Annual Report 2003

Workforce
127,000
worldwide

Operations in
over **80** countries

Front cover: the Rion-Antirion bridge in Greece

VINCI, world leader in concessions, construction and related services*

Net sales
€18.1
billion worldwide

Market capitalisation
€6.6
billion at 25 March 2004

Net income
€541
million

* Source: *Moniteur* magazine, November 2003 (basis: 2002 net sales)

Antoine Zacharias
Chairman and CEO

A Message from the Chairman

Sustaining success year after year – that is the goal that we have set for ourselves. A glance at the past year shows that we achieved that objective once again in 2003. Although the business environment was in wait-and-see mode, VINCI managed to improve its results significantly: our operating income rose by 9% to 1,166 million euros and our net income was up 13% to 541 million euros.

Our four business lines, 2,500 business units and 127,000 employees have each in their own way contributed to this success. The principle of rigorous contract selection which has now permeated the entire Group, the productivity drive and the unremitting effort on the part of our operational supervisory staff to modernise our business lines, reinvent our methods and rejuvenate our procedures have resulted in VINCI taking the profitability lead in all its sectors of activity. This outstanding performance coincides with a return to growth in Group net sales, which were up by 5.5% on a constant exchange-rate basis. All VINCI business lines recorded a significant increase in their business activity, especially construction which grew by 7.5% on a constant exchange-rate basis, without in any way compromising the principle of selective order-taking; VINCI Construction has thus become the main contributor to Group net income.

Sustainable success

VINCI's operating performance has naturally generated excellent financial health for the Group: the cash generated by our companies over the past two years has enabled us to fully finance the 1.2 billion euro investment in our 20% stake in ASF while at the same time restoring cash holdings to an even higher level than previously.
These results owe much to a management system based on trust and to the enterprising spirit shared by those who head our operating entities, thanks to the autonomy and empowerment they enjoy within the Group.
The success of the 2003 VINCI Innovation Awards, in which 740 entries were examined by an independent jury, demonstrates the extent to which VINCI employees are collectively involved in modernising our business lines and illustrates the way their creativity and imagination run throughout all branches of our Group.
Likewise, the VINCI group's commitment to improving the safety of its employees, both on the roads and on worksites, testifies to our overarching goal of positioning ourselves as a thoroughly modern construction group.
More generally, when it comes to sustainable development, VINCI understands its corporate responsibility as being that of a major player in regional development, endeavouring to combine economic, social and environmental performance for the longer-term benefit of the community, the company, its employees and shareholders as well as its customers and partners.
As a leader in all its business lines, VINCI is poised to continue its development on buoyant European markets, especially in Central and Eastern Europe. Moreover, the development of contractual arrangements based on public-private partnerships opens up new opportunities by encouraging the use of private-sector financing for projects which public financing alone could not cover. In this way VINCI will continue to pursue its performance and its development over the long haul, remaining as responsive as ever so as to seize whatever opportunities may arise for acquisitions.

Network

2,500

business units

Business lines

Concessions and services
Energy
Roads
Construction

Worksites

250,000

a year

Workforce

127,000

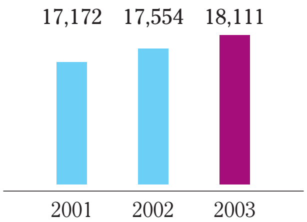
worldwide

Since becoming independent in 2000, VINCI has applied a strategy aimed at achieving sustained profitability in its four business lines. With steady growth in earnings, the company is now the benchmark for its sector.

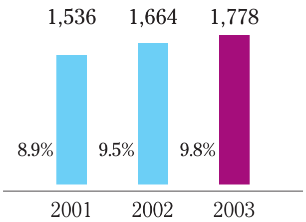
Key figures

Constant growth in earnings

Net sales
(in € millions)



Gross operating surplus
(in € millions and as % of net sales)



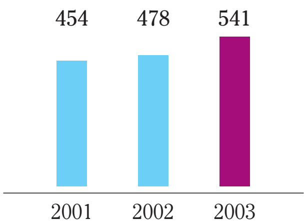
Operating income
(in € millions and as % of net sales)

Market capitalisation

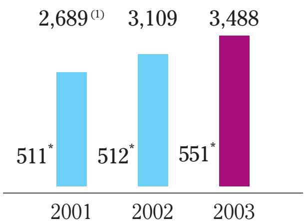
€6.6 billion

at 25 March 2004

Net income
(in € millions)

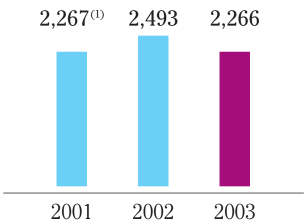


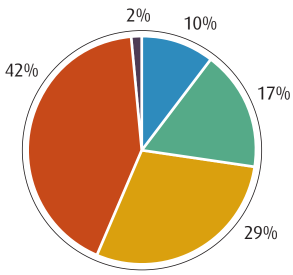
Shareholders' equity and minority interests
(in € millions)



*Minority interests

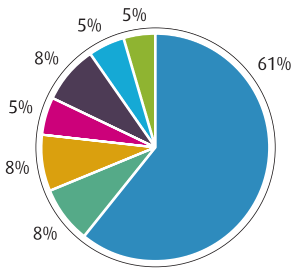
Net debt
(in € millions)





Net sales by business line (2)
(in € millions)

Concessions and services	1,895
Energy	3,115
Roads	5,338
Construction	7,716
Property	274
Eliminations	(227)
Total	18,111



Net sales by geographical area
(in € millions)

France	10,999
Germany	1,457
UK	1,448
Central and Eastern Europe	968
Rest of Europe	1,488
North America	935
Rest of the world	816
Total	18,111

(1) After reclassification as a reduction of shareholders' equity of treasury stock cancelled in 2002 (€195.5 million)
(2) Before elimination of inter-company transactions

Profile

VINCI, world leader in concessions, construction and related services[1]

Formed in 2000 by the merger between SGE and GTM, VINCI is organised as a network of 2,500 decentralised profit centres. The know-how of its four business lines and its European network of operations are unparalleled.

VINCI Concessions. The outsourced management of infrastructure has been an integral part of VINCI's business and strategy from the start. With outstanding know-how in project design, turnkey construction, financing and management, VINCI Concessions operates in three segments: road and motorway infrastructure, car parks and airports (management and services). The company also manages the Stade de France stadium near Paris.

VINCI Energies. Number one in France[1] and a leading player in Europe in energy and information technologies, VINCI Energies provides engineering, systems integration, installation and maintenance in four segments: energy infrastructure, industry, service sector and telecommunications. In all four segments, the company supplies comprehensive local solutions.

Eurovia. One of the world leaders in roadworks and materials recycling, and number one in France for the production of road aggregates[2], Eurovia operates throughout the road industry value chain. It designs, builds, renovates and maintains road and motorway infrastructure, and carries out urban, industrial and commercial development projects. The company also operates a network of 230 quarries, 517 materials production sites and 105 recycling plants.

VINCI Construction. Construction has driven VINCI's growth for over a century, and is the starting point for the company's diversification into its other business lines. One of the world leaders in building and public works, VINCI Construction groups together an unrivalled portfolio of expertise in building, civil engineering, hydraulic engineering, multi-technical maintenance and services. With firm roots in its local markets in France, the rest of Europe and Africa, the company is also a significant player in the world market for design-build major projects and specialised civil engineering.

(1) Source: *Moniteur* magazine, November 2003 (basis: 2002 net sales)
(2) Source: internal study (basis: 2002 production)

World leader in concessions, construction and related services, VINCI has exceptional market coverage through its network of 2,500 profit centres. Firmly anchored in Europe, where it generates 90% of its business, VINCI has a traditional presence in Africa and operates on a selective basis in North America and the rest of the world by participating in major projects and providing specialist skills.

