

NGE, NEW GENERATIONS OF ENTREPRENEURS

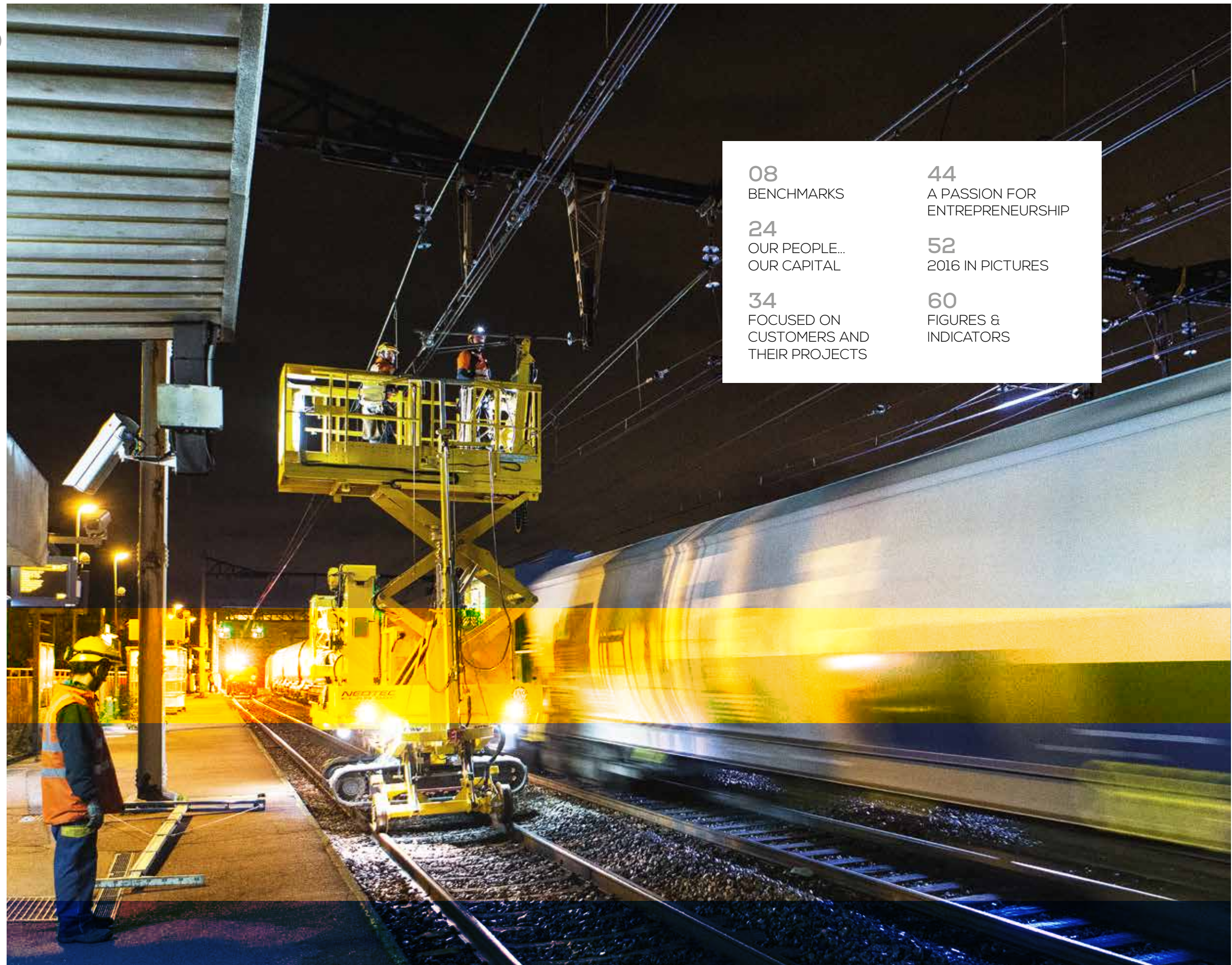


NEW GENERATIONS OF ENTREPRENEURS

Men and women who embrace the changes now sweeping through the public contracting and construction industries as opportunities to express their entrepreneurship... that's what NGE is all about. 9,500 employees dedicated on a daily basis to working for the benefit of communities, constantly reviewing their own knowledge and skills, and inventing their future careers.

In 2016, the ability of our teams to explore new frontiers was demonstrated more clearly than ever before. In penetrating new markets and integrating additional areas of expertise into their established business lines during the year, NGE employees proved their essential identity: the New Generations of Entrepreneurs.

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BENCHMARKS



Despite a sluggish public contracting market, consistent business growth and a record year-end order backlog **confirmed the status of NGE as the French public contracting market leader** and enabled its entry into the construction industry.

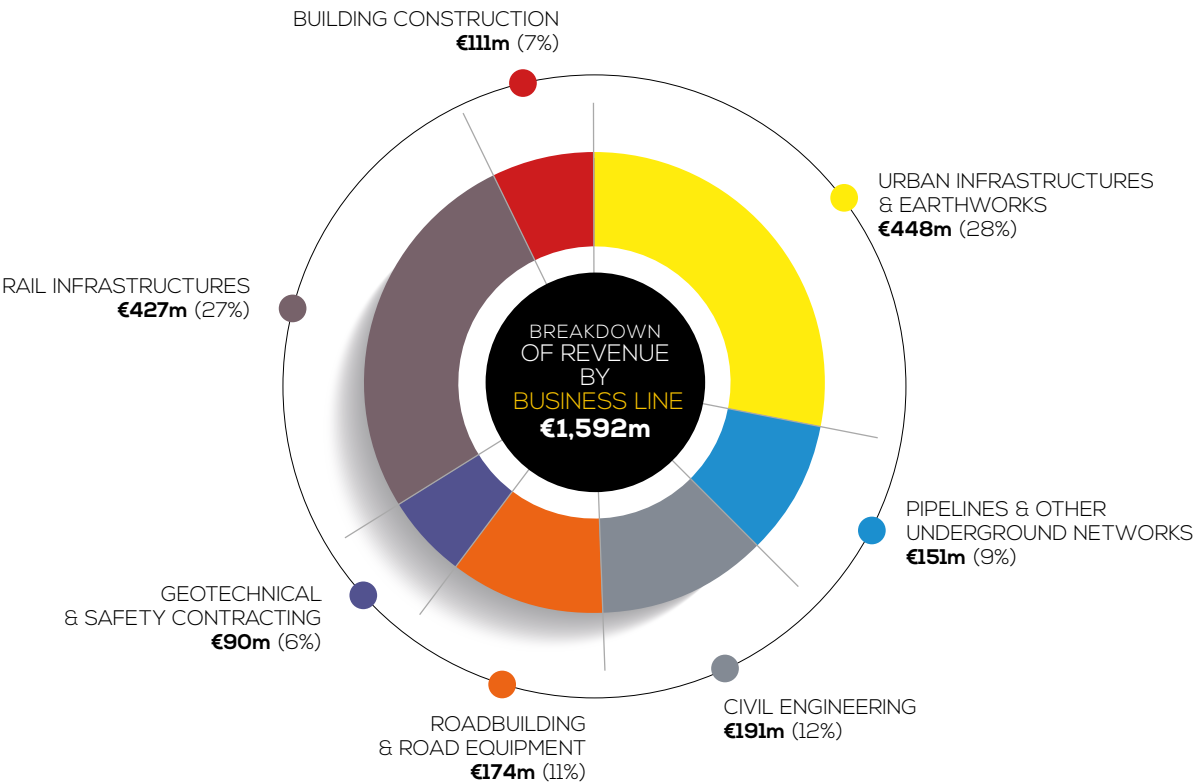
KEY FIGURES 2016

1.6
BILLION EUROS*
IN REVENUE
(UP 40% IN 5 YEARS)

8,500+
PROJECTS PER YEAR



BENCHMARKS



9,183
EMPLOYEES

4
IN-HOUSE TRAINING FACILITIES

2
TECHNICAL TRAINING CENTERS

AN AVERAGE OF
1,000
HIRES PER YEAR OVER
THE LAST 3 YEARS

ACCIDENT PREVENTION:
ACCIDENT FREQUENCY
RATE OF

23.19

€73m

INVESTMENT IN PLANT
& MACHINERY

+48%

ORDER BACKLOG

€4.5m

DEVOTED TO INNOVATION,
RESEARCH & DEVELOPMENT
(56 active projects)

87%

REVENUE GROWTH
INTERNATIONALLY
IN 1 YEAR

* Proforma revenue figure which simulates the inclusion of Cardinal Édifice on January 1, 2016.

