field;
b. The 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 reports 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. The 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.

While essential information must be passed up through all levels of the organisation, other information can be sent to a particular person or department directly but must be allowed to circulate freely.

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 CEO 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.

6.2 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.

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); the divisions' central procurement departments monitor spending in relation to these budgets.

In 2016, the rules governing contracts with motorway concession companies were reformed following the entry into force of law no. 2015-990 of August 6th 2015.

Since May 5th 2016, any works contract with a value that is greater than either of the maximum limits stipulated below that does not benefit from any of the derogations allowed by the regulations is subject to the regulated procedure defined in the French Public Highways Code (Code de la voirie routière) (Articles L. 122-22 et seq. and R. 122-28 et seq.):

- contracts for works: €500,000, excluding VAT (previously €1,000,000);
- contracts for services: €240,000, excluding VAT.

Such contracts (and amendments thereto, when certain maximum limits are exceeded) must be submitted to the motorway concession company's contract award commission. The commissions are also responsible for defining internal regulations for negotiating and performing contracts.

The regulatory authority for railways and roads (Autorité de régulation des activités ferroviaires et routières – ARAFER) is now responsible for ensuring the existence of effective and fair competition when contracts are negotiated.

In 2016, the APRR and AREA contract award commissions examined 44 referrals, which can be broken down as follows:

Number of referrals	APRR	AREA	Total
Contracts for services	5	4	9
Works contracts	31	4	35
Total	**36**	**8**	**44**

Number of referrals	APRR	AREA	Total
Limited tender procedure	29	6	35
Open procedure	5	1	6
Competitive dialogue	1	1	2
Negotiated procedure (Decree of May 30th 2005)	1	0	1
Amendments	0	0	0
Total	**36**	**8**	**44**

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 the national contract award commission.

Insurance
The Group has adopted a policy of insurance cover that takes into account the size and development of the business lines in order to increase the level of cover per claim and ensure all its activities are insured.

Certain high-frequency, low-intensity risks are self-insured (vehicle insurance policies) or subject to appropriate excess levels, while higher intensity risks are covered by large insurance policies (civil liability).

Divisions with specific insurance obligations (constructor's ten-year liability) are monitored by each division's legal department. The Group's Head of Insurance ensures overall consistency throughout the Group.

6.3 Warning systems

Whistle blowing
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 system enables Eiffage Group employees to report compliance and ethics-related problems (unfair competition, corruption or abuse of trust) on a confidential basis.

No problems were reported in 2016.

Management chart
In addition to any warning systems that may be introduced at Group entities to meet specific requirements, the main monitoring and warning 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 (Contrôle de Gestion et 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, and in particular the Bretagne-Pays de la Loire high-speed rail line;
- 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.

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 considers 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 company cash position is a key indicator of financial health. Accordingly, this is analysed at least once a month based on the various consolidated cash statements prepared at each level of the organisation.

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.

6.4 *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, Finance.

The *Handbook*, which is a useful reference tool for managers, 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 network, even when they are out of the office, as in 2016 it was published in digital format for tablets and smartphones.

6.5 Fraud prevention
Fraud-related issues are discussed at Audit Committee meetings and passed on to the Board of Directors if necessary.

Eiffage has developed a training module on the Group's good practices entitled "Essentiel Commerce et Éthiques" (Basics of Ethical Business Practices), offered by Eiffage University, which is more specifically designed for managers and supervisors whose tasks include sales and marketing or price studies.

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 warnings 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 Officers. 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 2016, Eiffage was the victim of a considerable number of attempts of fraud from outside the Group, including in particular so-called 'social engineering' fraud involving the theft of a company director's or senior executive's identity in order to obtain Eiffage's bank details from its customers, and false orders using Eiffage's name in an attempt to defraud Group suppliers.

A warning is now displayed on the Eiffage website with a link to the address surete@eiffage.com, which third parties can use if they have any suspicions.

6.6 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, performs follow-up audits to control and assess their consequences.

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.

6.7 Internal control self-assessment

Based on the inventory of existing procedures, the mapping of risks and an internal control analysis grid, the Group embarked on 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, 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, each division can also tailor the questionnaires to specific aspects of its business and its risk management procedures, it if so wishes.

433 questionnaires were sent out in 2016, with a 100% response rate.

6.8 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.

7. 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.

A description of the risks to which the Group is exposed can be found in the "Risk factors" chapter of the reference document.

7.1 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 and identify any changes to their criticality and management.

Group risks identified 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 2016.

Detailed risk mapping is carried out at division level; the Internal Audit and Risks department uses this as a basis to conduct its assignments.

7.2 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. It met 97 times in 2016.

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.

The same authorisation procedure is applied to commitments in respect of service concessions, PPP and acquisitions.

8. Low carbon strategy

8.1 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.

The Group is aware of the risk of fluctuating costs associated with the purchase of carbon-based materials and energy resources, and also of customers' changing perception regarding their own exposure to climate risk. The recurrent demand for buildings and city developments with a low carbon design and low carbon operation testifies to a radical and permanent change in the Group's traditional markets.

Internally, since the publication of its first greenhouse gas emissions assessment, Eiffage has implemented a number of action plans, with the priority ambition of optimising energy consumption by its industrial divisions (controlling loss of heat, reducing GHG emissions at aggregate coating units, etc.). Moreover, at COP21 in 2015 the Group also officially reconfirmed its objective to reduce GHG emissions by 5% by 2018. New actions were defined in 2016 to improve management of GHG emissions by the Group's vehicle fleets (construction machinery and company cars) while continuing to invest in order to improve industrial operations and buildings.

The Group continues to develop its low carbon offer to accompany the emergence of sustainable, low emission cities and infrastructures. This remains a priority for the Group's Innovation and R&D divisions, which are pursuing the work achieved by its Phosphore laboratory since 2007. The Eiffage 2020 strategic plan, drawn up in 2016, gives further impetus to this project by tasking the Sustainable Development division with the coordination of cross-functional innovation and allocating internal financial resources to the roll-out of the Group's low carbon offer.

For example, the E-FACE fund, which was created in 2016 and receives €2 million each year, will finance the cost differential between a traditional solution and an alternative, low-carbon solution for all the Group's eligible commercial projects from 2017. This fund constitutes an important source of financing for Group efforts to reduce the carbon footprint of its projects. Other benefits include the detailed identification of low carbon materials, products and processes that can easily replace carbon solutions, and the monitoring of carbon levels in purchases for accounting purposes.

This 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 2015, which saved 14,000 tons 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.

Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce) on the report by the Chairman of the Board of Directors of Eiffage

(Financial year ended 31st December 2016)

To the Shareholders,

As the Statutory Auditors of Eiffage and as required by Article L. 225-235 of the French Commercial Code (Code de commerce), we present to you our report on the report prepared by the Chairman of your company for the financial year ended December 31th 2016, in accordance with the requirements of Article L. 225-37 of the French Commercial Code.

The Chairman must prepare and submit for approval by the Board of Directors a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article L. 225-37 of the French Commercial Code relating in particular to the corporate governance system.

It is our duty to:
- inform you of any observations we may have on the information in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information;
- certify that this report contains the other information required by Article L. 225-37 of the French Commercial Code, bearing in mind that we are not required to verify the truth and fairness of this other information.

We performed our work in compliance with auditing standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

Auditing standards require that we perform such procedures as will establish the truth and fairness of the information in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures consist notably in:
- reviewing the internal control and risk management procedures relating to the preparation and processing of accounting and financial information underpinning the information disclosed in the Chairman's report, and the existing documentation;
- reviewing the work undertaken to draw up this information and the existing documentation;
- determining if any major deficiencies in the internal control procedures relating to the preparation and processing of accounting and financial information identified as part of our audit were properly disclosed in the Chairman's report.