VINCI has operations in the following countries:

Africa
Benin, Burkina Faso, Cameroon, Central Africa, Chad, Congo, Côte d'Ivoire, Egypt, Equatorial Guinea, Gabon, Guinea, Kenya, Libya, Madagascar, Mali, Mayotte, Morocco, Mozambique, Niger, Nigeria, Reunion Island, Rwanda, Sao Tome and Principe, Senegal, South Africa, Tanzania, Togo, Tunisia, Uganda

Asia
Afghanistan, Cambodia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Thailand, Vietnam

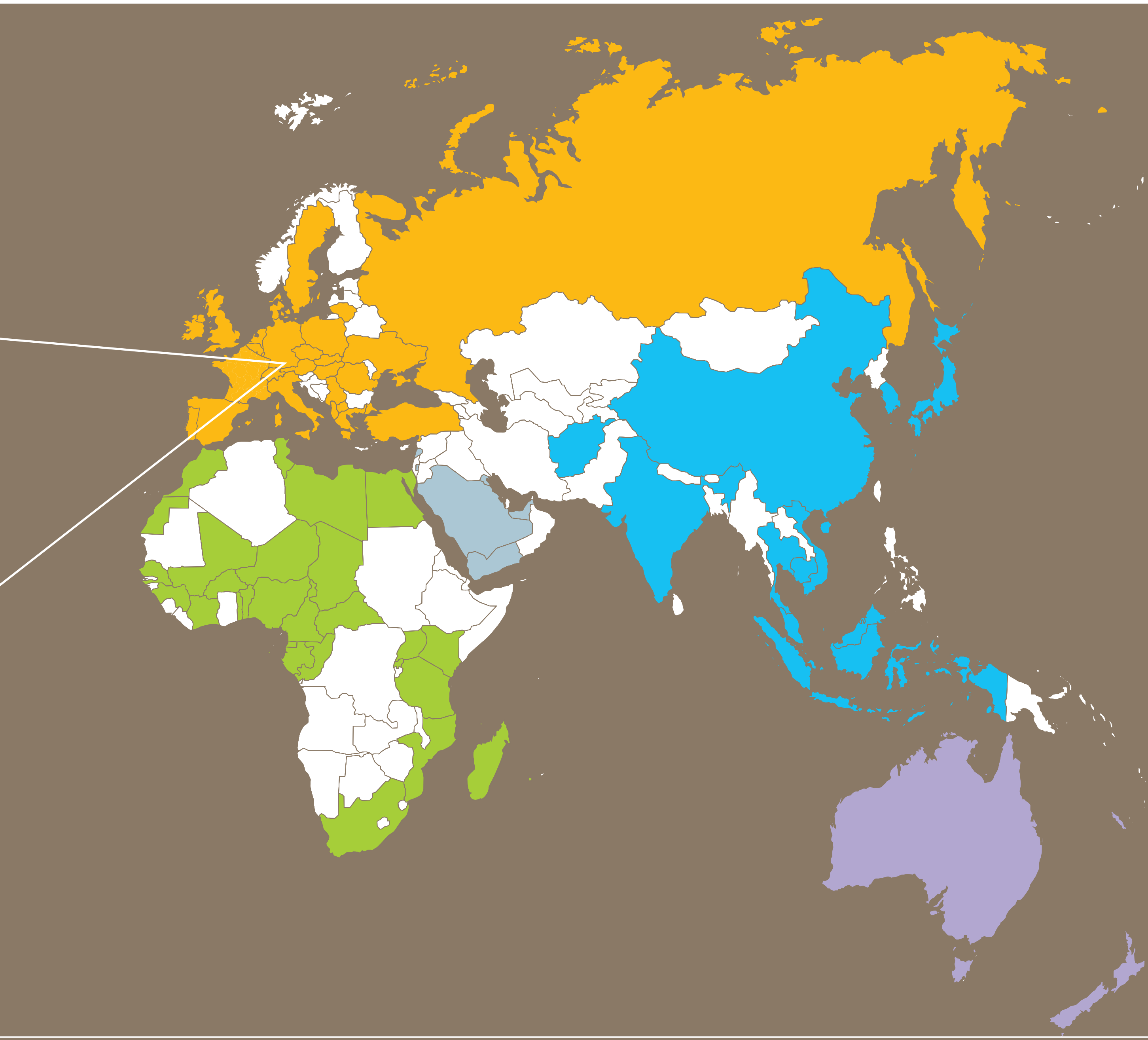
Middle East
Kuwait, Lebanon, Palestine, Saudi Arabia, United Arab Emirates, Yemen

Europe
Albania, Austria, Belgium, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Macedonia, Monaco, Netherlands, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom

Americas
Argentina, Brazil, Canada, Chile, Colombia, El Salvador, French Guiana, Guadeloupe, Hawaii, Jamaica, Martinique, Mexico, United States, Venezuela

Oceania
Australia, French Polynesia, New Caledonia, New Zealand

A European company with operations worldwide



January

- Under the terms of the cultural sponsorship agreement signed with the Château de Versailles, VINCI assumes responsibility for restoring the Hall of Mirrors for a total of €10 million over five years.
- The third twinning charter is signed by GTM Terrassement and Sogea-Satom's Equatorial Africa regional division.

1


February

- GTIE, the energy division, changes its name to VINCI Energies.

March

- Cofiroute and Eurovia win the contract to operate the Thames crossing at Dartford, east of London, the biggest toll crossing in Europe.
- Eurovia signs a charter with the French government committing to reducing road accidents involving its employees by 30% within three years. To achieve that target, Eurovia launches Vigiroute, its accident prevention and road safety plan.

April

- First meeting of VINCI's European works committee, held in Brussels.
- VINCI Construction Grands Projets receives ISO 9001:V2000 certification.

May

- Official opening of new passenger terminal at Phnom Penh international airport, managed under concession by a VINCI Airports subsidiary.
- Axians, the VINCI Energies network specialising in voice-data image communication, receives Cisco Gold certification.
- Sogea Construction and GTM Construction complete the renovation of the former head office of Crédit Lyonnais in Paris.

June

- The central theme of VINCI's annual senior management convention is accident prevention and safety. Each business line commits to an action plan with strong management support and involving all employees.
- VINCI wins a third contract for the construction of the East European high speed line and signs a partnership charter with Réseau Ferré de France and SNCF.
- In Kuala Lumpur, Malaysia, VINCI Construction Grands Projets delivers Berjaya Times Square, the biggest commercial and residential complex in Asia.


2


3

Antoine Zacharias, chairman of VINCI, receives the Major Partner medal from the Minister of Culture and Communication for the restoration of the Hall of Mirrors at the Château de Versailles.

4


Highlights in 2003

July

• Freyssinet wins the top 2003 innovation prize awarded by FNTP, the French public works federation, for its compact anchorage system for carbon fibre cables.

• SKE wins three new contracts worth €190 million for the maintenance of United States military facilities in Germany.

September

• VINCI Airports, in a joint venture, wins the five-year management contract for Grenoble airport.

October

• SSZ, Eurovia's Czech subsidiary, wins a contract worth €140 million to build a 6.5 km section of the D47 motorway between Prague and Krakow.

• The breakthrough of the first tunnel of the A86 Ouest between Rueil-Malmaison and the A13 is a major milestone in this important underground motorway project, which is being financed and built and will be managed under concession by Cofiroute.

November

• Official opening of Eurovia's international research and development centre in Bordeaux gives new impetus to VINCI's roadworks innovation policy.

• Publication of *La Trace des Bâtisseurs*, a 630-page book tracing VINCI's history back to the 100 or so companies from which it originates.

December

• Cegetel awards Opteor (VINCI Energies) a contract for the 24/7 multi-service maintenance of 74 buildings that house its strategic telecommunications centres.

• VINCI 2003 Innovation Awards: the very high level of participation, along with the quality of projects submitted and winning prizes, confirms VINCI's vitality in the field of innovation.

• VINCI increases its stake in ASF to 20%.

• New contracts won by VINCI Park in France, the UK, Luxembourg, Slovakia, Canada and other countries bring the total number of car park spaces managed worldwide to over 810,000.

• Official opening of the new 32 km section (Villefranche-sur-Cher to Saint-Romain-sur-Cher) of the A85 motorway, financed, built and operated by Cofiroute.