ETHICS

NGE conducts business on the basis of respecting the environment and all its stakeholders (employees, partners and customers) for the benefit of current and future generations.

Shrinking and controlling its environmental footprint, promoting occupational safety, social cohesion and employee personal and professional fulfillment, working to support regional development, and full compliance with business ethics are all integral to NGE strategy.

Managed and guided by a Sustainability Committee, CSR is formalized around 3 core commitments:

- putting people first
- controlling environmental impacts
- behaving ethically.

/ CSR

NGE has been a signatory to the United Nations global compact since February 2016. This decision commits the Group to adopting, supporting and applying the ten global compact principles covering:

- / HUMAN RIGHTS
- / INTERNATIONAL LABOR STANDARDS
- / THE ENVIRONMENT
- / CORRUPTION PREVENTION

ACTION VALUES & PRINCIPLES

Unity, Ambition and Transparency are the 3 core values upheld by NGE employees. They guide the daily actions and behavior of everyone in the Group and are non-negotiable.

UNITY is a state of mind that benefits the interests of everyone. When problems occur, the solidarity of the united team is extremely valuable and allows challenges to be achieved. Unity can be seen in action at every level of the company, from team to branch, region, subsidiary company and parent Group.

AMBITION runs through everything we do, regardless of business line and activity. It fuels the desire for entrepreneurship and the commitment of all our people. It is what allows us to envision the future enthusiastically and optimistically.

TRANSPARENCY imposes the requirement to be sincere and honest in all circumstances. It is the essential counterpart to an operating model built on delegation and autonomy.



A comprehensive service underpinned by the 7 key areas of public contracting and construction expertise

As an expert in constructing and maintaining buildings and infrastructures, NGE creates structures of every kind and of every size for public-sector and private-sector customers.

The implementation of its multi-expertise concept enables a comprehensive approach to projects, with the ability to coordinate multiple areas of expertise internal to the Group, providing customers with a single point of contact.



**URBAN
INFRASTRUCTURES
& EARTHWORKS**

GUINTOLI / BARAZER / BERENGIER
DÉPOLLUTION / BROUTIN TP
CAZAL / MARMIN TP / MULLER TP
SERFOTEX / TP LYAUDET / TPRN



**PIPELINES & OTHER
UNDERGROUND
NETWORKS**

EHTP / NGE INFRANET / LACIS
NICOLO / REHACANA
SLD TP / SOC



CIVIL ENGINEERING

NGE GC



**ROAD BUILDING
& ROAD EQUIPMENT**

SIORAT / ABTP BIARD / GMS
ENROBES / LSO / LPF TP
SDBE / SGL / SLE / AGILIS
MOURGUES / CARRIÈRES



**GEOTECHNICAL
& SAFETY
CONTRACTING**

GTS / DACQUIN / SOTRAC / SUD
FONDATIONS / ROCS / SGTPS



**RAIL
INFRASTRUCTURES**

TSO / TSO CATENAIRES /
EGENIE / ESP RAIL / FRASCA
FVF / MIRE / OFFROY / Olichon
SAGES RAIL / SIFEL



**BUILDING
CONSTRUCTION**

CARDINAL EDIFICE /
LE CHENE CONSTRUCTIONS /
MENUISERIE CARDINAL
LAGARRIGUE



A GROUP DEDICATED TO SERVING REGIONS AND PROJECTS

6 OPERATIONAL DEPARTMENTS
MANAGE THE 14 REGIONAL DEPARTMENTS



A Major Projects department dedicated to managing and delivering large-scale infrastructure projects, and structured into three operations departments: major national projects, major multi-specialist projects & structures, and major fiber & energy projects.

An international presence via NGE Contracting, Générale Routière the Morocco-based multi-expertise subsidiary, as well as the **many rail infrastructure projects undertaken by TSO**, the Group's rail industry subsidiary.

National Specialist Subsidiaries whose expertise is available throughout France.

A Concessions Department for projects requiring **private finance**.

HIGHLIGHTS

GROUP

Building construction is now an integral part of the Group

On October 25, 2016, NGE and Cardinal Edifice signed the final agreements required for the alliance of their two businesses. This agreement brings building construction within the scope of NGE, and makes it an integral part of the Group through the creation of a National Specialist Subsidiary that has become its 7th business line.

Employee shareholding, wave two

The repeat of the employee shareholding campaign in 2016 marked the continuation of the NGE dynamic commitment introduced in 2015 to involve employees more closely in the life of their company by owning shares in it. In 2016, 4,913 employees were shareholders in the Group, bringing the level of equity owned jointly by executives and employees to 65%.

A new identity to accompany the expansion and success of NGE

NGE and its entities have a new visual identity. This a revolutionary change confirms the stature of the Group and raises the profile of every part of its structure.



One day, One job

Between November 15 and December 15, NGE ran a new kind of hiring campaign to fill 200 vacancies. The One day, One job campaign was run through social media and had a dedicated presence at student job fairs, including the Centrale-Supelec and ESTP* forums.

* ESTP: Ecole Spéciale des Travaux Publics, du Bâtiment et de l'Industrie (a leading higher education institution for Civil Engineering)

ACHIEVEMENTS

A first for France: a Public-Private Partnership for an urban project

In March 2016, NGE was awarded the first Public-Private Partnership (PPP) contract for a city center regeneration program. The partnership covers the renovation and upgrading of utilities and roads for the commune of Bellegarde-sur-Valserine in the Ain region of France. The contract runs for 15 years, more than 3 years of which will see the majority of on-site work carried out by NGE subsidiary companies.

Creation of a Strasbourg-based training school for careers in optical fiber

In partnership with AFPA, the vocational training center for adult learners, PLATE FORME - the NGE in-house training school - and the Alsace Chamber of Commerce and Industry, NGE opened a technical training center dedicated exclusively to careers in FttH* technology on November 2. Co-located with AFPA centers in Strasbourg, this new facility can host sessions for up to 22 trainees at a time. It will train more than a hundred people every year.

* FttH: Fiber to the Home

Work on the Grand Paris project

At the end of May 2016, NGE and its partners were awarded the contract for the GC 01 work package as part of the project to extend metro line 11. Six full years of work are scheduled in central Paris to complete a circular tunnel, 4 stations and 3 ventilation and fire department access structures. At the end of September 2016, NGE and its partners were also awarded the contract for the T2C work package for the future metro line 15, all of which will be underground. The contract covers the provision of civil engineering services for approximately 7 km of bored tunnel. In total, the Group is involved in 7 work packages of the Grand Paris infrastructure project.



NGE AT THE HEART OF EUROPE'S BIGGEST PROJECTS



The Tours-Bordeaux SEA HS completion of the first phase of superstructure installation

The SEA HS rail link catenary was powered up for the first time in June 2016. This important event marked completion of the work package awarded to the SGS consortium led by TSO, the NGE rail industry subsidiary.