On the basis of this work, we have no observation to make concerning the information provided relating to the internal control and risk management procedures applied by the company for the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors, in compliance with the requirements of Article L. 225-37 of the French Commercial Code.

Other information

We certify that the report by the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, March 28th 2017

PricewaterhouseCoopers Audit

Gérard Morin
Partner

KPMG Audit IS

Baudouin Griton
Partner

Corporate governance

The report by the Chairman of the Board of Directors on the preparation and organisation of the Board's work and on internal control can be found on page of this document.

Board of Directors

Changes to the composition and governance of the Board since January 1st 2016:

	January 1st 2016 to January 17th 2016	From January 18th 2016
Benoît de Ruffray	Director	Chairman and CEO
Jean-François Roverato	Chairman	Vice-Chairman Senior Director
Max Roche	Chief Executive Officer	Deputy Chief Executive Officer (not a corporate officer)

Additional changes to the composition of the Board in 2016:

Board members	Change	Entry into effect
Béatrice Brénéol	Resignation	August 31st 2016
Demetrio Ullastres	Resignation	August 31st 2016

The Board does not plan to replace those members who have resigned. This means that the number of Board members has fallen from 12 to 10.

As at 22nd February 2017, the Board was composed of these ten members:

	Position	Term of office ends	Independent director	Gender	Date of birth	Nationality	Audit Committee	Appointments and Compensation Committee	Strategy and CSR Committee	Number of shares owned
Benoît de Ruffray	Chairman and Chief Executive Officer	2019	No	Male	04/06/1966	French			Member	1,000
Jean-François Roverato	Vice-Chairman, Senior Director	2020	No	Male	10/09/1944	French			Member	78,465[1]
Thérèse Cornil	Director	2017	Yes	Female	27/02/1943	French		Chair		100
Laurent Dupont	Director, representing employee shareholders	2019	No	Male	29/01/1965	French	Member	Member		1,894
Jean-Yves Gilet	Director	2017	Yes	Male	09/03/1956	French		Member	Chairperson	100
Jean Guénard	Director	2020	Yes	Male	11/04/1947	French		Member	Member	45,807
Marie Lemarié	Director	2017	Yes	Female	04/01/1972	French	Member			1,000
Dominique Marcel	Director	2017	Yes	Male	08/10/1955	French	Member			100
Isabelle Salaün	Director	2019	Yes	Female	25/08/1961	French	Chair			1,000
Carol Xueref	Director	2017	Yes	Female	09/12/1955	British		Member	Member	300
Number	10		7	4			4	5	5	
Compliance										
Total			7/9, i.e., 77.8% independent directors *(excluding directors representing employee shareholders)*	4/10, i.e., 40% female members, 3/5, i.e., 60% independent female members *(including directors representing employee shareholders)*			3/3; i.e., 100% independent directors *(excluding directors representing employee shareholders)*	4/4; i.e., 100% independent directors *(excluding directors representing employee shareholders)*	3/5; i.e., 60% independent directors *(excluding directors representing employee shareholders)*	
Bruno Flichy	Advisory member *(censeur)*	2019	Yes	Male	25/08/1938	French	Attends		Attends	

1- Taking into account his participating interests in Eiffage and Eiffage 2000, Jean-François Roverato owns directly and indirectly 0.19% of the capital of Eiffage, and 0.44% taking into account his beneficial interest in split ownership shares of one of these companies.

According to the company's Articles of Association each director must hold at least one share in the company, although the internal regulations recommend that they each hold 100. The internal regulations require that executive corporate officers keep at least 1,000 Eiffage shares in registered form until they cease to hold office.

Table showing attendance of directors at Board and committee meetings in 2016

	Office	Independence	Board	Audit Committee		Appointments and Compensation Committee		Strategy and CSR Committee	
			Total number of meetings = 7	Total number of meetings = 4	Number of attendees (%)	Total number of meetings = 4	Number of attendees (%)	Total number of meetings = 5	Number of attendees (%)
Benoît de Ruffray	Chairman and CEO	No	7 (100%)					Member	5 (100%)
Jean-François Roverato	Vice-Chairman, Senior Director	No	6 (86%)					Member	5 (100%)
Thérèse Cornil	Director	Yes	7 (100%)			Chair	4 (100%)		
Laurent Dupont	Director, representing employee shareholders	No	7 (100%)	Member	4 (100%)	Member	Appointed on 14th December after the last meeting of the year		
Jean-Yves Gilet	Director	Yes	7 (100%)			Member	4 (100%)	Chair	5 (100%)
Jean Guénard	Director	Yes	7 (100%)			Member	Appointed on 14th December after the last meeting of the year	Member	5 (100%)
Marie Lemarié	Director	Yes	4 (57%)	Member	2 (50%)				
Dominique Marcel	Director	Yes	5 (71%)	Member	3 (75%)				
Isabelle Salaün	Director	Yes	7 (100%)	Chair	4 (100%)				
Carol Xueref	Director	Yes	7 (100%)			Member	4 (100%)	Member	4 (80%)
Bruno Flichy	Advisory member	No	7 (100%)	Attends	4 (100%)			Attends	5 (100%)
Béatrice Brénéol*	Director, representing employee shareholders	No	6 (100%)			Member	3 (100%)		
Demetrio Ullastres*	Director	Yes	6 (100%)	Chair	2 (100%)	Member	3 (100%)		

* Béatrice Brénéol and Demetrio Ullastres resigned from the Board on August 31st 2016.

On the basis of a proposal by the Appointments and Compensation Committee, the Board of Directors found that Marie Lemarié, Thérèse Cornil, Isabelle Salaün, Carol Xueref, Jean-Yves Gilet, Dominique Marcel and Jean Guénard qualify as independent directors as they satisfy the independence criteria set out in the AFEP-Medef Code applied by the company.

The table showing the position of the independent directors as regards the criteria set out in the AFEP-Medef Code applied by the company is included in the report by the Chairman of the Board of Directors.

Appointments to the Board submitted for approval by the shareholders at a general meeting are decided by the Board of Directors based on proposals made by the Appointments and Compensation Committee or, as regards the directors representing employee shareholders, proposals made by the board of directors of the Sicavas employee investment vehicle and the supervisory boards of the FCPE funds.

The terms of office as members of the Board of Directors of Thérèse Cornil, Marie Lemarié, Carol Xueref, Dominique Marcel and Jean-Yves Gilet are due to expire at the close of this general meeting.

Following the vote by the Board on the proposals made by the Appointments and Compensation Committee, the shareholders are asked to:

- renew the appointments of Thérèse Cornil, Marie Lemarié, Carol Xueref and Dominique Marcel;
- appoint Bruno Flichy, who is currently an advisory member of the Board and previously served as an independent member of the Eiffage Board between 2002 in 2015, as a non-independent director replacing Jean-Yves Gilet.

They will be appointed for a four-year term of office to expire in 2021, at the close of the ordinary general meeting called to vote on the financial statements for the previous financial year.

The report by the Chairman of the Board of Directors and the directors' report contain further information on governance.

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 2016 and during the past five years are shown in the following table.