• The VINCI Foundation for the Community, which encourages the civic commitment of company employees and acts to further the integration of the disadvantaged into professional life, supported 67 projects in 2003, for a total amount of €1.15 million.

In April 2003, VINCI allied itself to the United Nations Global Compact and committed to promoting nine principles in the areas of human rights, employment standards and the environment.

1/ Berjaya Times Square, Kuala Lumpur
2/ Eurovia's new research centre
3/ Dartford crossing bridge and tunnel
4/ Jean-Jacques Aillagon and Antoine Zacharias

Corporate governance

After gaining its independence in 2000, VINCI set in place management and control structures and systems which, alongside the Board of Directors, direct the company in compliance with the most recent principles of corporate governance.

VINCI, which has no main shareholder, attaches a great deal of importance to the quality and competence of the people who sit on its management and control structures. The remit of these structures is to ensure, in total transparency, that the decisions taken are in the best interests of shareholders while guaranteeing the continued existence of the company. The efficiency of VINCI's management model is attributable to the independence of its many subsidiaries, each of which is in effect a profit centre. Special attention is therefore paid to internal control and risk management.

Board of Directors

The withdrawal of VINCI's long-standing shareholders (Vivendi Universal, Dalkia and Suez) resulted in a change to the composition of the Board of Directors, which comprises 15 members. Of these:
– two are VINCI executives (Antoine Zacharias and Bernard Huvelin);
– one is a VINCI subsidiary employee (Denis Vernoux, who represents employee shareholders);
– 12 are major figures from industry or the financial community outside VINCI (Dominique Bazy, François David, Quentin Davies, Guy Dejouany, Alain Dinin, Patrick Faure, Dominique Ferrero, Serge Michel, Alain Minc, Henri Saint Olive, Yves-Thibault de Silguy and Willy Stricker). Of these, three – Guy Dejouany, Serge Michel and Alain Minc – are former VINCI executives who no longer have any operating function within the company.

The board's composition guarantees its independence from the company's management because, although certain directors hold functions within other companies that may have business relationships with VINCI or its subsidiaries:
– the directors have skills and professional experience that are useful to the company, with absolute freedom and independence of judgement;
– they are capable of exercising their functions in the general interests of shareholders and the company.

On 14 May 2003, the Board of Directors adopted a system of internal regulations laying down clearly the rules applicable to the operation of the board and its committees, as well as the behaviour expected of each of its members.

The three committees of the Board of Directors

The Board of Directors decided to form three specialist committees made up of members of the board.
The Audit Committee: Dominique Bazy (chairman), Henri Saint Olive and Quentin Davies.
The Investment Committee: Dominique Ferrero (chairman), Willy Stricker, Yves-Thibault de Silguy and François David.
The Remuneration Committee: Serge Michel (chairman), Patrick Faure and Alain Minc.
The remit of these committees and their activities during 2003 are described in the report of the chairman on the work of the Board of Directors and on internal procedures (page 128).

The regulations include in particular:
– the obligation for each director to maintain at all times and in all situations his independence of analysis, judgement, decision and action, to reject any direct or indirect pressure that could be brought to bear on him by other directors, shareholder groups, creditors, suppliers or any other third party, and to inform the board of any situation that may represent a potential or future conflict of interest;
– the obligation for the board to examine the situation of each director as regards his independence, a director being considered independent when he has no ties with the company that could compromise his freedom of judgement;
– the obligation for each senior executive and board member to declare to the company all transactions that he carries out directly or through a third party involving VINCI shares or derivatives.

The minimum number of VINCI shares that must be held by each director, according to the company's corporate statutes, is 250. On the basis of the share price at the end of December 2003, this corresponds to an investment of at least €16,413. At 31 December 2003, the 15 directors of the board held a total of €184,471 VINCI shares.
The term of office of board directors is six years and, according to French law, the number of directors over 70 years of age may not exceed more than one-third of the total number of directors in office.

In payment for their mandate, directors receive an annual fee. The total amount of directors' fees was set at €500,000 by the Shareholders Meeting of 19 December 2000. In 2003, the total amount was divided up as follows: €80,000 for the chairman, €40,000 for the chairman of each committee and €20,000 for each director.

The board's activities are described in the report of the chairman on the work of the Board of Directors and on internal procedures, page 128.

Board of Directors

Chairman

Antoine Zacharias
Chairman and CEO
of VINCI

Directors

Bernard Huvelin
Co-Chief Operating
Officer of VINCI

Dominique Bazy
Chairman and CEO of
UBS Holding France SA

François David
Chairman and CEO
of Coface

Quentin Davies
UK Member
of Parliament

Guy Dejouany
Honorary Chairman
of Vivendi Universal

Alain Dinin
Chairman
of the Executive Board
of Nexity Holding

Patrick Faure
Chairman and CEO
of Renault Sport and
Executive Vice-President
of Renault

Dominique Ferrero
Director of Assurances
Générales de France
and Atos Origin

Serge Michel
Chairman of Soficot

Alain Minc
Chairman and CEO
of AM Conseil
and Chairman of
the Supervisory Board
of Le Monde

Henri Saint Olive
Chairman and CEO
of Banque Saint Olive

Yves-Thibault
de Silguy
Executive Vice-President
of Suez

Willy Stricker
Senior banker at CDC
Ixis

Denis Vernoux
Chairman of the
Supervisory Board
of the VINCI Castor
and Castor Avantage
corporate mutual funds

Management structures

The Executive Committee and the Management and Co-ordination Committee are the two principal management structures of VINCI. The committees meet regularly during the year to discuss and make decisions, focusing mainly on the company's strategy, acquisition policy and outlook.

Executive Committee

The Executive Committee is responsible for managing VINCI and met 12 times in 2003.

Antoine Zacharias
Chairman and CEO of VINCI
Chairman of VINCI Concessions

Bernard Huvelin
Member of the Board
Co-Chief Operating Officer of VINCI

Xavier Huillard
Co-Chief Operating Officer of VINCI, Chairman of VINCI Energies

Roger Martin
Co-Chief Operating Officer of VINCI, Chairman of Eurovia

Management and Co-ordination Committee

The Management and Co-ordination Committee brings together the members of the Executive Committee and senior executives of VINCI. Its remit is to ensure wide consultation and discussion of the company's strategy and development. It met three times in 2003.

David Azéma
CEO, VINCI Concessions

Renaud Bentegeat
Managing Director, CFE

Bruno Dupety
Chairman and CEO, Freyssinet

Denis Grand
Chairman and CEO, VINCI Park

Robert Hosselet
Chairman and CEO, GTM Construction

Jean-Yves Le Brouster
Chief Operating Officer, VINCI Energies

Patrick Lebrun
Executive Vice-President, VINCI Energies

Jean-Louis Marchand
Chief Operating Officer, Eurovia

Jean-Pierre Marchand-Arpoumé
Chairman and CEO, VINCI Airports

Jean-Luc Pommier
Vice-President, Business Development, VINCI

Daniel Roffet
Executive Vice President, Eurovia International

Jean Rossi
Chairman, Sogea Construction

John Stanion
Chairman and CEO VINCI plc

Henri Stouff
Chairman and CEO, Cofiroute

Philippe Touyarot
Executive Vice President, VINCI Energies

Guy Vacher
Executive Vice-President, Eurovia France

Philippe Ratynski
Chairman of VINCI Construction

Christian Labeyrie
Vice-President
Chief Financial Officer

Pierre Coppey
Vice-President, Corporate Communications, Human Resources and Synergies

Share performance and shareholder base

In 2003, VINCI's share price increased 22% and its trading volume 14%. The principal characteristics of the shareholder base are the significant portion of shares held by employees (9%), the substantial float (86%) and the balanced geographical distribution of institutional investors.

Shareholder base at 31 December 2003

Employees	9%
Treasury stock	5%
Veolia Environnement	1%
Individual shareholders (1)	12%
French institutional shareholders (1)	25%
Other institutional shareholders (1)	48%
of which, USA: 18%	
UK: 15%	
Other European countries: 15%	
Total	100%

(1) Estimates

The VINCI share

ISIN	FR0000125486
Sedol	4818083
Datastream	F:DG@F
Reuters	SGEF.PA
Bloomberg	DG FP
Indexes	– CAC 40
	– Euronext 100
	– DJ Stoxx
	– Next Prime
	– Aspi Eurozone

Share price and trading volume

After a two-year decline, the stock market picked up in 2003. VINCI's share price followed and amplified the trend, increasing 22% over the year while the CAC 40 rose 16%.