Crossrail, the rail project beneath London

NGE has been leading from the front in the installation of tracks and catenaries for the regional rail project that will provide the east-west link from Berkshire to Essex through Central London, as well as serving Heathrow airport and Docklands. The project includes 21 km of twin tunnels at depths of up to 40 meters. At its peak, around 800 people worked on parallel worksites as part of this project, which involves the use of a concrete train enabling an average progress rate of 250 meters per day, and a record high of 377 meters of track in 7 hours.



THE SPIRIT OF CONQUEST

In 2016, NGE continued its expansion by penetrating new markets and diversifying its business lines through the acquisition of new skills in rail, civil engineering and fiber-optic infrastructure connection. Another landmark event during the year was the alliance with Cardinal Edifice, which introduces the Group to the building construction market. At NGE, 2016 was a year of investment in preparation for the future and paving the way for the Group of tomorrow.



"WE HAVE A SPECIAL BUSINESS MODEL THAT ALLOWS US TOTAL FREEDOM OF CHOICE"

JOËL ROUSSEAU,
Chairman of the Strategy Board

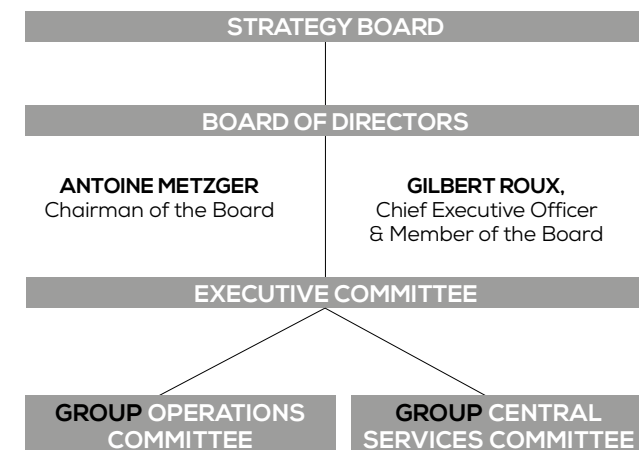
With new markets, new business lines and new horizons, 2016 was all about NGE expressing its spirit of conquest."

"NGE is 65% owned by its employees and senior executives. We see this capital structure as intrinsically virtuous. It encourages those at the top of the company to make choices when those choices are as profitable and beneficial for its employees as for the future of the Group. Our alliance with Cardinal Edifice, a construction company specializing in major hi-tech projects, underlines our ability to identify and act on other opportunities for growth.

This alliance will allow us to offer total solutions that are fully consistent with our multi-expertise model. We will be taking a completely different approach to public contracting and construction by exploiting every possible technical and commercial synergy. We are confident that the success of this alliance will benefit both companies. We have similar corporate cultures. We are both independent and family-owned. And we both ensure that our people are the central driving force of every project."

GOVERNANCE

NGE governance is structured around the Strategy Board chaired by Joël Rousseau, a Board of Directors whose members are Antoine Metzger (Chairman), Gilbert Roux (CEO) and an Executive Committee. Yves Cardinal, the founder of Cardinal Edifice, joined the Strategy Board at the end of 2016.



THE MEMBERS OF THE EXECUTIVE COMMITTEE (L-R):
Francis CHATELAIN, Jean-Sébastien LEONI, Orso VESPERINI, Antoine METZGER, Michel PAVOINE, Jean BERNADET, Joël PERELLE, Gilbert ROUX, Thierry ROBERT, Bruno PAVIE, Stéphane PEREZ, Michel LAVEDRINE.

INTERVIEW

ANTOINE METZGER

CHAIRMAN OF THE BOARD

“We have invested in the future and demonstrated our ability to explore new markets.”

Could you share your thoughts on 2016?

With annual revenue of €1.6 billion and 6.4% year-on-year growth, I believe that we have shown an excellent level of resilience. In the current lackluster economic environment, we have refused to give in and have succeeded in finding other opportunities for growth.

We have established strong positions in new markets, such as the underground work we are involved in as part of the Grand Paris infrastructure project. So we have definitely reasserted our status as a force in civil engineering. We have also expanded our presence in the nuclear industry with EDF on projects connected with the *Grand Carénage* nuclear power plant life extension program. By winning the first concession contract for the fiber rollout in Alsace – the largest Public Initiative Network so far – we have also demonstrated our ability to diversify our business lines.

How did your traditional business activities perform during the year?

The strength of our multi-expertise model, our knowledge of the French market as a result of our regional presence, and the excellence of the expertise we offer all contributed to maintaining the level of our traditional business activities.

The rail sector really stands out, with a sustained level of activity as a result of major projects in France and internationally, recently awarded contracts to upgrade the national rail network, and the replacement of switches and crossings, as well as safety-related work and human trackside traffic monitoring, both of which are really gaining ground.

NGE finalized a number of alliances in 2016. What is the strategy behind this policy?

Bringing Cardinal Edifice into our Group gives us a foothold in building construction, with the aim of offering total solutions that fully exploit the synergies between our business lines.

We want to be a different kind of construction and civil engineering contractor by creating a seamless package in which construction and public contracting are closely combined to meet the needs of major construction projects. At the end of the year, we finalized our acquisition of Dacquín, a company that specializes in deep foundation work and complements our expertise in this sector. Other expansion initiatives, such as incorporating the networks and telecoms business of Aège and the Artes design consultancy to strengthen our civil engineering implementation and methods capabilities, the acquisition of Posocco quarries by the Mauri Group in which NGE holds a 35% stake, and the location of an NGE Contracting entity in Doha, Qatar, all point in the same direction of preparing for the future.

So what is happening in international markets?

In 2016, international markets contributed 12% of our total revenue, and our eventual goal is to increase that to 15%.

We have no intention to go beyond that point. Continuing our expansion in France is integral to our strategy. We want to continue investing, training and hiring people here, because we believe that job creation is the prime purpose of any company.

How are you involving your employees in these developments?

The successes we achieved in 2016 are the direct result of our employees, their commitment and their responsiveness. None of the successes could have been achieved without the energy and expertise of our teams. We have always paid close attention to ensuring that our people are central to our projects, because we are convinced that the real wealth of the Group lies in its men and women.

And are you confident about the future?

The way we are developing at the moment is reassuring, and the facts show that our strategy works. We ended 2016 with a record order backlog of over €2 billion made up of short-, medium- and long-term contracts. Taking risks, seizing opportunities and ensuring we have all the resources we need for success are the cornerstones of our culture. This spirit of conquest has been a continual and permanent feature of the Group throughout its history, and is counterbalanced by the necessary value of humility. Now, more than ever, we are very definitely part of the new generation of entrepreneurs.

“We have always been driven by the spirit of conquest. We advance without arrogance and with humility.”

OUR PEOPLE... OUR CAPITAL



The most valuable capital asset of the company is its people. Men and women whose skills, expertise and ability to work together deliver **the performance of NGE.**



TAKING CARE

Convinced that the growth and economic strength of the Group depend directly on its social performance, NGE puts people at the heart of all its projects.



At NGE, growth is not achieved to the detriment of its teams, and it is in this knowledge that the energy of its people is channeled to make a very full contribution to the success of the Group.

The results of the first Workplace Quality of Life survey conducted in 2015 revealed that employees were extremely committed to their company and proud to be part of it. Nevertheless, a number of opportunities for improvement also emerged. These were then used as the basis for developing an action plan in 2016.

Action plan points include personal appraisal training for managers and the introduction of a vacancies page on the NGE portal website to encourage employee internal mobility. This facility proved all the more useful in 2016, which saw a falloff in business activity for the Group's historic business lines, an imbalance in workload between regions, and the collective focus on major projects presenting opportunities for employees to switch career paths.

Against this background, the Group went to great lengths to ensure that all its employees could look forward confidently and with peace of mind to a fulfilling forward career path. One other action point of particular interest was the expansion of the employee benefits offered by the Works Committee as a result of creating Club NGE.