Name & main function of director/general management member	Other offices held as at December 31st 2016	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Benoît de Ruffray[1] Chairman and Chief Executive Officer of Eiffage since January 18th 2016 Board member since December 9th 2015	Intra-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 LIMITED ASIAWORLD-EXPO MANAGEMENT LTD BMP HOLDING LIMITED BOUYGUES CONSTRUCTION AUSTRALIA PTY Ltd BOUYGUES CONSTRUCTION QATAR LLC BOUYGUES HUNGARIA FOVALLALKOZASI KFT BOUYGUES SHANGHAI ENGINEERING CO. Ltd BOUYGUES THAI LTD BYMA PTE LTD BYMA MYANMAR LIMITED BYME ENGINEERING HONG KONG LIMITED BYME ENGINEERING HUB PTE LTD BYME SINGAPORE PRIVATE COMPANY LIMITED BYSOLAR ASIA LIMITED DRAGAGES HONG KONG LIMITED DRAGAGES INVESTMENTS HOLDINGS LIMITED DRAGAGES INVESTMENTS LTD DRAGAGES MACAU LIMITADA EQUIBY IEC INVESTMENTS Ltd MEDUNARODNA ZRACNA LUKA ZAGREB d.d. PT DRAGAGES INDONESIA VCES a.s VCES a.s VCES HOLDING s.r.o ZAIC – A Limited FREYROM FREYSSINET ASIA PACIFIC LIMITED FREYSSINET PSC (M) Sdn Bhd THE REINFORCED EARTH COMPANY NUVIA Limited BERMINGHAM FOUNDATION SOLUTIONS LTD
Jean-François Roverato Chairman of the Board from January 1st to 17th 2016 Vice-Chairman, Senior Director of Eiffage since January 18th 2016	Intra-Group, Director of: • APRR • AREA • Eiffarie (SAS)	Chairman of: • Eiffage (SA) • Eiffarie (SAS) • Financière Eiffarie (SAS) • Apollinaire Participation (SAS) • AREA

1- Benoît de Ruffray does not hold any other office in a listed company.

Name & main function of director/general management member	Other offices held as at December 31st 2016	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Max Roche (not a Board member) Chief Executive Officer from January 1st to 17th 2016 Deputy Chief Executive Officer since January 18th 2016	Intra-Group, Chairman of: • Financière Eiffarie (SAS) • Eiffarie (SAS) • ELISA (SAS) and ELISA GESTION (SAS) • HEVEIL (SAS) Intra-Group, Director of: • APRR • CEVM, VP1 (SAS) and VP2 (SAS) Permanent representative of: • Eiffage TP on the board of SMTPC • APRR on the board of AREA Outside Group, Chairman of: • EGF - BTP Outside Group, Director of: • SMABTP Outside Group, Member of the supervisory board of: • PRO BTP Finance	Chairman of: • IGC • TP Ferro • Norscut
Thérèse Cornil Independent Director	-	Chairman of CNVF
Laurent Dupont Director representing employee shareholders	Chairman of: • Sicavas d'Actionnariat Salarié • Eiffage 2000 • FCPE Eiffage Actionnariat	Chairman of FCPE Eiffage 2011
Bruno Flichy (Advisory) Advisory Board member	Director and Honorary Chairman of: Crédit Du Nord	Director of: • Aviva Participations • Aviva France • Eiffage • Association Ecole-Sainte-Geneviève Chairman of: • L'Association du Grand Montreuil
Jean-Yves Gilet Independent Director Chairman of Gilet Trust Invest SAS	Director of: • Orange listed on Euronext • Eramet listed on Euronext	Director of CDC Entreprises Corporate officer of FSI Director of FSI PME-Portefeuille Director of CGG, listed on Euronext
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 & main function of director/general management member	Other offices held as at December 31st 2016	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Marie Lemarié Independent Director Head of Investments, Groupama	Chairperson of: • SCEPAR (Société Centrale d'Études et de Participations) Director of: • Gan Assurances • Gan Patrimoine • Gan Prévoyance Permanent representative of: • Groupama Gan Vie on the board of Compagnie Foncière Parisienne • Groupama Investissements on the boards of: - Assu-Vie - Le Monde Entreprises • Groupama SA on the boards of: - Groupama Investissements - Scima-GFA • Astorg 2 on the boards of: - Groupama Immobilier - Groupama Asset Management	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 Chairperson of the board of directors, 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 Permanent representative of Gan Prévoyance on the board of Groupama Asset Management
Dominique Marcel Independent Director, Chairman and CEO, 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 Permanent representative of CDA on the board of La Compagnie du Mont Blanc (CMB) Chairman of the supervisory board of Société du Parc du Futuroscope	Chairman and CEO and Director of: • CDC Entreprises Capital Investissement • CDC Infrastructures Chairman and CEO of: • Financière Transdev Chairman of the supervisory board of: • CDC DI (Germany) Chairman of the board of directors of: • BAC Participations (SA) Deputy Chairman of the board of directors of: • Dexia Crédit Local Director of: • Accor • Dexia Belgium • Icade • CNP Assurances • CDC Entreprises Portefeuille • Société Forestière de la CDC Member of the supervisory board of: • CDC Entreprises • Compagnie des Alpes • CNP Assurances Permanent representative of CDC: • on the board of directors of Transdev • on the supervisory board of La Société Nationale Immobilière
Isabelle Salaün Independent Director Chairperson of Nirine Conseil	Director of SMTPC	–

Name & main function of director/general management member	Other offices held as at December 31st 2016	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Carol Xueref Independent Director Chairperson 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
Directors who resigned on August 31st 2016		
Demetrio Ullastres Llorente Independent Director Chairman of Ullastres SA	-	Chairman of: • Abertis Airports SA • TBI plc • MBJ • Accesos de Madrid SA • Infraestructura y Radiales SA • Autopista del Henares SA • Autopista Trados 45 SA • Alazor SA Director of: • Grupo Aeroportuario del Pacifico SAB de CV • Aeropuertos Mexicanos del Pacifico SA
Béatrice Brénéol Director representing employee shareholders	-	• Member of the supervisory board of FCPE Eiffage 2011 • Chairperson of the board of directors of Sicavas d'Actionnariat Salarié Eiffage 2000 • Chairperson and member of the supervisory board of FCPE Eiffage Actionnariat

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.

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 team 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.

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 team 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 identified as being in such a situation.

– The directors and members of general management are not bound by any restrictions regarding the sale of their interests in Eiffage at the end of their term of office (save for the shares to be kept in registered form until they cease to hold office).

Special agreements

The agreements entered into by Eiffage with companies having the same management concern such transactions as are standard between companies belonging to the same group. This also applies to new agreements entered into since the end of the 2015 financial year, except for one concerning the company's purchase of one million Eiffage shares from Bpifrance at the market price at that time, and one concerning the change of the bank with which the company that operates the concession for the Prado Sud Tunnel in Marseille holds an account. These regulated agreements are reviewed in the Statutory Auditors' special report.

Functioning of the Board of Directors

A description of the functioning of the Board of Directors is included in the Chairman's report, in the chapter entitled "Preparation and organisation of the Board of Directors' work".

Internal control

The Group's Internal Audit department assesses and oversees the internal control function in line with the five factors defined in the COSO report, under the supervision of the Chairman and Chief Executive Officer.
(See report by the Chairman of the Board of Directors on Internal Control.)

– Contracting business
The vast majority of the Group's business concerns small, short-term projects (or contracts). To manage them effectively, the individuals in charge of each project or contract must have the relevant authority and powers.

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

The internal control function is organised on the basis of the separation of roles and responsibilities between five hierarchical levels: project, entity or subsidiary, regional management, division management, and Group holding company.

The organisation of large projects is adapted and certain hierarchical levels between those of the project and the division's general management may be eliminated. In these cases, specific functional and control resources are allocated to the project, in light of its size.

In compliance with the principle of subsidiarity, decisions are made at the lowest possible level. Controls are performed upstream and on an ex-post basis.

– Concession business
The Group's concession activities are essentially carried out within APRR, which has the same internal control organisation as the Group.

Corporate officers' compensation and benefits

– Compensation
On December 10th 2008, Eiffage's Board of Directors resolved to follow the recommendations issued by AFEP and Medef concerning the compensation of executive officers. The compensation paid to the executive officers, and the Board fees allocated to the members of the Board of Directors for the 2015 financial year are shown in the tables below.

In view of the changes to executive management and the composition of the Board, the compensation paid to Jean-François Roverato, Max Roche and Benoît de Ruffray is described in turn.