After a steep increase at the beginning of the year, which brought the VINCI share price to a peak of €58.45 on 4 February, the share dropped to a low of €50.75 on 12 March in a market shaken by the Iraq crisis. The share then kept pace with the recovery of the CAC 40, rising steadily to reach a new high of €67.80 on 4 December. Following the announcement of the French government's decision to freeze privatisation of the motorway sector, the share lost 4% on 18 December, closing the year at €65.65. It then bounced back rapidly at the beginning of 2004 and closed at a record high of €84.05 on 8 March.
On 31 December 2003, VINCI's market capitalisation amounted to €5.5 billion, placing it 35th in the CAC 40 by capitalisation and 30th by floating capitalisation according to the new weighting rules used by Euronext.

The daily trading volume in VINCI shares rose 14% in 2003 to an average of 526,000 shares, i.e. €31 million in capital.

Shareholder base

Until November 2003, Veolia Environnement's subsidiary, Dalkia, held 1.6 million VINCI shares covering the bonds redeemable in VINCI shares issued in 2001 by Vivendi Universal. Dalkia then sold 750,000 shares, reducing its interest to 1% on 31 December 2003.
Since the withdrawal of Vivendi Universal and Suez, its traditional shareholders, VINCI's leading shareholder group has been its employees, who held 9.2% of the capital stock on 31 December 2003. Almost 40,000 employees are shareholders through group savings schemes, i.e. one employee out of two in France, and one out of five in other countries.
Apart from employees, VINCI has about 110,000 individual shareholders holding 12% of its capital stock.
Institutional investors in some 40 countries hold 73% of VINCI's capital stock. Following management's efforts over recent years to make VINCI better known to the global

Stock market data	2003	2002	2001	2000
Share price on 31 Dec. (in €)	**65.65**	53.70	65.85	65.50
High (in €)	**67.80**	74.50	76.00	66.00
Low (in €)	**50.75**	52.70	55.40	38.40
Daily trading volume (number of shares)*	**526,437**	461,154	333,749	165,283
Market capitalisation at 31 Dec. (in € millions)	**5,501**	4,450	5,458	5,185
Total shares at 31 Dec.	**83,795,032**	82,873,367	82,879,911	79,154,601
Dividend excl. tax credit (in €)	**2.36****	1.80	1.70	1.65
Dividend incl. tax credit (in €)	**3.54****	2.70	2.55	2.475
Total yield (based on share price on 31 Dec.)	**5.4%**	5.0%	3.9%	3.8%

** Excluding transactions carried out by Vivendi Universal (sale of 13 million shares in 2000 and 5.3 million shares in 2002), Suez (sale of 4.9 million shares in 2000 and 13.5 million shares in 2001, and repurchase and divestment of 2 million shares in 2002) and Veolia Environnement (sale of 750,000 shares in 2003).*
*** Submitted to the Shareholders Meeting.*

investor community, the company's shareholder base is now geographically balanced between French investors (25%), American (18%), British (15%) and others (15%).

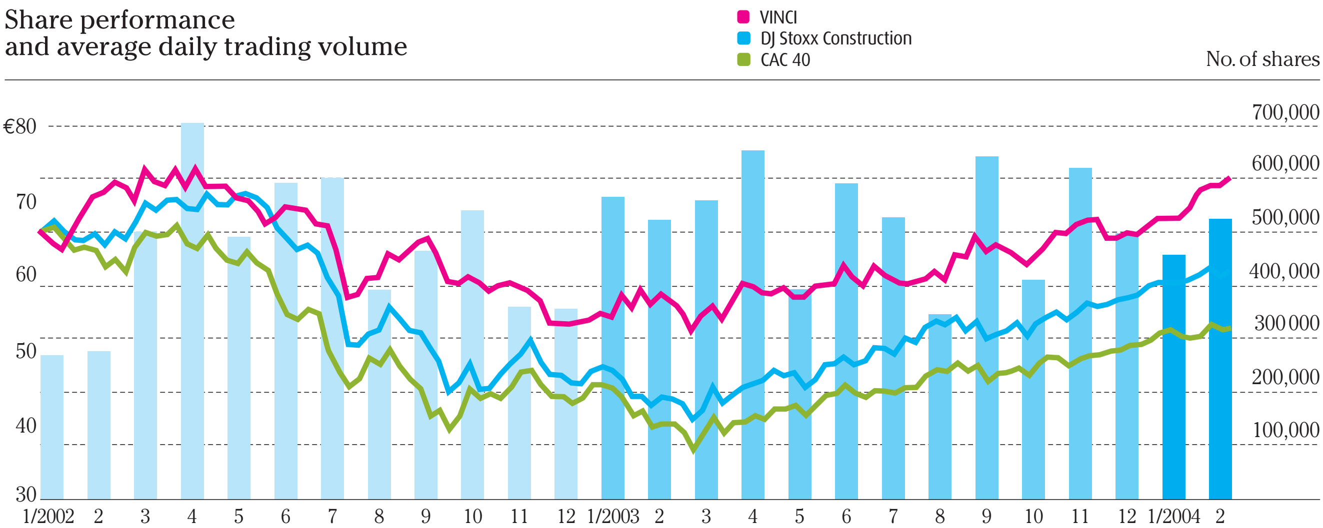
Share buy-back and cancellation programme

Since 2003, VINCI's share buy-back programme has sought to offset the dilution effect of shares created when stock options are exercised. To that end, the company repurchases on the market a quantity of shares to be cancelled, the quantity being equivalent to the number of new shares that will be created. Within the context of this programme, VINCI purchased 560,000 of its own shares in 2003 at an average price of €64.33 per share, and cancelled 420,000 of them in December.

At 31 December 2003, VINCI held 4.9% of its own capital, representing 4.1 million shares, allocated for the most part to covering share purchase options granted to employees. The company also had the capacity to purchase a further 4.3 million shares.

In 2004, the share buy-back and cancellation programme resulted in the purchase of 449,500 shares during the first two months of the year, followed by the cancellation of 285,000 shares on 2 March.

Share performance and average daily trading volume



Shareholder relations

In an ongoing effort to ensure that all its shareholders receive clear and comprehensive information, VINCI provides them with documentation and a website. The company also takes every opportunity to meet and talk with investors throughout the year.

VINCI receives a large number of shareholders every year at the Actionaria investment fair in Paris.

The shareholder's 2004 agenda

29 April
First quarter sales

4 May
Shareholders Meeting

11 May
Payment of dividend

5 August
Second quarter sales

7 September
First half earnings

4 November
Third quarter sales

Individual shareholders

VINCI's Shareholder Relations Department promotes meetings with the company's individual shareholders.

In 2003, the Shareholders Meeting held in Paris on 14 May was an important opportunity for the 700 shareholders who attended to meet and communicate directly with the company's senior management. In November, VINCI's booth at the Actionaria investment fair, also held in Paris, received more than 30,000 visitors who were given information about the company, its business activities, financial results and prospects for growth.

Meetings organised outside Paris attracted 600 shareholders, giving them an opportunity to communicate directly with VINCI representatives.

Institutional investors and financial analysts

In 2003, VINCI continued and expanded communication with the financial community. In addition to the meetings organised when interim and annual results are released, VINCI participated in about ten events organised for investors by banks and brokers to address specific subjects, particularly motorway concessions. VINCI also participated, for the second year, in the Next Prime forum sponsored by Euronext, and spoke at CFO 2003, an annual meeting held by the British magazine, *The Economist*. In addition, management continued to meet regularly with numerous investors, receiving nearly 100 of them on a one-to-one basis during the year.