CLUB NGE

Club NGE provides all employees with access to more than 80,000 products at discount prices. Created at the initiative of the social partners, the Club is available via the Internet.

THE ULTIMATE GOALS OF THE CLUB: to strengthen links inside the Group and give employees back real spending power by reducing their outgoings.

4,065 members

that was the Club membership total at the end of December 2016.

/ CSR

WELCOMING & RETAINING

At NGE, the hiring policy has deep roots. It is not driven by the availability of government subsidies or in response to the order backlog.

In 2016, NGE maintained its volume of new hires with more than 1,000 people joining the Group. Planning ahead for major projects, recruiting qualified managers and operators, and continuing to nurture its talent pool are the priority challenges on which the Group is permanently focused.

Optimizing the induction process

In 2016, NGE introduced a professional program that facilitates and accelerates the induction of new arrivals. Accompanied by an experienced volunteer mentor, every person joining the Group is guided in taking up their new position and helped to learn the essentials of their new mission quickly, but without unnecessary pressure. On completion of the trial period, they are asked to write a report setting out their impressions and assessing their induction period. This is designed as an opportunity for the employee to take stock of their new job in a format that can be used to identify areas for further improvement in the induction process. Young operators can also be supported by individual tutors.

Training for tomorrow

Every employee can rely on the support of the PLATE FORME NGE in-house training school, regardless of their profile, career path or worksite location in France or abroad. This training facility set up in 2002 provides the majority of training received by Group employees. Program content is created, produced and delivered internally by employees expert in their particular fields. Training designed by NGE for NGE is central to skills development, professional development and secure career paths within the Group.

It is also a cornerstone of the Group growth strategy. By providing individual entities with people trained in specific specialist skills areas, the training strategy offers NGE the option to train its people in advance of the tendering process.

PLATE FORME was the focus for several developments in 2016. Two technical centers were established during the year: one in Strasbourg focusing on cable network connection as part of the optical fiber rollout in Alsace, and the other in Montreuil to provide training in the subsurface contracting required as part of the Grand Paris infrastructure projects. Cardinal Formation, the Cardinal Edifice construction careers training center, also became part of the NGE training offer during the year.

FIRST INTAKE "FUTURE SITE FOREMAN"

In November 2016, the first intake for the Future Site Foreman training program completed the course with a 100% success rate. This 11-week training program is spread over 18 months, and targets employees who want to extend and improve their ability to anticipate, organize and manage on-site challenges.

/ CSR



OUR PEOPLE... OUR CAPITAL

Creation of a CQP and development of the associated training program

PLATE FORME has designed the Slipform Paver Operator training program that forms the basis for a Professional Qualification Certificate (CQP) accredited by the Commission Paritaire Nationale de l'Emploi. The aim is to encourage the upskilling of existing employees and train new recruits in the technicalities of slipform paving.

Tutors Convention in March 2016

The 6th Tutors Day Convention brought together all 257 NGE tutors at the French Football Federation center at Clairefontaine on **March 3, 2016**.



IN 2016

+4%

INVESTMENT IN TRAINING
MADE BY NGE (ABOVE
THE NATIONAL AVERAGE)

SUSTAINABLE INTEGRATION

Young people, those converting to new careers, and seniors all receive training at PLATE FORME in the careers offered by the Group. The training options it provides deliver on the NGE promise of job integration.



TRAINING
in 2016

For many years, NGE has been committed to helping job-seekers and those unfamiliar with its industry to access initial and in-service training. Through major projects and more modest local contracts, PLATE FORME works with local employment stakeholders to ensure the employability of trainees and, more particularly, the sustainability of their jobs. In addition to complying fully with employability clauses, NGE has the ability to train the people it hires in-house, and offer them a long-term career. With the Grand Paris infrastructure projects the fiber optic rollout in Alsace during 2016, PLATE FORME once again demonstrated its ability to induct and train people previously unfamiliar with the careers offered by the Group.

4,300

PEOPLE TRAINED

83,000

HOURS OF TRAINING DELIVERED

4

TRAINING FACILITIES

2

TECHNICAL CENTERS

/ CSR

NGE, FIBER OPTIC SOCIAL ENTREPRENEUR

For the 2016 rollout of the Public Initiative Network in the departments of Haut-Rhin and Bas-Rhin, PLATE FORME identified appropriate partners to bring together all the components needed to create a technical training facility dedicated to the specialist skills required to deliver FttH*.

In this instance, it worked with the local Chambers of Commerce & Industry and the adult qualification-based training agency AFPA, which has facilities in Strasbourg. PLATE FORME designed the learning materials and managed every stage of implementation. Opened in November 2016, this center provides training in network design and installation, and at a later date, network maintenance.

* FttH: Fiber to the Home

100% success rate for the IRCC professional qualification for communication network cable installation.

The first intake of trainees to complete the program at the fiber training school was 100% successful, with all 13 of them being awarded the two professional accreditation certificates that together make up the IRCC professional qualification, which is equivalent to a French Employment Ministry Level 5 Diploma.

In 2016, 18% of hours worked were devoted to bringing people into the world of work. This percentage is higher than that required contractually.

Training in career options for subsurface engineering projects

Given the relatively few subsurface projects implemented in France, qualified labor has become decidedly scarce. So for the 7 work packages of the Grand Paris infrastructure project awarded to NGE, the Group needs more people with the right qualifications. In practical terms, this means hiring and training an average of 500 people every year to do these jobs. It was specifically to address this challenge that PLATE FORME set up a dedicated subsurface project technical training center in Montreuil in 2016, with programs leading to Level 5 formworker and tunnel miner professional qualifications.



COMMITTED TO HEALTH & SAFETY

Protecting the safety,
physical wellbeing
and mental wellbeing
of its people is a daily
commitment
for the Group and
all its entities.

The Group accident frequency rate has fallen by 45% in the last five years. 2016 saw another significant reduction, with a frequency rate for the year of 23.19. This improvement is the direct result of the Group's voluntary policy to prevent and reduce the incidence of occupational accidents and illnesses.

The creation of a health unit and the recruitment of an ergonomist and occupational psychologist in 2016 reflect further progress in this direction.

THE GOAL: to prevent risks related to physical activity by conducting studies of particular jobs and involving employees in a group consultation process to identify and implement corrective measures.

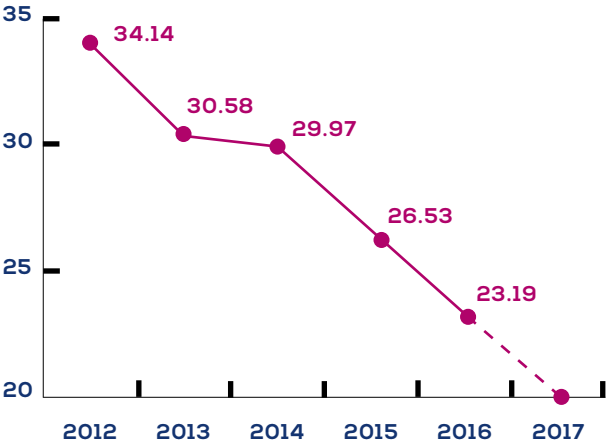


/ CSR

ACCIDENT FREQUENCY RATE

$$\frac{\text{Lost-time accidents} \times 1,000,000}{\text{Hours worked}}$$

There is a clear and consistent improvement in the key indicators, and especially in the accident frequency rate. We see this as a major challenge.



70
safety and accident prevention officers

SAFETY CHALLENGE
2016 was the first year in which a safety challenge involving all entities was included in the safety action plan for the year. Each entity was given completely free choice in organizing the challenge in the context of its own business, from defining the criteria through to the type of awards.

FOCUSED ON CUSTOMERS AND THEIR PROJECTS



Every project brings with it the opportunity to demonstrate the expertise of NGE people, their ability to work together and the strength of the multi-expertise concept. It is also a powerful catalyst for envisioning tailor-made solutions and demonstrating our expertise in innovation.