Fixed annual compensation paid to the Chairman and Chief Executive Officer. In each case, compensation was paid *pro rata* their time in office:

Fixed annual compensation	January 1st to 17th 2016	From January 18th 2016
Benoît de Ruffray	Director	Chairman and Chief Executive Officer €900, 000 *pro rata temporis*
Jean-François Roverato	Chairman €580,000 *pro rata temporis*	Vice-Chairman Senior Director Board fees
Max Roche	Chief Executive Officer €900,000 *pro rata temporis*	Deputy Chief Executive Officer (not a corporate officer)

Benoît de Ruffray's gross annual fixed compensation as Chairman and Chief Executive Officer was set at €900,000. It is reviewed every year, although Eiffage's Chairman and Chief Executive Officer has received the same amount of compensation since 2008.

Details of Benoît de Ruffray's compensation for 2016 are set out below. It consists of two economic components and one qualitative component. None of the components may correspond to a negative amount, and the third must not exceed 30% of the fixed annual compensation. Total variable compensation may not exceed the fixed annual compensation received for the same year.

I. The first corresponds to 1.5‰ of the operating profit on ordinary activities in excess of €1,400 million (basis: December 2015).

II. The second corresponds to 4‰ of the 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 fixed 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 shall be adjusted.

** This component shall also factor in external circumstances outside the control of Mr Benoît de Ruffray having influenced the company's results.

In accordance with the principles set out above and after a discussion and vote on the proposal by the Appointments and Compensation Committee, based on his achievement of the performance-related objectives, at its meeting of February 22nd 2017 the Board set Benoît de Ruffray's variable compensation for the 2016 financial year, as Chairman and Chief Executive Officer from January 19th 2016, at €651,912 (compared to €680,000 paid to his predecessor for the 2015 financial year). At Benoît de Ruffray's request, and in anticipation of the legislation that will apply at the 2018 general meeting, his variable compensation will only be paid if the Eiffage shareholders vote in favour of the resolution to approve the components of his compensation for the 2016 financial year at the general meeting of April 19th 2017.

Jean-François Roverato received no variable compensation for his office as Chairman between January 1st and 17th 2016.

Max Roche received no variable compensation for his office as Chief Executive Officer between January 1st and 17th 2016.

The Group does not offer its executive officers or other employees any type of signing bonus, departure package or specific supplementary pension plans.

– Shares and stock purchase options

Benoît de Ruffray is the only corporate officer to have received bonus shares as at December 31st 2016 under the bonus share plans introduced by Eiffage SA. There are no bonus share plans in place in any of the other Group companies *(see below)*.

The performance criterion applying to Benoît de Ruffray's bonus shares is described below.

To take into account the company's performance, the number of shares that will be definitively awarded on July 5th 2019 ("number of shares definitively awarded") shall be calculated by applying to the number of shares initially awarded by the Board Directors on July 4th 2016 ("number of shares initially awarded"), the percentage change in the Eiffage reference share price as determined on the date of the initial award ("2016 reference share price") in relation to a second reference price for the same share determined at the latest on July 5th 2019 ("2019 reference share price").

The 2016 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., July 4th 2016, amounting to €65.80.

The 2019 reference share price shall be equal to the average opening price of the Eiffage share for the 100 trading sessions prior to July 4th 2019.

- If the 2019 reference share price is greater than or equal to the 2016 reference share price, the number of shares definitively awarded shall be equal to the number of shares initially awarded.

- If the 2019 reference share price is lower than the 2016 reference share price, the number of shares definitively awarded shall be equal to the number of shares initially awarded x ((2019 reference share price/2016 reference share price) x 2-1). The number obtained will be rounded to nearest whole number. No floor shall apply.

Benoît de Ruffray was not awarded any stock options in 2016.

Max Roche was not awarded any stock options or bonus shares in 2016.

Jean-François Roverato was not awarded any stock options or bonus shares in 2016.

– Board fees

At the Eiffage general meeting of April 17th 2013 the shareholders raised the total amount of Board fees to €900,000.

Total Board fees are allocated as follows:

Director	Committee Chairman	Committee member
1 unit	1 unit	1/2 unit
Advisory member	Attendance at a committee meeting	
2/3 unit	1/3 unit	
Vice-Chairman Senior Director 9.67 units		

Actual attendance of directors, advisory members and committee members is the only criterion applied to determine the fees paid.

One Board fee unit corresponds to €30,000. This amount has remained unchanged for more than six years.

None of the Group's subsidiaries distribute Board fees.

Tables summarising compensation received by executive officers and other corporate officers in 2015 and 2016

Summary of compensation, stock options and shares received by each executive officer

In euros	2015	2016
Pierre Berger until 22/10/2015 — Benoît de Ruffray since 18/01/2016 Chairman and Chief Executive Officer	**Pierre Berger** 01/01/15 to 22/10/15	**Benoît de Ruffray** 18/01/16 to 31/12/16
Compensation payable for the financial year *(detail in table 2)*	1,414,487	1,515,416
Value of multi-annual variable compensation awarded during the year	-	-
Value of stock options awarded during the year *(detail in table 4)*	916,575	-
Value of bonus shares awarded during the year *(detail in table 6)*	-	688,950
Total	**2,331,062**	**2,204,366**

In euros	2015	2016
Max Roche Chief Executive Officer from 26/10/2015 to 17/01/2016	26/10/15 to 31/12/15	01/01/16 to 17/01/16
Compensation payable for the financial year *(detail in table 2)*	167,389	39,286
Value of multi-annual variable compensation awarded during the year	-	-
Value of stock options awarded during the year *(detail in table 4)*	-	-
Value of bonus shares awarded during the year *(detail in table 6)*	-	-
Total	**167,389**	**39,286**

In euros	2015	2016
Jean-François Roverato Chairman from 26/10/2015 to 17/01/2016	26/10/15 to 31/12/15	01/01/16 to 17/01/16
Compensation payable for the financial year *(detail in table 2)*	107,651	25,317
Value of multi-annual variable compensation awarded during the year	-	-
Value of stock options awarded during the year *(detail in table 4)*	-	-
Value of bonus shares awarded during the year *(detail in table 6)*	-	-
Total	**107,651**	**25,317**

Summary of compensation received by each executive officer

In euros				
Pierre Berger Chairman and Chief Executive Officer from 01/01/2015 to 22/10/2015	**For 2015** **01/01/2015 to 22/10/2015**		**For 2016**	
	Due	**Paid**	**Due**	**Paid**
Annual fixed compensation	732,955	732,955	-	-
Variable compensation	680,000	680,000	-	680,000
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Board fees	-	-	-	-
Benefits in kind (company car)	1,532	1,532	-	-
Total	**1,414,487**	**1,414,487**	**-**	**680,000**

In euros

Benoît de Ruffray Chairman and Chief Executive Officer from 18/01/2016		**For 2015**		**For 2016** **from 18/01/2016**
	Due	**Paid**	**Due**	**Paid**
Annual fixed compensation	-	-	**860,714**	**860,714**
Variable compensation	-	-	**651,912***	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Board fees	-	-	-	-
Benefits in kind (company car)	-	-	**2,790**	**2,790**
Total	**-**	**-**	**1,515,416**	**863,504**

* At Benoît de Ruffray's request, and in anticipation of the legislation that will apply at the 2018 general meeting, his variable compensation will only be paid if the Eiffage shareholders vote in favour of the resolution to approve the components of his compensation for the 2016 financial year at the general meeting of April19th 2017.