VINCI also enhanced communication with financial analysts and bankers specialising in selling shares, organising four presentations for some 50 brokerage firm salesmen. In addition, a dozen analysts were able to visit the Rion-Antirion bridge, which is being built in the Gulf of Corinth in Greece. These efforts resulted in an improvement in the coverage of the share by analysts: 23 brokerage firms, including 10 located outside France, are kept regularly informed about VINCI.

VINCI managers went on five roadshows in 2003, which covered the http://www.vinci.com

The vinci.com website provides shareholders with real-time access to stock market data, video broadcasts of meetings announcing financial results and full coverage of company news.

main financial centres of Europe (Paris, London, Frankfurt, Zurich, Brussels, Luxembourg, Edinburgh and Milan) and the United States (New York, Boston, San Francisco, San Diego, Los Angeles and Austin). These events mobilised senior managers for nearly four weeks, giving them an opportunity to present the company, its strategy and growth prospects to institutional investors. In total, VINCI met almost 700 investors and analysts during the year.

The Web: direct, real time access to information

The VINCI website, www.vinci.com, which is updated on a daily basis, offers ready access to information. Stock market information is available in real time and press releases are posted as soon as they are made available to the press and to analysts.

VINCI's financial results and the presentations made to financial analysts throughout the year are posted in the website's Finances section, ensuring individual shareholders are as well informed as the financial community.

Contact us

The Shareholder Relations Department is on hand to answer all investor queries. Contact the team:
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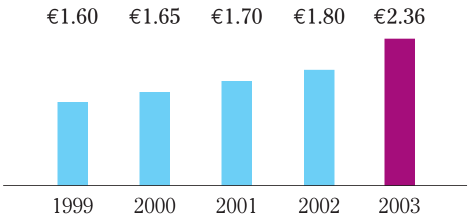
- by fax: +33 1 47 16 33 88
- by e-mail: actionnaires@vinci.com
  investors@vinci.com
- by post: Shareholder Relations Department,
  1, cours Ferdinand-de-Lesseps
  92851 Rueil-Malmaison Cedex, France

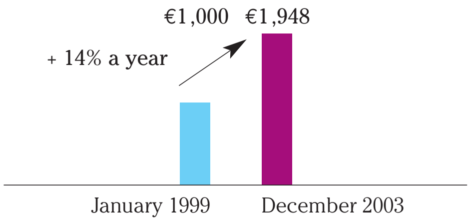
Strong growth in the dividend and earlier payment

The dividend proposed to the Shareholders Meeting will be €2.36 per share (€3.54 per share including the 50% tax credit). This represents a 31% increase on 2002 and sets the total yield, including the tax credit, at 5.4% based on the share price at 31 December 2003. The dividend will be paid on 11 May 2004 (the 2002 dividend was paid on 27 June 2003).



Shareholder return on investment over five years

An investor who invested €1,000 in VINCI shares on 1 January 1999 and reinvested all dividends collected (including tax credit) in the purchase of further VINCI shares would have an investment worth €1,948 on 31 December 2003. This represents an average annual return of 14%.



Net sales
18,111
million euros

Operating income
1,166
million euros

Net income
541
million euros

2003 business report

In an economic climate that varied from market to market, VINCI's four business lines all recorded growth in net sales and income in 2003. In addition, they all started the new year with prospects for growth and further improvement in their profitability.

Net sales
1,895
million euros

Operating income
600
million euros

Net income
164
million euros

Workforce
21,900

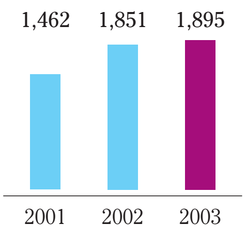
Around 100 million motorists a year use the 928 km of motorway that make up the network belonging to Cofiroute, in which VINCI holds a 65% interest.

Concessions

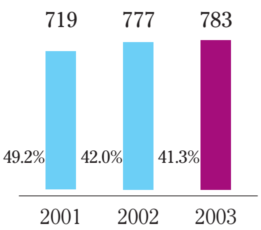
Heir to know-how acquired in the nineteenth century, VINCI provides public and private customers with all the skills needed for turnkey infrastructure and services projects, from financial engineering, design and construction to operation and maintenance.

Key figures

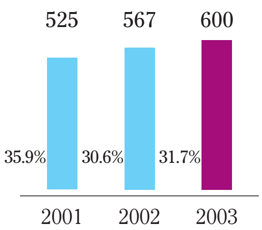
Net sales
(in € millions)



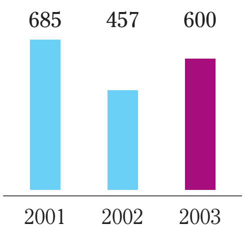
Gross operating surplus
(in € millions and as % of net sales)



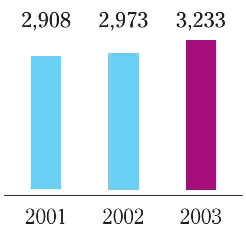
Operating income
(in € millions and as % of net sales)



Capital expenditure*
(in € millions)



Net debt
(in € millions)

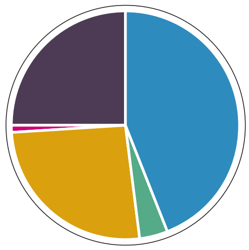


* Including capital expenditure on concession infrastructure

VINCI Concessions

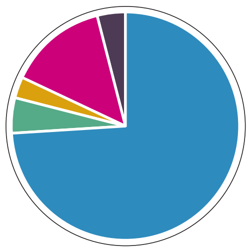
Structure	Subsidiary or joint venture	Country	% held	Consolidation method[1]	Residual term of contract (in years) from 31. Dec. 2003
Motorways					
Intercity network (928 km)	Cofiroute	France	65.3%	FC	27
ASF network (2,446 km)	ASF	France	20.0%	MI	29
Escota network (459 km)	ASF	France	20.0%	MI	23
Chillán-Collipulli (165 km)	Autopista Del Bosque	Chile	83.0%	FC	18
Fredericton-Moncton (195 km)	MRDC/VCCI	Canada	12.5%	MI	25
Don Muang (14 km)	DMTC	Thailand	4.5%	MI	18
Newport (10 km)[2]	Morgan-VINCI Ltd	UK	50.0%	PC	39
Bridges and tunnels					
Confederation bridge	SCDI/VCCI	Canada	49.9%	PC	29
Severn River crossings	SRC	UK	35.0%	EM	13
Tagus River crossings	Lusoponte	Portugal	30.9%	EM	27
Prado-Carénage tunnel	SMTPC	France	31.3%	EM	22
Puymorens tunnel	ASF	France	20.0%	MI	34
A86 Ouest tunnels[2]	Cofiroute	France	65.3%	FC	70[3]
Rion-Antirion bridge[2]	Gefyra	Greece	53.0%	FC	36
Car parks					
Car parks	VINCI Park	France and other countries	100.0%	FC	31[4]
Airports					
Southern Mexico (9 airports)	ITA[5]	Mexico	24.5%	EM	46
Central and northern Mexico (13 airports)	SETA[6]	Mexico	37.3%	EM	47
Cambodia (2 airports)	SCA	Cambodia	70.0%	PC	22
Beijing	ADPM[7]	China	34.0%	EM	46
Liège	ADPM[8]	Belgium	34.0%	EM	36
Stade de France	Stade de France consortium	France	66.7%	PC	21

(1) FC: full consolidation; PC: proportionate consolidation;
EM: equity method; MI: unconsolidated minority interest
(2) Under construction
(3) From date of tunnels going into full service
(4) Average for car parks under concession or wholly owned.
(5) "Strategic partner" holding 15% of the capital stock of Asur, the concession company of 9 Mexican airports
(6) "Strategic partner" holding 15% of the capital stock of GACN, the concession company of 13 Mexican airports
(7) "Strategic partner" holding 10% of the capital stock of Beijing airport
(8) "Strategic partner" holding 25% of the capital stock of Liège airport



Net sales by business segment

Cofiroute	44%
VINCI Infrastructures	4%
VINCI Park	26%
Airport management	1%
Airport services	25%
Total	100%



Net sales by geographical area

France	74%
UK	5%
Rest of Europe	3%
North America	14%
Rest of the world	4%
Total	100%