RECOGNITION AS A KEY LOCAL PARTNER

At NGE, the teams represent a substantial body of hands-on expertise that makes them invaluable partners at the local level. Regional projects contribute 40% of Group revenue and play a central role in its identity.

Regardless of whether the project involves district heating networks, utility pipelines, urban infrastructures or even flood defenses, it is this ability to listen, understand the needs expressed and propose tailor-made solutions that guides our teams. Working with project owners to successfully integrate structures into the natural and human environments is a constant concern and focus. NGE acts on a daily basis to limit the environmental impacts of the work it does, and offer alternative materials and/or techniques that may be better suited to the lifecycle of specific engineered structures. As hands-on specialists, the men and women of NGE have an in-depth knowledge of every aspect of the projects they work on, from geology to climate, resources and local stakeholders.

more than
8,500
PROJECTS PER YEAR.

TAKING CARE OF THE ENVIRONMENT: A SHARED IMPERATIVE

A Sustainable Development Committee meets twice a year to set broad environmental guidelines. Each entity then interprets those guidelines to set its own highly practical targets: **site management, local sourcing, limited travel, eco-friendly materials, etc.**

/ CSR

Projects that address local and regional concerns

- [1] **Work began on the Île de Ré** at the start of 2016 to protect against temporary marine flooding in the area around Loix as part of the Flood Prevention Action Programs (PAPI) introduced by the French government following Cyclone Xynthia. The work involved creating rockfill sea defenses, earth banks and a low flood protection wall.
- [2] **On the small island of Sainte Marguerite** off Cannes, the teams were hard at work for 5 months on upgrading the fire defense network. Since the only form of transportation available for personnel and equipment is by boat, effective logistics are essential. And because the island is a classified eco-reserve, special measures were in place to ensure that work on-site had no negative environmental impacts.
- [3] **In central Nantes**, teams completed the excavation work required to lay 2,800 linear meters of the district heating network.
- [4] **At the peak of the Rocher de Roquebrune in southern France**, work was completed on consolidating the rocky sections above the A8 to keep this important freeway safe from rockfalls. A series of environmental initiatives were implemented to protect the rich natural life of this Natura 2,000 designated site. The work schedules were structured around the lifecycle of the local bat population. To avoid encroaching on protected plant species, all the materials were brought to site by helicopter, walkway boards were laid and sanctuary areas were created. Containment tanks for power generators and uncompromising waste sorting completed the eco-friendly measures introduced for this project.
- [5] **At the shipyards of La Ciotat**, NGE carried out a major project to renovate the ship refit dock. The work involved in the civil engineering renovation works (the dock is 360 m long, 60 m wide and 9 m deep) and the construction of a new pumping station took the teams almost a year to complete.



[1]



[2]



[3]



[4]



[5]

PERFECTING THE MULTI-EXPERTISE & SINGLE POINT OF CONTACT MODEL

One of the things that sets NGE distinctively apart from its competitors is its guarantee to provide customers with a comprehensive diversity of expertise coordinated by a single point of contact. These examples of completed projects illustrate this global approach.

Lascaux IV, a prestige project

On December 15, 2016, the International Center for Cave Art at Montignac in the Dordogne region of France opened to the public with a complete replica of the world-famous Lascaux cave, known as Lascaux IV. For the teams of NGE, the opening marked the completion of a multi-expertise adventure that began in April 2014 when the Dordogne Departmental Council announced the award of the macro-work package to a consortium involving three Group subsidiaries. The schedule of works included all the structural elements, the deep foundations and underpinning, the earthworks and infrastructures, the metal frame, the life-size replica of the cave, the landscaping system and the weatherproofing of the concrete roof.

Constructing 9,000 m² of semi-underground buildings required the impeccable on-site coordination essential for the success of this project; a level of coordination enabled and delivered by the NGE commitment to its multi-expertise model. The project also boosted employment in the region by creating around forty jobs, some of which were reserved specifically for young people with no qualifications hired under work experience training contracts. Running for almost two years, this project delivered a real stimulus to the local economy through the on-site presence of the teams themselves and the use of subcontractors from around the Périgord region.



[Lascaux IV was created using 14,000 m² of concrete walling up to 13 meters high inclined at an angle of 9°.]

Business lines involved:
CIVIL ENGINEERING
(LAGARRIGUE AND NGE GC) /
ROADS (SIORAT) /
GEOTECHNICAL & SAFETY CONTRACTING
(SUD FONDATIONS)



[25 km of track renovated and many round trips every day between Bedous and Oloron to facilitate travel for Aspé Valley residents.]

Resumption of the Oloron-Bedous rail service opens up the entire valley

Closed since the 1970s, the rail link between Oloron-Sainte-Marie and Bedous in the south of the Pyrenees National Park reopened in June 2016. As project owner, the Aquitaine Region appointed a 100% NGE multi-expertise consortium of 10 Group subsidiaries to undertake 4 of the 8 contract work packages. The project was characterized by a high level of joint involvement in an environment made complex by the configuration of the location and the tortuous route of the single track, which includes 1,500 meters of tunnels, 25 rail-road crossings and 600 meters of rail bridges. It posed a continual challenge for the teams alongside the need to maintain constant high-level vigilance to protect the environment and adapt working procedures to cope with the fact that the line passes through four Natura 2000 protected areas.



Business lines involved:
URBAN INFRASTRUCTURES & EARTHWORKS
(GUINTOLI) /
PIPELINES & OTHER UNDERGROUND NETWORKS (EHTP) /
CIVIL ENGINEERING (NGE GC) /
ROAD EQUIPMENT (AGILIS) /
SAFETY CONTRACTING (GTS) /
RAIL INFRASTRUCTURES (TSO)





Superstructures
for the Saint-Jacques viaduct

After almost seven months of work, the Clermont-Ferrand tramway was able to run across the Saint Jacques viaduct again in November 2016. This marathon project was run by the NGE multi-expertise consortium responsible for renovating the viaduct superstructures. In addition to super-detailed phasing of materials deliveries, the teams applied a tailor-made surfacing solution developed specifically for this project to cope with the viaduct's 6% gradient. The other distinctive characteristic of this project was that this tramway is pneumatically powered and guided by a single rail. Very special care had to be taken to maintain the gap between the finished surfacing and the rail to avoid premature wear. As the only North-South public transit route through Clermont-Ferrand, the tramway was able to celebrate its 10th birthday on schedule in December 2016.

[Road and public transit users are now able once again to cross the Saint-Jacques viaduct after this marathon project.]

Business lines involved:
**URBAN
INFRASTRUCTURES
& EARTHWORKS**
(GUINTOLI) /
CIVIL ENGINEERING
(NGE GC) /
**ROAD BUILDING
& ROAD EQUIPMENT**
(SIORATAND AGILIS) /
**RAIL
INFRASTRUCTURES**
(TSO)



The first urban tramway
for Luxembourg City

To ease city center congestion in Luxembourg and encourage the complementary use of public transit options (bus, train and tramway), the Grand Duchy took the decision to build its first tramway line, with a deadline to run the first services on the initial section of tramway by the end of 2017. Luxtram, the project owner, appointed an NGE consortium to work in partnership with Luxembourg-based contractors on building the 14 km of tracks, 44 switches and crossings and the electricity substations needed to power the tramway. Work began in spring 2016, and is scheduled to take one year.



Business lines involved:
**URBAN
INFRASTRUCTURES
& EARTHWORKS**
(MULLER TP) /
CIVIL ENGINEERING
(NGE GC) /
**RAIL
INFRASTRUCTURES**
(TSO)

GIVING MEANING TO INNOVATION

Because techniques, materials
and the expectations of customers
change all the time, NGE has
always invested in innovation
and research.