In euros

Max Roche Chief Executive Officer from 01/01/2016 to 17/01/2016		**For 2015** **26/10/15 — 31/12/15**		**For 2016** **01/01/16 — 17/01/2016**
	Due	**Paid**	**Due**	**Paid**
Annual fixed compensation	167,045	167,045	**39,286**	**39,286**
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Board fees	-	-	-	-
Benefits in kind (company car)	344	344	-	-
Total	**167,389**	**167,389**	**39,286**	**39,286**

In euros

Jean-François Roverato Chairman from 01/01/2016 to 17/01/2016		**For 2015** **26/10/15 — 31/12/15**		**For 2016** **01/01/16 — 17/01/2016**
	Due	**Paid**	**Due**	**Paid**
Annual fixed compensation	107,652	107,652	**25,317**	**25,317**
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Board fees	-	-	-	-
Benefits in kind (company car)	-	-	-	-
Total	**107,652**	**107,652**	**25,317**	**25,317**

Board fees

In euros

Director	Fees paid for 2015 (paid in 2016) in €	Fees paid for 2016 (to be paid in 2017) in €
Pierre Berger	-	-
Benoît de Ruffray	-	-
Béatrice Brénéol	28,575	23,472
Thérèse Cornil	38,100	38,100
Laurent Dupont	28,575	28,575
Bruno Flichy	28,726	25,400
Jean-Yves Gilet	43,316	47,625
Jean Guénard	28,575	28,575
Marie Lemarié	28,575	15,648
Dominique Marcel	23,472	20,751
Jean-François Roverato	150,347	174,590
Isabelle Salaün	23,472	33,338
Demetrio Ullastres	51,350	41,052
Carol Xueref	34,925	36,195
Total	**508,009**	**513,321**

No non-executive officers received any compensation other than the Board fees in 2015 and 2016, except for the representatives of the employee shareholders and, in his capacity as Chairman of the Board for the period from October 26th 2015 to December 31st 2015 and from January 1st to 17th 2016, Jean-François Roverato.

Stock subscription or purchase options awarded to each executive officer by the issuer and by any Group company during the financial year

Name of executive officer	Plan number and date	Type of options (purchase or subscription)	Value of options using same method as in consolidated financial statements	Number of options awarded during financial year	Exercise price	Exercise period
Benoît de Ruffray	-	-	-	-	-	-

Stock subscription or purchase options exercised during the financial year by each executive officer

Name of executive officer	Plan number and date	Number of options exercised during financial year	Exercise price
Benoît de Ruffray	-	-	-
Max Roche	2011-12-POA of 14/12/2011	10,000	€21

Bonus shares awarded to each executive officer by the issuer and by any Group company during the financial year

Name of executive officer	Plan number and date	Type of options (purchase or subscription)	Value of options using same method as in consolidated financial statements	Number of options awarded during financial year	Exercise price	Effective award date* End of lock-in period:
Benoît de Ruffray	2016 Plan Date: 04/07/2016	Bonus shares	688,950	15,000	€65.80	from 05/07/2019 -------- from 08/07/2020

* Subject to satisfaction of the presence and performance criteria described in this document on that date.

Vested bonus shares awarded to each corporate officer

Vested bonus shares awarded to each corporate officer	Plan no. and date	Number of options awarded during the financial year	Vesting conditions
Benoît de Ruffray	-	-	-
Max Roche	-	-	-
Total	**-**	**-**	**-**

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 Board meeting at which options were awarded	24/02/2011	13/12/2012	26/02/2014	25/02/2015
Number of shares that can be subscribed for or purchased[1]	242,139	875,200	914,100	926,050
of which:				
• per corporate officer[2]	100,000	100,000	100,000	100,000
• ten employees allocated the most options	47,500	114,500	107,300	114,000
Expiry date	09/03/2018[3]	13/12/2019	26/02/2021	25/02/2022
Subscription or purchase price (average of 20 opening prices preceding the date of the Board meeting at which the plan was approved)	€41.24	€29.00	€45.43	€46.405
Number of shares purchased as at 31/12/2016	76,239	145,210	100,000	100,000
Options cancelled in 2016	3,800	36,900	33,300	29,100
Outstanding options as at 01/12/2016	162,100	693,090	780,800	796,950

NB: all figures have been adjusted to take into account bonus share issues and the division of the par value of shares since the creation of the plans.
1 - Adjusted to reflect options cancelled as at 01/01/2016.
2 - Pierre Berger, Chairman and CEO until October 22nd 2015. Max Roche, CEO from October 26th 2015. Following Pierre 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 his stock options.
3 - At its meeting of February 25th 2015, the Board of Directors extended the exercise period for the February 2011 plan to March 9th 2018.

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	2011-12_POA	2015 plan
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 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 and or any of these companies who purchased or subscribed for the greatest number of options (aggregate information)	101,171	€21.67	92,671	8,500

History of bonus share plans

Information on bonus shares awarded

Date of general meeting	20/04/2016
Date of Board of Directors' meeting	04/07/2016
Total number of bonus shares awarded	234,030 15,000
Vesting date	05/07/2019
Date of end of lock-in period	08/07/2020
Number of shares subscribed for as at December 31st 2016	0
Aggregate number of shares cancelled or lapsed	1,655
Outstanding bonus shares awarded as at end of financial year	232,375

Employment contracts, specific pension plans, severance pay and covenants not to compete

Executive officer	Employment contract		Supplementary pension plan		Severance pay or other payment or possible payment upon departure or change of function		Compensation under a covenant not to compete	
	Yes	No	Yes	No	Yes	No	Yes	No
Benoît de Ruffray Chairman and Chief Executive Officer since 18/01/2016 First appointed on 18/01/2016 End of office: 2019		X		X		X		X
Max Roche Chief Executive Officer from January 1st to 17th 2016 First appointed on 26/10/2015 Office expired on: 17/01/2016	X *			X		X		X
Jean-François Roverato Chairman from January 1st to 17th 2016 First appointed on 26/10/2015 Office expired on: 17/01/2016		X		X		X		X

* Max Roche was appointed Chief Executive Officer by the Board of Directors on October 26th 2015 following the death of Pierre Berger, to organise the transitional period and pending the appointment of his successor. His employment contract was therefore suspended during his term of office as Chief Executive Officer, and was reactivated on January 18th 2016.

Transactions involving securities issued by the company carried out by each corporate officer or other individual required by the AMF's General Regulation to report such transactions

Person reporting a transaction	Office	Financial instrument	Type of transaction	Unit price (€)	Amount of the transaction (€)
Benoît de Ruffray	Chairman of the Board since 18/01/2016	FCPE Eiffage Shares	Subscription Purchase	50 57.93	215,000 57,930
Jean-Francois Roverato	Chairman of the Board until 17/01/2016 Senior Director since 18/01/2016	Shares Shares Shares Shares	Sale Sale Sale Sale	64.36 63 62.0855 61.908	1,287,200 633,465 93,128 306,135
Max Roche	Chief Executive Officer until 17/01/2016 Deputy Chief Executive Officer since 18/01/2016	FCPE Eiffage Sicavas FCPE Eiffage FCPE Eiffage Stock options	Subscription Sale Sale Sale Exercise	50 101.94 138.625 116.861 21	14,290 100,000 90,000 224,559 210,000
Christian Cassayre	Chief Financial Officer	FCPE Eiffage FCPE Eiffage Stock options	Subscription Sale Exercise	50 119.379 21	120,000 452,408 420,000
Jean Guénard	Director	Shares	Sale	69.6036	478,664
Laurent Dupont	Director	FCPE Eiffage	Subscription	50	5,907
Demetrio Ullastres	Director until 31/08/2016	Shares	Sale	68.9893	34,495
Béatrice Brénéol	Director until 31/08/2016	FCPE Eiffage	Subscription	50	14,546

Executive officers' loans and guarantees

None.

Employee profit-sharing

Most Group companies have discretionary employee profit-sharing plans. These plans, which are governed by the Decree of October 21st 1986 on 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 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 funds set up in the form of *Fonds communs de placement d'entreprise* (FCPE Eiffage Actionnariat) to enable employees to subscribe for shares available under capital increases reserved for them *(see "Ownership of Capital and Voting Rights")*.