Profile

Comprehensive expertise in integrated solutions

Long-term contracts, improving the visibility of earnings through time

VINCI has been operating in outsourced infrastructure management for over a century, providing its public and private customers with integrated solutions to meet their equipment and related services needs, in particular in the field of transport. Drawing on its expertise across the entire process of outsourced management of public services – project selection, financial engineering, project engineering, construction and operation – VINCI Concessions, a wholly owned subsidiary created at the end of 2002, has the capacity to assume part of the risks related to complex operations, thereby reducing those risks for the concession awarding authority, customers and partners. This capacity comes from being part of a construction company with the skills, management culture, geographical presence, portfolio of contracts and financial base necessary to make a success of such projects.
VINCI Concessions operates directly or through four subsidiaries – Cofiroute, VINCI Infrastructures, VINCI Park and VINCI Airports – in the following business segments:

– road and motorway infrastructure, with 1,300 km of toll roads under concession management, 200 km of motorway to be built and six major structures in France. Also in this segment are the Newport bypass in the United Kingdom and the Rion-Antirion bridge in Greece, which will be brought into service in 2004, as well as the tunnels that complete the A86 motorway around Paris. In addition, with a 20% interest, VINCI Concessions is the biggest private shareholder in ASF, which operates 2,900 km of motorways in France;

– car parks, with over 810,000 on-street or car park spaces, making VINCI the world leader in car park concession management(1) and the number one operator in Europe(1);

– airports, where VINCI operates in two complementary fields: concession management of 26 airports, either directly or through joint-venture companies; and airport services – ramp, passenger and cargo handling – where VINCI is ranked third biggest operator worldwide(2);

In addition to these three segments, VINCI has a 67% interest in the Stade de France concession-holding company.
VINCI has, thus, a coherent and unparalleled portfolio of long-term contracts. These are the source of recurring cash flow, which improves the visibility of the company's earnings through time.

(1) Source: internal study (basis: number of places managed)
(2) Source: KPMG Corporate Finance study, spring 2002, updated on the basis of 2003 net sales

Road and motorway infrastructure

Cofiroute:
Net sales
837
million euros

Operating income
475
million euros

Cofiroute

Cofiroute's consolidated net sales amounted to €837 million in 2003. This figure now includes incidental revenue (commercial sub-concessions, telecommunications infrastructure rental) and the net sales of operating subsidiaries outside France. Toll receipts rose 3.5% to €815 million under the combined impact of traffic growth on a comparable network basis at 1.3% and a 1.7% increase in toll prices on 1 February.
The average number of transactions on the 928 km of intercity network operated by Cofiroute in western France amounted to 280,280 a day, representing 2.5% growth over the previous year.

Some 280,280 transactions take place every day on the intercity network

Three significant events occurred for Cofiroute in 2003. Following the tax relief granted by the French tax authorities, Cofiroute withdrew its appeal for recovery of VAT. On 30 April, the company carried out a bond issue amounting to €600 million to finance scheduled roadworks. Lastly, in early 2004 the government and Cofiroute reached an agreement on the terms of a rider to the intercity network concession contract and a master contract for the period 2004-2008.

On 14 October 2003, two years after excavation work started, the tunnel boring machine that drove the first half of the A86 underground motorway between Rueil-Malmaison and the A13 emerged into daylight.

New winter viability programme

Cofiroute implemented its new rapid response and information measures in December 2003 to deal with the possibility of massive snowfall on its network. The winter viability programme combines special equipment such as brine sprinklers and lightweight emergency intervention vehicles, special training for Cofiroute's teams and increased motorist information, including total mobilisation of the motorway radio station, additional variable message signs and a call centre manned seven days a week.

Initiatives and commitments in favour of road safety

France

In 2003, Cofiroute confirmed its commitment to innovation and safety. The first motorway company in France to publish a sustainable development report, Cofiroute is also the first operator to have obtained ISO 9001 certification for its entire network operation. In addition, the company broke new ground in terms of safety with the introduction of a system that measures average speeds and the signature, in December, of a road safety charter with Cnamts, the national health insurance agency for wage earners, and the government representative for road safety.

Intercity network.
On the A85, which will ultimately link Vierzon and Tours, a new 32 km section between Villefranche-sur-Cher and Saint-Romain-sur-Cher was brought into service on 12 December. Archaeological excavation work started on the Saint-Romain-sur-Cher - Montabon section in January 2004. On the A28 between Ecommoy and Montabon, following the conclusion of six years of administrative proceedings related to the presence of a protected species, work is to start up in spring 2004, with opening scheduled for mid-2006.

Cofiroute's roadworks, which represented average annual capital expenditure of approximatively €300 million over recent years, also cover the continuous improvement of the existing network.

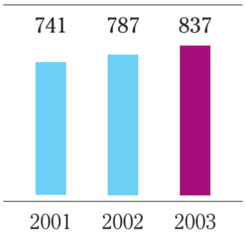
On the A10, road widening continued as planned: a third lane is now in service between Blois and the exit for northern Tours, a distance of 51 km. A total of 31 new automated payment lanes were installed at four toll barriers, reflecting an equipment policy aimed at guaranteeing long-term employment and satisfying the expectations of some customers.

On 12 December 2003, Cofiroute officially opened the new 32 km section of the A85 between Villefranche-sur-Cher and Saint-Romain-sur-Cher.

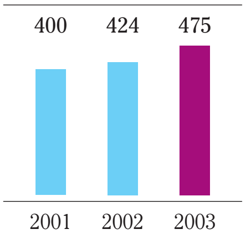
France
928 km
of motorway in operation

Key figures
Cofiroute (at 100%)

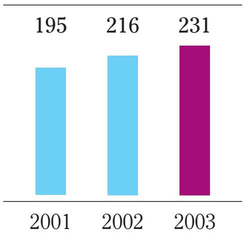
Net sales
(in € millions)



Operating income
(in € millions)



Net income
(in € millions)



The 2003 data includes the consolidation of operating subsidiaries outside France.

The Prado-Carénage tunnel in Marseilles recorded growth in traffic in 2003, with up to 52,000 cars a day going through it during peak periods.

A86. As part of the concession contract for the A86, the new underground toll motorway in Île-de-France, excavation of the first 4.5 km section between Rueil-Malmaison and the A13 was completed on 14 October, the final administrative authorisations required were received, and the tunnel will be brought into service in 2007. The second part of the tunnel, a 5.5 km section linking the A13 to the other end of the A86 in Versailles, will be completed in 2009.

Cofiroute, as part of a joint venture, won the contract to operate the Dartford crossing, east of London, in March

Outside France

In Germany, the automated toll collection system for heavy goods vehicles, Toll Collect, developed by a joint venture comprising Cofiroute (10%), Daimler Chrysler Services and Deutsche Telekom, was not brought into service on 31 August as stipulated in the initial agreement due to technical problems. A first version of the system will be deployed on 1 January 2005 following an agreement signed in February 2004 by Toll Collect and the German government.

In the United Kingdom, in a joint venture with Ringway, VINCI's roads subsidiary (43%), and Babtie, a management consultancy (14%), Cofiroute (43%) won the contract to operate the Dartford crossing on the M25 east of London. The contract covers toll collection, routine road maintenance and traffic viability. It came into effect on 1 April for a period of three years, with an option for a five-year extension, and is expected to generate net sales of about €25 million a year.

In the United States, Cofiroute continued its full-service operation of the 10 km SR91 express lanes, an entirely automated toll road running down the median strip of a frequently congested urban motorway east of Los Angeles.

Autoroutes du Sud de la France

On 18 December, the French government announced its intention to keep its majority interest in ASF, the leading motorway concession company in France, which operates a network of 2,900 km. VINCI Concessions became the biggest private shareholder in ASF when it increased its interest to 20% in 2003.

VINCI Infrastructures

VINCI Infrastructures manages the portfolio of existing motorways and major structures not run by Cofiroute. This portfolio, which includes the Stade de France, generated consolidated net sales of €81 million in 2003. VINCI Infrastructures increased its interest slightly (from 30.70% to 30.85%) in Lusoponte, which operates the Vasco da Gama and 25 April bridges in Lisbon. In France, the Prado-Carénage tunnel in Marseilles recorded a 5.4% increase in traffic, with a daily average of 38,000 vehicles and 52,000 during peak periods.