At NGE, innovation in isolation is meaningless unless it delivers real and tangible improvements to customers. It is designed as a collaborative partnership between the Group and its customers.

The innovation strategy is constructed around substantial structural priorities to deliver an effective response to the challenges of sustainability, address increasingly tight controls on customer budgets, and make full use of increasingly powerful digital technologies.

2016 provided the opportunity to experiment in the field with a number of innovations that successfully met their targets.

IN 2016,
A BUDGET
OF

€4.5m

WAS DEDICATED TO

56
INNOVATIVE
PROJECTS



First successful project deployment of the catenary wire unwinding dumper

Developed on the basis of the specification prepared by TSO CATENAIRES, the catenary wire unwinding dumper is designed to operate on worksites where the unwinding train cannot be used. It is the only rail/road unwinding unit in France with an SNCF work permit. It was used for the first time in February 2016 on the Bretagne Pays de Loire HS rail link project site and proved 100% successful.

MORE EFFECTIVE SPOIL MANAGEMENT

As part of the Grand Paris infrastructure project, NGE entered the innovation awards challenge organized by the Société du Grand Paris with a completely new system developed by its teams.

This innovative process provides real-time continual analysis of material removed by the tunneling process. It identifies the composition of soil pollutants so that they can be routed to the correct treatment process.



/ CSR

A PASSION FOR ENTREPRENEURSHIP



NGE sees **change as an opportunity to show its true colors as a business with a deep commitment to entrepreneurship.**

Challenges are its impetus, and difficulties its inspiration. New markets and business line diversification have always been cornerstones of the Group growth strategy.

DIVERSIFYING OUR BUSINESS LINES & EMBRACING NEW MARKETS

2016 gave NGE the opportunity to demonstrate yet again its ability to successfully overcome challenges and treat the changing face of its industry with optimism and confidence.

In 2016, NGE responded to falling demand in its historic business lines of earthworks, roads and pipelines by identifying new drivers for growth and seizing the opportunities they present.

Its knowledge of the French market and ability to form alliances with partners who share its entrepreneurial spirit have allowed the Group to win contracts for types of project that it was previously not closely associated with.

Grand Paris: preparing for subsurface projects

Previously, NGE worked on civil engineering, refurbishment and medium-sized new-build projects. The nature of the work involved in the Grand Paris infrastructure project means that the Group must adapt its existing civil engineering skills and apply them to subsurface projects. So to meet the needs of these projects, NGE is training engineers, technicians and operators, with particular focus on shuttering and tunneling machine operation.



Optical fiber: integrating digital network skills

For the rollout of the Public Initiative Network in the departments of Haut-Rhin and Bas-Rhin, NGE has expanded its skills base in network engineering and design.



Rail: a world of opportunity

NGE is embracing new areas of expertise following the outsourcing of projects previously undertaken by SNCF RESEAU. Human trackside monitoring, personnel protection and electric signaling are all services now offered by the Group.



Nuclear: a new market

NGE has set up a dedicated nuclear industry unit in response to the high demand for nuclear power plant maintenance, the French nuclear power plant life extension program and post-Fukushima maintenance and upgrade projects. The Group is now working on projects all over France.

A DIFFERENT TAKE ON CONSTRUCTION AND CIVIL ENGINEERING

The end of 2016 was marked by the alliance with Cardinal Edifice, the construction company based in the French Department of Ile-et-Vilaine.



BUILDING CONSTRUCTION



LE CHÊNE CONSTRUCTIONS
MENUISERIE CARDINAL



This agreement makes NGE a construction and civil engineering company in its own right, and is intended to extend its multi-expertise model by adapting it to the needs of major construction projects. The plan is to bid for comprehensive construction project contracts that will involve multiple Group specialties. Roads, pipelines and other underground networks will also be involved, as will earthworks and geotechnical and safety contracting.

Having been awarded the 'Earthworks, urban infrastructures, structural works, external walls and weatherproofing' work package for the Paris-Saclay University campus near Paris in the final quarter of 2016, Cardinal Edifice and NGE are already exploiting the synergies available between earthworks, soil stabilization and building construction for this project to construct 46,200 m² of Net Floor Area.



[1]



[2]



- [1] The Polygone Riviera shopping center - Cagnes-sur-Mer.
- [2] The Institut Mines-Telecom - Paris - Saclay in construction.

INTERNATIONAL GROWTH

NGE continues to grow strongly in international markets, which together contributed 12% of total revenue in 2016, reflecting 87% year-on-year growth.



[1]



[2]



[3]

With a presence concentrated in Latin America, French-speaking Africa and Europe, NGE made considerable progress internationally during the year. Already involved in rail infrastructure projects in many countries via TSO, all other NGE specialties are channeled through its dedicated subsidiary NGE Contracting, and via Générale Routière in Morocco.

Rail gets on track

In February 2016, TSO won its first contract in Mexico with Kansas City Southern de México [1], the country's second-largest rail concession holder. The 4-year contract covers a ballast undercutting program. This first success has already been followed up with a 1-year contract, which is also for ballast undercutting, but in this case is awarded by Ferromex, Mexico's leading rail concession holder.

TSO is also extending its presence in urban public transit systems. With existing projects underway in Panama City with the extension of subway line 2 [2 and 3], in London with Crossrail, and in Senegal with the regional express project between Dakar and its future airport, the company has also been awarded the contract to lay line 3 (phase 3) of the Cairo subway.

Diversification in Morocco

Générale Routière is growing and building a strong reputation in Morocco [4] with a series of projects involving multiple areas of expertise. In 2016, the company won the contract to build a wastewater treatment plant sludge drying unit in Marrakesh [5]. This multi-expertise project will involve earthworks, civil engineering and road construction. A few months later, it was also awarded the contract to extend the Marrakesh wastewater treatment plant. The Générale Routière teams will provide the civil engineering services for the hydraulic structures, underground process pipes, operational building, technical areas, roads and external infrastructures.



[4]



[5]

AN INTERNATIONAL PRESENCE



2016 IN PICTURES



[1]



EXPERTISE
LOCAL PRESENCE
INNOVATION



[2]



[3]



[4]



- [1] The Achères wastewater treatment plant.
- [2] The Sud-Europe-Atlantique HS rail link (Tours - Bordeaux).
- [3] Resumption of rail services between Oloron-Sté-Marie and Bedous.
- [4] The International Center for Cave Art - Lascaux IV in Montignac.



[1]



[2]



[4]



[5]



[3]



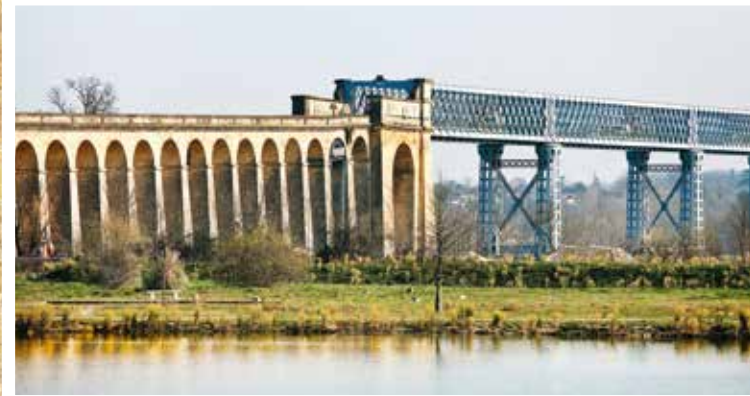
[6]

- [1] The Étrepagny sugar refinery.
- [2] Urban infrastructures in Bellegarde-sur-Valserine.
- [3] The Saint-Trojan sea defences - Ile d'Oléron.
- [4] Ventilation and safety shaft L14 - Grand Paris Express.
- [5] RNI64 at St Méen.
- [6] The Luxembourg tramway.