Amounts paid by the Group to its employees under the employee profit-sharing plans amounted to €77 million in respect of the 2016 financial year, compared to €76 million in respect of 2015 and €80 million in respect of 2014.

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 not made use of it.

- At the ordinary and extraordinary general meeting of April 20th 2016 the shareholders authorised the Board of Directors to award to the Group's employees and corporate officers existing Eiffage shares as bonus shares. The maximum number of shares that could be awarded 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 234,030 shares.

Other information on awards of bonus shares:

Options granted to each corporate officer during the financial year	
Benoît de Ruffray, Chairman and CEO	15,000
Shares effectively acquired by each corporate officer during the financial year	-
Bonus shares awarded by Eiffage during the financial year to the ten Group employees who are not corporate officers who were awarded the greatest number of shares	37,200

General Information

Name and Registered Office

Eiffage – 3-7, place de l'Europe ;
78140 Vélizy-Villacoublay

Telephone +33(0)1 34 65 89 89

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 31th 2090 unless it is dissolved before then or its period of incorporation is extended.

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:

- execution of 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, operation and sale 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.

Company Registration

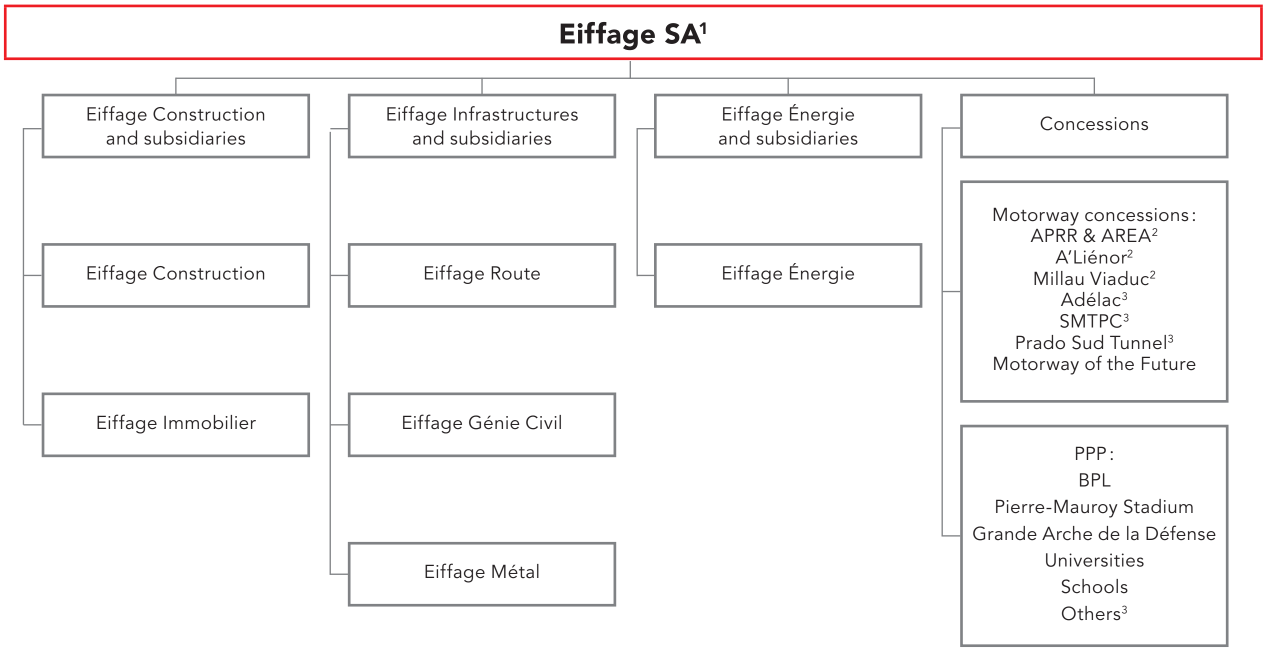
The company is registered with the Versailles Trade and Companies Registry under number 709 802 094. Its APE business code is 7010 Z.

Company Reports and Documents

The Memorandum and Articles of Association and other mandatory documents are available from the registered office:
3-7 Place de l'Europe
78140 Vélizy-Villacoublay
France

The reference documents and regulated information are available from the registered office, the company's website, www.eiffage.com, and the website www.info-financiere.com

Implified organisational chart showing companies within the consolidation scope



1 - List of subsidiaries and holdings: pages 253 to 255.
2 - A summary of the main minority investors in motorway concessions is provided below.
3 - The main co-investors in PPP in which Eiffage is a minority investor tend to be financial investors.

Name	Percentage held	Names of other investors	Company website
APRR & AREA	50% + 1 hare	Macquarie Autoroutes de France	www.aprr.com
A'Liénor / A65	65%	SANEF	www.a65-alienor.com
Adélac /A41	48.9%	Macquarie Autoroutes de France 2	www.liane-autoroute.com
Millau Viaduc	51%	Caisse des dépôts et consignations	www.leviaducdemillau.com
SMTPC	32.9%	Vinci and free float	www.tunnelprado.com
Prado Sud Tunnel	41.5%	Vinci	www.tunnelprado.com

APRR also has an EMTN bond programme. The corresponding prospectus, which is available on APRR's website and on the Luxembourg stock exchange website (www.bourse.lu), contains detailed information on its financing and economic model.

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 and financing, bookkeeping and consolidation, management control, tax, legal affairs, employee shareholding, investor relations), communications, employee relations and HR development, procurement, sustainable development and 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.

Competition

Overview of the Group's main competitors per geographic area and contracting division

	Eiffage Construction	Eiffage Infrastructures	Eiffage Énergie
	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, 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, LafargeHolcim 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	Besix, Bouygues Construction, CFE, Vinci Construction, medium-sized regional companies and Asian and European companies.	Besix, Bouygues Construction Cemex, CFE, Colas, Eurovia, LafargeHolcim, Strabag, Vinci Construction, ACS Dradados, medium-sized regional companies and Asian and European companies	Engie Services, Spie, Vinci Énergies, 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 PPP
	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 and financial investors AXA, Ardian, CDC, DIF, OFI, PGGM, Macquarie, Mirova and IIC.	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 Canadian, Asian and Australian players.	ACS, BAM, Bouygues, Strabag, Vinci and European players as well as financial investors AXA, Ardian, CDC, DIF, OFI, PGGM, Macquarie, Meridiam, Mirova and TIIC, and European, Canadian, Asian and Australian players.

Financial Year

The financial year starts on January 1st and ends on December 31th.

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 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 Managing Director or 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 Managing Director/CEO, may appoint one or more individuals to assist him, who shall be given the title of Deputy Managing Director or Deputy Chief Executive Officer.

The age limit for the Managing Director/CEO and any Deputy Managing Directors/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 Managing Director/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.

Share capital

Amount of share capital

At December 31st 2016, the share capital amounted to €392,329,060, divided into 98,082,265 shares with a nominal value of €4 each, and 113,653,511 theoretical voting rights (including double voting rights). Information on securities giving access to the capital and on share ownership is provided below.

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.