About 118 million motorists have used the Prado-Carénage tunnel in Marseilles

Since its opening in 1993, the tunnel has been used by 118 million motorists. The concession owner, SMTPC, refinanced €73 million of its debt. Work on the Rion-Antirion bridge in Greece and the Newport bypass in Wales will be completed in 2004. VINCI will operate both structures for 35 and 38 years respectively. In Chile, final acceptance for the Chillán-Collipulli motorway was obtained on 11 June. The 165 km Chilean link in the Panamerican Highway will be operated by VINCI for the residual concession period of 18 years.

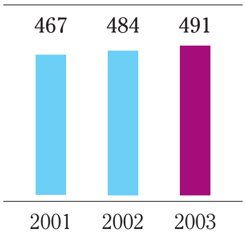
The Confederation bridge

Commissioned in 1997 after three and a half years of work, the Confederation bridge in eastern Canada links Prince Edward Island to New Brunswick. The bridge, 13 km long, crosses Northumberland Strait and is ice-bound for four to six months a year. More than 700,000 vehicles used the bridge in 2003.

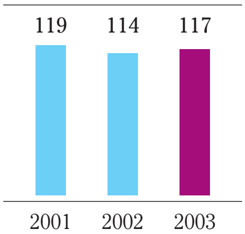
The 200 km Fredericton–Moncton motorway, also in New Brunswick, has been operated by VINCI since 1998. The concession has another 25 years to run.

Key figures
VINCI Park

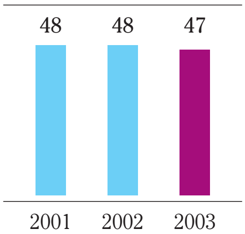
Net
sales
(in € millions)



Operating
income
(in € millions)



Net
income
(in € millions)



Car parks

Bicycle loans and numerous other services proposed to VINCI Park customers bolster car park usage.

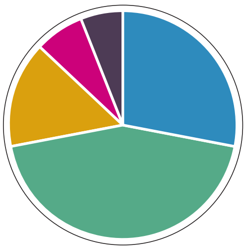
VINCI Park stepped up the pace of its growth in 2003. During the year, new contracts and renewals, combined with acquisitions, increased the number of spaces managed by the company in 12 countries to over 810,000, thereby consolidating its position as Europe's leading car park operator[1].

VINCI Park expects further growth in France from June 2004

France

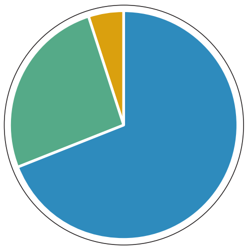
The restrictions imposed on VINCI Park's expansion by the French competition commission following the merger of VINCI and GTM affected the company's growth, which was almost at a standstill in 2003. However, even though the restrictions will not be lifted until June 2004, which will give new impetus to growth in France, the company demonstrated its commercial energy and the quality of its offering by winning several contracts in a highly competitive environment. In Paris, VINCI Park was awarded the new 8-year concession for the Lobau car park. In addition, for the first time, the company won a contract for collecting money from and maintaining parking meters.

Elsewhere in France, at the end of the year, VINCI Park won the tender issued by the Toulouse local authority to operate the Place du Capitole car park (930 spaces) as part of a 23-year concession. The car park, which was designed over 30 years ago, will be completely overhauled. The investment, including restructuring costs, amounts to around €20 million. New contracts were also won for the Mozart car park in Nice (14 years); three car parks and 2,000 on-street spaces in Chambéry (8 years); 900 on-street spaces in Sarreguemines (6 years);



Net sales by geographical area

Paris	28%
Rest of France	44%
UK	15%
Rest of Europe	7%
Rest of the world	6%
Total	100%



Net sales by type of contract

Concessions	69%
Provision of services	26%
Full ownership	5%
Total	100%

and 10,000 on-street spaces in Grenoble (5 years). VINCI Park is using an innovative system in Grenoble to model car park business based on data collected from the meters.

VINCI Park continued to diversify its portfolio, consolidating its assets under full ownership by acquiring the Étoile-Wagram car park (531 spaces) in Paris and the Saint-Georges-Est facility in Toulouse with a view to a complete overhaul of the site. This strategy also led to the signature of a land lease for the new car park at a famous amusement park east of Paris. Lastly, three new car parks were brought into service in 2003: the Anatole-France in Tours (400 spaces), Médiathèque in Narbonne (235 spaces) and Cœur-de-Ville in Vincennes (265 spaces).

Spaces managed
811,000
worldwide[1]

Operations
in **12**
countries

Outside France

VINCI Park's growth strategy outside France, which is focused on Europe and North America, led to several significant achievements.
In the United Kingdom, the company's position among the market leaders was strengthened by winning two major contracts. The first covers the management of six multi-storey car parks (2,500 spaces), 13 single-storey car parks (1,780 spaces) and 300 on-street spaces in Wigan, Lancashire for five years. The other contract involves the management of 20 car parks at Heathrow and Gatwick airports, representing 17,500 spaces, for a period of five years, extendable to seven years.
In Luxembourg, contracts to manage two new car parks (1,880 spaces) and 900 additional parking metres increased the total number of spaces managed to 37,000. In Malines, Belgium, VINCI Park brought two car parks under concession management into service: Groote Markt and Veemarkt (155 and 120 spaces respectively).

In Slovakia, the company secured its first concession contract to operate a car park (360 spaces) in the historical centre of Bratislava for 50 years. This reflects VINCI Park's strategy to expand by concentrating its efforts on Central and Eastern European markets with high growth potential.

In Canada, Gestiparc, a subsidiary owned 50% by VINCI Park, was awarded a contract to operate 18 car parks representing 6,500 spaces by AMT, Montreal's metropolitan transport agency. This contract, together with the one for Montreal airport's car park (1,500 spaces), consolidates VINCI Park's leadership position in

Services make all the difference

VINCI Park's service policy, supported by the brand's reputation and positive image, is at the heart of its growth strategy. Initially implemented in only a few car parks, the portfolio of free services, including bicycle loans, umbrellas, repair kits, shopping bags and grocery carts, and special birthday offers, was extended in 2003 to all facilities in France. An innovative rental service for the Segway Human Transporter (photo opposite), the new way of getting around town, is currently being tested. Numerous sales promotion events also help build customer loyalty throughout the network. The quality of customer service and other services is guaranteed by the VINCI Park charter. Customer satisfaction, which is measured regularly by surveys, is following a continuous upward trend.

(1) Source: internal study (basis: number of spaces managed)

Quebec, with a total of 46,000 spaces managed.
In Santiago, Chile, having completed the construction of the Plaza de Armas car park, the facility was brought into service in November.
Lastly, in Hong Kong, where VINCI Park manages 30,500 spaces, the company sold two non-core businesses (security and access control equipment) to refocus on car park management.

A car park worth visiting

The Parking du Centre in Lausanne, Switzerland, was created by a joint venture including VINCI Park. In October 2003, it received the top prize in the newly built car park category of the European Parking Association, which makes the awards every two years at its annual congress. The selection criteria are attractiveness, functionality and the quality of services provided. The 639-space car park features a spectacular, plant-based decor and many glass surfaces playing tricks with the light and transparency.

Airport sector

The war in Iraq and the SARS epidemic had a negative impact on the airport sector during the first half of 2003, leading to radical fluctuations in airline companies' traffic and net sales throughout the world. However, based on the improvement during the second half, earnings for the full year are better than in 2002.

Airport management

In Cambodia, in a pattern that was common throughout Asia, the Phnom Penh and Siem Reap airports oper-

Airport management

26

airports managed

WFS serves

300

airline companies and airports

Building airport business: the Grenoble example

Grenoble airport, which is situated at the foot of the Alps and surrounded by ski stations, currently handles about 200,000 passengers a year. The charter schedule for the 2003-2004 winter season increased 50% over last year. There are four daily flights to Paris-Orly on weekdays and two at weekends all year round. During the winter season, however, the airport handles up to 30 flights a day – or 13,000 passengers – from some 20 European countries, including Scandinavia, the United Kingdom, Russia and Turkey.
After winning the airport operation and maintenance contract at the end of 2003, VINCI Airports and its partner, Keolis, started implementing their growth strategy in early 2004 by establishing partnerships with players in the regional economy.