WORKING
TOGETHER



[1]



[1]

- [1] Refurbishment of the Eiffel Bridge
– St-André-de-Cubzac.
- [2] Sugar refining complexes
in Côte d'Ivoire.
- [3] The Trie Château bypass.
- [4] Rennes teaching hospital.
- [5] Doubling of the A9 freeway
near Narbonne.
- [6] Refurbishment of the St-Jacques
viaduct at Clermont- Ferrand.



[2]



[3]



[4]



[5]



[6]



[1]



[3]



[2]



- [1] Crossrail in London (UK).
- [2] Tancarville Bridge approach roads.
- [3] Ecole Nationale Supérieure de la Photographie - Arles
- [4] Laying optical fiber cables in the Gers region of France.
- [5] Renovation of the ship repair dock in the shipyards at La Ciotat.



[4]



[5]

FIGURES & INDICATORS



With proforma annual revenue of €1.592 billion, NGE achieved 6.4% year-on-year growth in 2016. Excluding external growth, revenue was up slightly by 0.4%.

The Group's historic business line of Urban Infrastructures & Earthworks remained the largest contributor to revenue (€448 million representing 28% of revenue), followed by rail infrastructures (€427 million representing 27% of revenue) and civil engineering (€191 million representing 12% of revenue). Net income for the year was €20.2 million, with EBITDA at a new record level of €116.6 million. This growth was driven by the diversification of Group business lines (optical fiber networks and subsurface projects, rail infrastructures and international markets). Revenue from international markets rose by more than 87%, with the majority of that increase generated by the Crossrail project in London.

Major Projects experienced a low point in business activity during 2016, although this is purely a temporary situation. NGE order backlog increased very significantly, and growth will remain strong in future years.

The Multi-Expertise Regions saw their revenue remain stable in an extremely competitive market to which the Group is responding by being more selective in the contracts it accepts.

NGE continues to be very confident about its future. Investment continues to grow year-on-year, and totaled €73 million in 2016. More than 1,500 people joined the labor force in 2016.

Group net debt rose as a direct result of higher investment to fund the external growth transactions in Quarter 2 of the year, the largest of which was Cardinal Edifice.

CONSOLIDATED INCOME STATEMENT



In thousands of euros	12/31/2016	12/31/2015
Income from operating activities	1,502,999	1,496,608
Other Income from Activities	47,243	30,971
Purchases consumed	(251,571)	(290,814)
Personnel expenses	(424,496)	(408,429)
External expenses	(755,884)	(714,682)
Taxes and Duties	(18,735)	(21,056)
Amortization expense	(67,814)	(62,778)
Provisions	2,245	7,682
Change in work-in-progress and finished product inventories	713	(1,788)
Other Operating Revenue and Expenses	8,197	4,562
OPERATING INCOME FROM ORDINARY ACTIVITIES	42,897	40,276
AS A PERCENTAGE OF REVENUE	2.9%	2.69%
Other operating income and expenses	(6,231)	(4,360)
OPERATING INCOME	36,666	35,916
Income from Cash and Cash Equivalents	161	481
Cost of Financial Debt - Gross	(9,355)	(9,872)
Cost of Financial Debt - Net	(9,194)	(9,391)
Other Financial Income and Expenses	(1,917)	(838)
Share of Net Income from Associates	(229)	(242)
Tax expense	(5,095)	(6,980)
NET INCOME	20,231	18,465
- Group share	20,074	18,055
- Non-controlling interests	155	410
EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY SHAREHOLDERS		
Earnings per share - basic	3.19	2.88
Earnings per share - diluted	3.06	2.77

In thousands of euros	12/31/2016	12/31/2015
CONSOLIDATED NET INCOME	20,231	18,465
Other comprehensive income that may not be recycled subsequently to net income		
Actuarial adjustments	998	571
Deferred tax on actuarial adjustments	(344)	(206)
Convertible bond coupons net of tax	(676)	(442)
Other comprehensive income that may be recycled subsequently to net income		
Fair value change on Hedging Instruments	1,050	(65)
Translation adjustment	(1,294)	102
Income tax on comprehensive income	(105)	24
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	19,860	18,449
Comprehensive income attributable to owners of the parent	20,350	17,998
Comprehensive income attributable to non-controlling interests	(492)	451

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In thousands of euros	12/31/2016	12/31/2015
Goodwill	257,025	224,091
Other Intangible Assets	3,298	3,718
Property, plant and equipment	348,927	342,175
Investments in associates	6,993	5,762
Available-for-sale financial assets	17,323	14,205
Other financial assets	39,047	40,245
Other non-current assets	8,607	6,590
Deferred tax assets	2,194	466
NON-CURRENT ASSETS	683,414	637,252
Inventories	20,887	22,644
Customer receivables	567,425	507,413
Advance payments	6,662	7,720
Other current assets	111,302	100,126
Current tax assets	55	148
Cash and cash equivalents	210,785	204,382
CURRENT ASSETS	917,116	842,433
TOTAL ASSETS	1,600,530	1,479,685

LIABILITIES

In thousands of euros	12/31/2016	12/31/2015
Issued share capital	51,683	50,099
Bonuses	14,487	71
Reserves	160,455	177,130
Net income for the period	20,074	18,055
SHAREHOLDER EQUITY - GROUP SHARE	246,699	245,355
Non-controlling interests	4,850	8,201
TOTAL EQUITY	251,549	253,556
Long-term loans and other borrowings	257,330	237,091
Long-term provisions	73,916	72,390
Deferred tax liabilities	9,075	11,381
NON-CURRENT LIABILITIES	340,321	320,862
Current loans and borrowings	63,859	54,998
Bank overdrafts	94,736	71,023
Short-term provisions		1,052
Advances and payments on account received	35,932	29,796
Trade payables	455,828	377,960
Other current liabilities	353,606	369,707
Current tax liabilities	4,699	731
CURRENT LIABILITIES	1,008,660	905,267
TOTAL LIABILITIES	1,600,530	1,479,685