Authorised unissued share capital

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 extraordinary general meeting	Authorisation expiry date	Nominal amount of capital increase authorised	Use in 2016	Remaining nominal amount by which the capital may be increased at December 31st 2016
Delegation of authority to increase the share capital by capitalising reserves, profits and/or premiums	April 20th 2016	June 19th 2018	€80 million	None	€80 million
Delegation of authority to issue ordinary shares and/or transferable securities, maintaining preferential subscription rights	April 20th 2016	June 19th 2018	€150 million *(€1.5 billion for transferable securities representing claims against the company and giving access to the capital)*	None	€150 million *(€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/or transferable securities, with waiver of preferential subscription rights, by way of a public offering	April 20th 2016	June 19th 2018	€38,173,596* *(€1.5 billion for transferable securities representing claims against the company and giving access to the capital)*	None	€38,173,596* *(€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/or transferable securities, with waiver of preferential subscription rights, by way of a private placement	April 20th 2016	June 19th 2018	€38,173,596* *(€1.5 billion for transferable securities representing claims against the company and giving access to the capital)*	None	€38,173,596* *(€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 20th 2016	June 19th 2018	10% of the share capital*	None	10% of the share capital*
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 20th 2016	June 19th 2018	€15 million	None	€15 million
Authorisation to issue stock purchase options	April 20th 2016	June 19th 2019	1,000,000 (maximum number of shares that stock option holders may subscribe to) 250,000 (maximum number of shares that stock option holders may subscribe to, when these are the company's executive officers)	None	1,000,000 (maximum number of shares that stock option holders may subscribe to) 250,000 (maximum number of shares that stock option holders may subscribe to, when these are the company's executive officers)
Authorisation to grant existing shares as bonus shares	April 20th 2016	June 19th 2019	1,000,000 (maximum number of shares that may be granted for a nil consideration) 250,000 (maximum number of shares that may be granted for a nil consideration to the company's executive officers)	234,030	765,970 (maximum number of shares that may be granted for a nil consideration) 235,000 (maximum number of shares that may be granted for a nil consideration to the company's executive officers)

* Counts towards ceilings for the delegation of authority to issue shares maintaining preferential subscription rights.

Securities giving access to the capital

No securities have been issued that give access to the capital, other than the 98,082,265 shares issued and outstanding.

Changes in the capital

Year	Nature of the transaction	Increase in capital		Share premium/ Reserves	Total capital	Number of shares
		Number of shares	Nominal value			
2011	Cancellation of shares	(2,837,869)	(11,351,476)	(37,161,895)	348,648,524	87,162,131
2012	-	-	-	-	348,648,524	87,162,131
2013	Capital increase reserved for employees	2,276,499	9,105,996	50,538,270	357,754,520	89,438,630
2014	Capital increase reserved for employees	2,832,836	11,331,344	102,973,588	369,085,864	92,271,466
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**

Amount of capital and voting rights – Potential capital

At December 31th 2016, the share capital amounted to €392,329,060, divided into 98,082,265 shares representing 113,653,511 theoretical voting rights on that date, including double voting rights. There was no potential capital on that date.

Ownership of capital and voting rights

There are no provisions in the Memorandum and Articles of Association limiting voting rights.

At December 31th 2016, the share capital amounted to €392,329,060, divided into 98,082,265 shares representing 113,653,511 theoretical voting rights on that date, including double voting rights.

At January 31th 2017, the share capital amounted to €392,329,060, divided into 98,082,265 shares representing 119,127,014 theoretical voting rights on that date, including double voting rights.

The following table shows changes in share ownership and theoretical voting rights over the last three years:

	As at December 31th 2014		As at December 31th 2015		As at December 31th 2016			
Known shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**	**% of voting rights[1]**	**% of exercisable voting rights[2]**
Public	36,918,853	40.0	48,895,906	51.2	59,198,171	**60.3**	53.0	57.5
Employee shareholders:								
Eiffage 2000	17,805,032	19.3	13,478,132	14.1	10,044,391	10.2	17.7	17.7
FCPE Eiffage Actionnariat[3]	4,978,876	5.4	7,558,184	7.9	9,479,802	9.7	11.9	11.9
FCPE Eiffage Classique	148,533	0.2	-	-	-	-	-	-
Held directly	379,433	0.4	1,602,786	1.7	1,134,101	1.2	1.4	1.4
BlackRock	6,024,479	6.5	6,024,479	6.3	7,550,600	7.7	6.6	6.6
Bpifrance Participations SA	17,965,900	19.5	13,194,500	13.9	5,559,781	5.7	4.9	4.9
Treasury shares	3,139,125	3.4	4,680,004	4.9	5,115,419	5.2	4.5	-
Eiffaime	4,911,235	5.3	-	-	-	-	-	-
TOTAL	**92,271,466**	**100%**	**95,433,991**	**100%**	**98,082,265**	**100%**	**100%**	**100%**

1 - Voting rights, including double voting rights (113,653,511 voting rights).
2 - Voting rights that can be exercised at general meetings, including double voting rights (113,653,511 voting rights) after elimination of treasury shares.
3 - Including 52,080 shares held by FCPE Eiffage Classique in 2015 and 2016.

After Bpifrance declared on February 3rd 2017 that it held 9.33% of Eiffage voting rights following the allocation of double voting rights, the following table shows the *pro forma* ownership of capital and voting rights as at January 31th 2017.

	Pro forma as at January 31th 2017			
	Number of shares	% of capital	% of voting rights[1]	% of exercisable voting rights[2]
Public	59,337,785	60.4	50.7	55.0
Employee shareholders:				
Eiffage 2000	9,964,391	10.2	16.7	16.7
FCPE Eiffage Actionnariat[3]	9,420,188	9.6	11.3	11.3
FCPE Eiffage Classique	-	-	-	-
Held directly	1,134,101	1.2	1.3	1.3
BlackRock	7,550,600	7.7	6.4	6.4
Bpifrance Participations SA	5,559,781	5.7	9.3	9.3
Treasury shares	5,115,419	5.2	4.3	-
Eiffaime	-	-	-	-
TOTAL	**98,082,265**	**100%**	**100%**	**100%**

1 - Voting rights, including double voting rights (119,127,014 voting rights).
2 - Voting rights that can be exercised at general meetings, including double voting rights (119,127,014 voting rights) after elimination of treasury shares.
3 - Including 52,080 shares held by FCPE Eiffage Classique in 2015 and 2016.

Eiffage Group employees hold Eiffage shares through the Sicavas Eiffage 2000 investment fund. A capital increase reserved for employees was carried out in December 2006, subscribed *via* an FCPE investment fund called Eiffage 2011, which merged with FCPE Eiffage Actionnariat in 2014. FCPE Eiffage Classique, which held APRR securities, sold them to purchase Eiffage shares. Lastly, FCPE Eiffage Actionnariat was created specifically for the capital increases reserved for current and retired employees which were completed in April 2013, May 2014, May 2015 and May 2016.

In accordance with its policy on employee share ownership, which has been one of the hallmarks of the Group over the past twenty-five years and more, and in order to reinforce such share ownership, Eiffage decided to carry out a capital increase in May 2017 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 2017, which will be merged with FCPE Eiffage Actionnariat.

Crossing of ownership thresholds in the past financial year

Bpifrance, an industrial and commercial public company (known as EPIC Bpifrance), declared that it had indirectly, through Bpifrance Participations SA, fallen below the 10% (capital) and 5% (voting rights) ownership thresholds on May 20th 2016, and indirectly held 5,559,781 Eiffage shares representing the same number of voting rights, i.e., 5.67% of the company's capital and 4.94% of the voting rights (AMF notice 216C1209 of May 25th 2016). La Caisse des dépôts et consignations (CDC) made an identical declaration (AMF notice 216C1212 of May 25th 2016).

Bpifrance, an industrial and commercial public company (known as EPIC Bpifrance), declared that it had indirectly, through Bpifrance Participations, risen above the 5% ownership threshold (voting rights) on January 30th 2017, and indirectly held 5,559,781 Eiffage shares representing 11,119,462 voting rights, i.e., 5.67% of the company's capital and 9.33% of the voting rights (AMF notice 217C0361 of February 3rd 2017). La Caisse des dépôts et consignations (CDC) made an identical declaration (AMF notice 217C0359 of February 3rd 2017). The threshold was crossed due to its receipt of double voting rights.