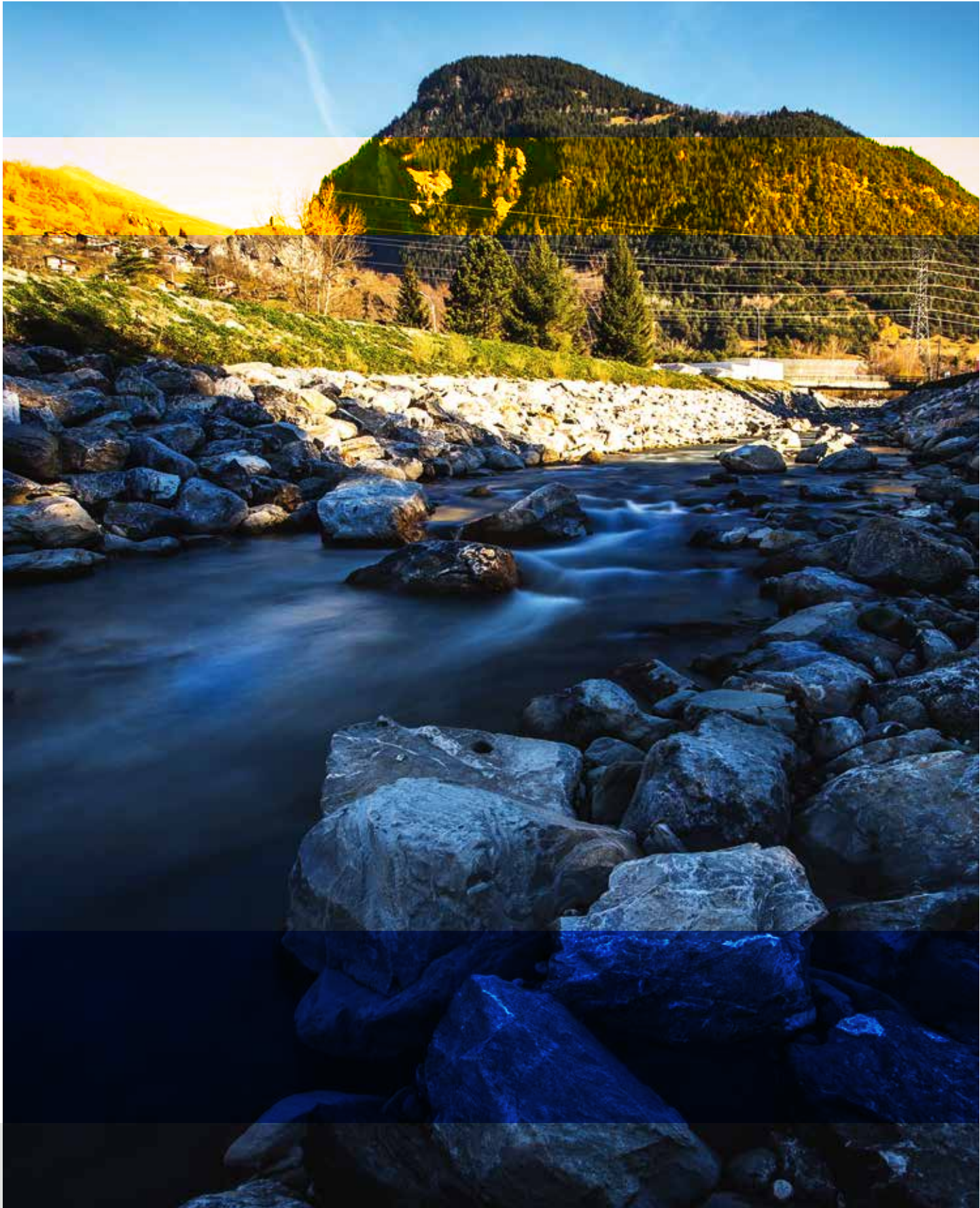


CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement is presented using the indirect method.

Using this method, the net income of consolidated companies is adjusted for the effects of non-cash transactions and items of income or expense associated with investment or financing cash flows. The interest and dividends paid by non-consolidated companies are shown in the financial and investment cash flows respectively. There was no non-available cash at December 31, 2016.

In thousands of euros	12/31/2016	12/31/2015
CONSOLIDATED NET INCOME	20,231	18,465
Net amortization, depreciation and provisions	66,429	55,112
Other operating income and expenses	(216)	(13)
Gains and losses on disposals	(1,394)	(566)
Share in net income of companies accounted for using the equity method	229	242
Dividends received (from shares in non-consolidated companies and companies accounted for using the equity method)	(119)	(140)
NET CASH FROM OPERATING ACTIVITIES AFTER TAX	85,160	73,100
Tax expense (including deferred taxes)	5,095	6,980
NET CASH FROM OPERATING ACTIVITIES BEFORE TAX	90,255	80,080
Change in tax payable	(4,577)	3,717
Change in WCR for operations	(10,240)	(52,457)
NET CASH FLOW FROM OPERATING ACTIVITIES	75,438	31,340
Disbursements related to acquisitions of property, plant and equipment and intangible assets	(72,803)	(68,345)
Receipts related to disposals of property, plant and equipment and intangible assets	10,617	7,768
Change in financial assets	(5,376)	(4,323)
Impact of changes in Group structure	(12,324)	(4,680)
Dividends received (from shares in non-consolidated companies and companies accounted for using the equity method)	185	163
Change in loans and advances granted	325	(1,199)
Change in amounts due to non-current asset suppliers	(750)	(1,056)
NET CASH FLOW FROM INVESTMENT TRANSACTIONS	(80,126)	(71,672)
Amounts received from shareholders for capital increases:		
Paid by the shareholders of the parent		
Paid by non-controlling interests in consolidated companies		
Dividends paid during the period:		
Dividends paid to the shareholders of the parent	(9,988)	(69,951)
Dividends paid to non-controlling interests in consolidated companies	(1,668)	(238)
Receipts from new borrowings	86,616	139,135
Repayment of borrowings	(86,311)	(105,073)
NET CASH FLOW FROM FUNDING TRANSACTIONS	(11,351)	(36,127)
Impact of exchange rate fluctuations	(1,271)	76
CHANGES IN NET CASH	(17,310)	(76,383)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	133,359	209,742
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	116,048	133,359



NON-FINANCIAL
REPORTING:
KEY PERFORMANCE
INDICATORS



NGE performance indicators	Unit	2015	2016	Change
ECONOMY & GOVERNANCE: KEY FIGURES				
Total revenue*	€m	1,497	1,592	+6.4%
Share of total revenue covered by QSE certification	%	64.40%	64.83%	+0.43
Investment in equipment	€m	62	73	17.74 %
Innovations under development	No.	48	56	+8
PEOPLE AT THE HEART OF PROJECTS				
Total headcount at December 31	No.	7,904	9,183	+16.18%
of which women	%	7.00%	8.01%	+1.01
of which permanent	%	92%	79.11%	-12.89
of which contracts for the period of the project	%	4%	3.53%	-0.47
of which fixed-term contracts (inc. work/study contracts)	%	4%	1.15%	-2.85
Work/study contracts	No.	210	233	10.95%
Hirings	No.	1,165	930	-20.17%
Departures	No.	159	257	+ 61.64%
Tutors	No.	246	257	+4.47%
Hours of training	No.	214,260*	236,768	+10.50%
Percentage of apprenticeships	%	26%	24%	-2
Employees trained	No.	6 833	7 280	+6.54%
Percentage of employees having had at least one professional appraisal in 2 calendar years	%	60% +4	75%	+15
Percentage of employees with a declared disability	%	2.7%	2.66%	-0.04

* Proforma

NGE performance indicators	Unit	2015	2016	Change
Absenteeism (excluding occupational illnesses and accidents)	%	5.50%	-	-
Employee claims relating to psychological conditions in the workplace	No.	11	6	-45.45%
Frequency rate for lost-time occupational accidents	-	26.53	23.19	-12.59%
Severity rate for lost-time occupational accidents	-	1.30	1.21	-6.92%
Lost-time occupational accidents	No.	289	268	-7.27%
Other occupational accidents	No.	151	187	+23.84%
Days lost	No.	14,203	14,449	+1.73%
Commuting accidents	No.	37	54	+45.95%
Near accidents and incidents reported	No.	945	949	+0.42%
Declarations of occupational accidents	No.	36	40	+11.11%
Site QSE inspections	No.	2,845	3,075	+8.08%
Site safety inspections conducted by managers	No.	873	1,049	+20.16%
15-minute QSE briefings	No.	7,432	7,095	-4.53%
REDUCTION IN OUR ENVIRONMENTAL IMPACTS				
Direct GHG emissions from machinery	TeqCO ₂	118,759	90,973	-23.40%
Average CO ₂ emissions from the vehicle fleet	g/km	132.14	119	-9.94%
GHG emissions avoided by using public transportation (train)	TeqCO ₂	627	522	-16.75%
Percentage of excavated materials reused directly on-site	%	96%	81.4%	-14.6
Percentage of external materials used	%	5.8%	19.3%	+13.5
Environmental accidents reported (pollution, pipeline leaks, etc.)	No.	81	170	+109.88%
Environmental complaints	No.	7	12	+71.43%
Emergency exercises carried out	No.	53	72	+35.85%

FOLLOW US
ON SOCIAL
MEDIA





In France and around the world, our teams serve communities, regions and countries by designing, constructing and refurbishing infrastructures and buildings.

The expertise and team working skills of the 9,500 men and women of NGE give them the confidence to embrace and anticipate the changing nature of the jobs they do and work closely with their customers.

Reporting annual revenue of €1.6 billion, NGE is an independent French civil engineering company involved in the construction of major infrastructure projects, urban development programs and local development schemes.

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