PRO BTP Finance, a *société anonyme* (French public limited company) acting on behalf of Sicavas Eiffage 2000, which it manages, declared that it had:

- risen above the 15% and 20% ownership thresholds of voting rights on April 1st 2016 as a result of the receipt of double voting rights and that, on that date, it held on behalf of Sicavas Eiffage 2000 12,214,834 Eiffage shares representing 24,429,668 voting rights, i.e., 12.80% of the company's capital and 22.08% of its voting rights;
- fallen below the 20% ownership threshold of voting rights on May 13th 2016 as a result of the sale of Eiffage shares on the market and that, on that date, it held on behalf of Sicavas Eiffage 2000 10,973,642 Eiffage shares representing 21,947,284 voting rights, i.e., 11.50% of the company's capital and 19.95% of its voting rights. PRO BTP Finance also stated that on June 22nd 2016 it held on behalf of Sicavas Eiffage 2000 10,739,642 shares representing 21,479,284 voting rights, i.e., 10.95% of the capital and 19.18% of the voting rights (AMF notice 216C1454-FR0000130452-FS0721).

At the same time, PRO BTP Finance stated in a declaration of intent that it had not actively crossed the threshold as this was due to the receipt of double voting rights attached to registered shares on April 1st 2016, in application of the 'Florange' Act. It had not purchased any shares and had not contracted any debts or borrowed any funds. PRO BTP Finance stated that it had acted alone, was not planning to continue to purchase shares, was not planning to take control of the company, did not have a strategy concerning the company, did not plan to carry out any of the transactions listed in Article 223-17 I 6° of the AMF's General Regulation, did not hold any instruments and had not entered into any agreements listed in Article L. 223-9 4° and 4°bis of the Commercial Code, was not party to a temporary sale agreement concerning company shares and/or voting rights, and did not plan to request the appointment of one or more individuals as members of the Board of Directors, management board or supervisory board (AMF notice 216C1454 of June 22th 2016).

Société Générale Gestion, acting on behalf of FCPE Eiffage Actionnariat, which it manages, declared that it had:

- risen above the 10% ownership threshold of capital on June 6th 2016, and that it held on behalf of said investment fund 9,896,282 Eiffage shares representing the same number of voting rights, i.e., 10.09% of the company's capital and 8.84% of its voting rights. The threshold was crossed as a result of the merger of FCPE Eiffage Actionnariat Relais 2016 into FCPE Eiffage Actionnariat. At the same time, Société Générale Gestion also stated in a declaration of intent that the acquisition of the company shares formed part of its usual business as a portfolio management company, that it did not have a particular strategy concerning the company and did not exert any specific influence over its management. Société Générale Gestion also stated that it had not acted in concert with another party, did not intend to take control of the company and did not plan to request the appointment of itself or one or more individuals as members of the Board of Directors, management board or supervisory board (AMF notice 2016C1320 of June 9th 2016);
- fallen below the 10% ownership threshold of capital on July 4th 2016, and that it held on behalf of the abovementioned investment fund 9,804,623 Eiffage shares representing the same number of voting rights, i.e., 9.996% of the company's capital and 8.76% of its voting rights (AMF notice 216C1580 of July 5th 2016).

In view of the declarations received by Eiffage relating to the crossing of the ownership thresholds set by the Memorandum and Articles of Association, the shareholders who held more than 1% of the capital as at December 31st 2016 other than those listed in the above table or mentioned above are, to the best of the company's knowledge: Alken, Amundi, AXA Investment Managers, Natixis AM, Crédit Mutuel and Norges Bank.

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.

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, other than that voting rights may be stripped if the shareholder fails to declare the crossing of an ownership threshold.
- The company is not aware of any agreements or other arrangements between shareholders.
- No shares or 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 boards of FCPE funds.
- 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.

Note that, 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.

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
In 2016, Eiffage acquired through a cash transaction 4,723,572* shares pursuant to the authorisations given by the shareholders, and disposed of 3,025,212 shares. 1,257,879 shares were transferred to employees who exercised stock options. As a result, at the end of the financial year, Eiffage held 5,120,485 of its own shares (5.22% of the capital), purchased at an average price of €55.94 (nominal value: €4).

* Note that Eiffage acquired 1 million shares, i.e., 1.02% of the capital, from Bpifrance at a price per share of €66.20 on May 20th 2016.

Share listing
Eiffage's shares are listed on Euronext-Paris (compartment A).

Statutory Auditors

Primary Statutory Auditors

KPMG AUDIT IS
2, avenue Gambetta – 92066 Paris La Défense
Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles
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

PricewaterhouseCoopers Audit
63, rue de Villiers – 92200 Neuilly-sur-Seine
Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles
Represented by Mr Gérard Morin
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 31th 2018

Deputy Statutory Auditors

KPMG Audit ID
2, avenue Gambetta – 92066 Paris La Défense
First appointed by the ordinary and extraordinary general meeting of April 20th 2005
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 31th 2018

Ms Anik Chaumartin
63, rue de Villiers – 92200 Neuilly-sur-Seine
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 31th 2018

A table showing fees paid for 2016 and 2015 to the auditors who certified the consolidated financial statements can be found in the notes to the consolidated financial statements, on page 251 and 252 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 reference 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 reference document:

- the consolidated financial statements and the report of the Statutory Auditors on such consolidated financial statements as at December 31th 2014, appearing on pages 136 to 183 and 184 respectively of the French version of the reference document no. D-15-0204 filed with the AMF on March 25th 2015;
- the consolidated financial statements and the report of the Statutory Auditors on such consolidated financial statements as at December 31th 2015, appearing on pages 127 to 179 of the French version of the reference document no. D-16-0230 filed with the AMF on March 30th 2016.

Other documents

The following documents have been included in this reference document and thus do not need to be published separately, in accordance with the AMF's General Regulation:

- Annual financial report:

- Fees paid to each of the Statutory Auditors and to members of their networks: pages 251 and 252 of this reference document.
- Chairman's report on corporate governance and internal control: page 270 et seq. of this reference document.

Certification by the person responsible for the reference document

I certify that, to the best of my knowledge and as far as I can reasonably ascertain, the information provided in this reference 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 pages 114 to 131 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 reference document and have read the entire document.

Vélizy-Villacoublay, March 29th 2017

Benoît de Ruffray
Chairman and Chief Executive Officer

Cross-reference table

To assist readers of this reference document, the cross-reference table below indicates the pages on which can be found the main information required by European Commission Regulation (EC) no. 809/2004 of April 29th 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council.

Information	Pages
8. PROPERTY, PLANT AND EQUIPMENT	206, 229, 230, 259
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8.2 Environmental impact of the utilisation of these tangible fixed assets	82, 83, 87
9. REVIEW OF CONSOLIDATED FINANCIAL SITUATION AND RESULTS	
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9.2.2 Significant changes in net revenue or net operating income	32, 33, 114, 123, 217
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10. CASH FLOWS AND EQUITY	
10.1 Information regarding equity	34, 207, 210, 233, 262
10.2 Sources and amounts of cash flows	33, 211, 238, 241
10.3 Information regarding issuer's borrowing conditions and financing structure	123, 204
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11. R&D, PATENTS AND LICENCES	
12. INFORMATION ON TRENDS	
12.1 Significant trends	28, 29, 115, 118, 119, 204
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Glossary

Term	Definition
Contraction activities order book	Portion of signed contracts not executed
Fair value of the debt with Caisse nationale des autoroutes (CNA) and of 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	Constant consolidation scope: calculated by neutralising: – the 2016 contribution made by companies consolidated for the first time in 2016; – the 2016 contribution made by companies consolidated for the first time in 2015, for the period equivalent to that in 2015 before consolidated for the first time; – the 2015 contribution made by companies deconsolidated in 2016, for the period equivalent to that in 2016 after they were deconsolidated; – the 2015 contribution made by companies deconsolidated in 2015. Constant exchange rates: 2015 exchange rates applied to 2016 local currency revenues.

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