Following the official opening of its new passenger terminal in May 2003, Phnom Penh international airport in Cambodia can handle up to 2 million passengers.

ated by VINCI Airports recorded a strong drop in traffic during the first eight months of the year, before picking up again and slightly improving on the 2002 business level by the end of the year. In addition, the efforts made by the VINCI Airports teams led to the award of ISO 9000:V2000 certification. Following the official opening of the new passenger terminal at Phnom Penh in May, the international airport has the capacity to handle 2 million passengers in an efficient and comfortable environment.

In Mexico, Groupe Centre-Nord (GACN), the operator of 13 airports in the central and northern regions of the country, continued its steady investment programme: 7 terminals and 11 runways have been built or renovated since 2000. The programme included the new cargo terminal at Monterrey airport, which was officially opened at the end of 2003. The biggest infrastructure of its type in Mexico, the new terminal strengthens VINCI Airports' position in cargo handling. Three similar projects are under way at Chihuahua, Reynosa and Ciudad Juarez airports.

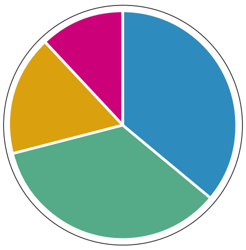
Traffic

50

million passengers a year worldwide

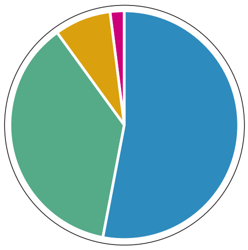
In France, the Isère local authority awarded the contract to operate Grenoble airport to a consortium of VINCI Airports (in the lead role) and Keolis, making it the biggest regional airport in France managed by a private operator. The five-year contract, which came into effect on 1 January 2004, covers the operation and maintenance of all the airport's technical facilities, including the air terminal, runways and airside equipment, as well as the shops, restaurants and other commercial activities. In addition, the consortium is to increase the airport's business from its current

Key figures
Airport services



Net sales by business segment

Cargo	36%
Ramp and passenger services	35%
Baggage	17%
Technical maintenance and misc.	12%
Total	100%



Net sales by geographical area

North America	53%
France	37%
Rest of Europe	8%
Rest of the world	2%
Total	100%

200,000 passengers a year. Given the expected changes to the legal framework in the sector, this contract is an illustration of VINCI Airports' growth strategy in France.

Airport services

Now operating under the single brand name Worldwide Flight Services (WFS), VINCI Airports' service activities around the world performed well in a difficult business climate. The cargo handling business, in particular, was less adversely affected by the airport industry crisis. As a result, the division was able to record 3% growth (on a like-for-like basis) over 2002.

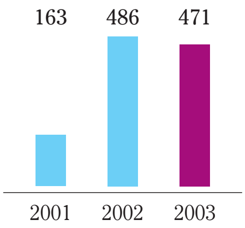
With operations in over 100 airports worldwide, WFS now generates 45% of its business in Europe

WFS has operations in over 100 airports worldwide, providing a comprehensive offering including ramp services, baggage handling, passenger services, cargo handling, fuelling and technical assistance. The company continued its efforts to expand market coverage from its traditional positions, focusing on Europe, which now accounts for almost 45% of its business, and, above all, the Pacific region, where there is strong growth, especially in cargo handling.
In 2003, WFS opened a new office in Beijing, China, and obtained two licences for ramp and cargo handling operations at Bangkok's new airport in a partnership with Bangkok Airways.

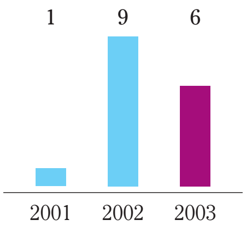
In France, the reorganisation of SEN, a wholly owned subsidiary of VINCI Airports since 2002, led to a strong improvement in profitability. The company signed several contracts with Air France, one of its key customers, including a multi-year contract worth €9 million per year for baggage handling for passengers with connecting flights.

Key figures
Airport services

Net sales*
(in € millions)



Operating income*
(in € millions)



* Includes WFS from 1 October 2001, SEN at 50% until 30 June 2002 and at 100% from then

(1) Source: Airline Service Council, 2003

WFS, market leader in airport services in the United States(1), works with 300 airlines and airport operators around the world.

Outlook

Strong growth potential

Drawing on on its traditional roots in France and significant positions in Europe and North America, VINCI Concessions will continue its efforts to become one of the leading operators worldwide, with the capacity to manage and renew a diversified portfolio of infrastructure concessions. The backdrop for the company's strategy in 2004 is European Union enlargement, which will trigger new projects within a more favourable legal framework, and the development of new public-private partnership legislation in several countries, including France, which is expected to boost the outsourced management market.

In road and motorway infrastructure, after the handover in 2004 of the two new concession structures, the Rion-Antirion bridge in Greece and the Newport bypass in Wales, VINCI intends to launch one or more new projects that will provide continuity. In France, Cofiroute will pursue its roadworks programme on the inter-city network and the A86 in Île-de-France, with a view to opening several new sections between 2006 and 2009. Business is therefore expected to show a steady upwards trend under the combined effect of growth in traffic, increased toll prices and the extension of the network.

In car parks, VINCI Park will continue to strive for differentiation on the basis of service, which helps to increase usage and make its offering more attractive to concession awarding entities. In France, the lifting of the restrictions imposed by the French competition commission is expected to stimulate significant concession business. Outside France, VINCI Park will seek new opportunities in the countries joining the European Union.

In the airport segment, VINCI Airports will continue to refocus on business with high value added, in particular by consolidating its position as number one worldwide in cargo handling[1]. Having won a first airport management contract (Grenoble), new opportunities will be sought in airport management in France and the rest of Europe while, in parallel, the company will withdraw from non-core business.

Positioning the company among the leading concessions operators worldwide

The Rion-Antirion bridge in the Gulf of Corinth will be brought into service in the summer of 2004, ahead of the contracted delivery date.

(1) Source: internal study (basis: volume of cargo handled)

Net sales
3,115
million euros

Operating income
129
million euros

Net income
53
million euros

Workforce
25,900

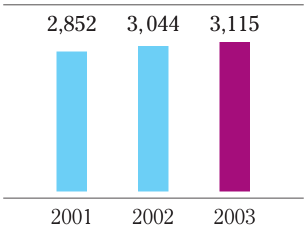
Telecommunications infrastructure: a VINCI Energies technician installs an antenna as part of the deployment of Wi-Fi, the system that enables computer users to establish wireless connections to the Internet.

Energy

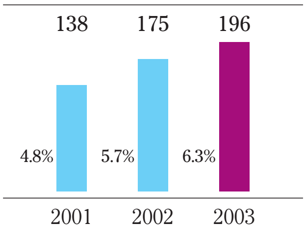
VINCI Energies, the leader in France and a major player on the European market for electrical installations, energy technologies and information, maintained market share and improved profitability by taking full advantage of its organisational structure and the breadth of its offering.

Key figures

Net sales
(in € millions)

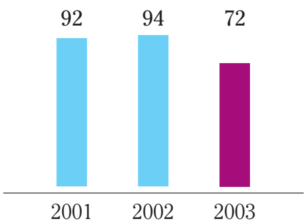


Gross operating surplus
(in € millions and as % of net sales)

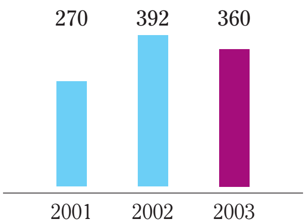


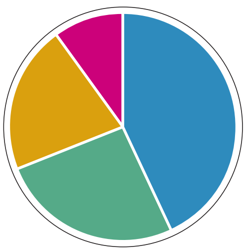
Operating income
(in € millions and as % of net sales)

Capital expenditure
(in € millions)



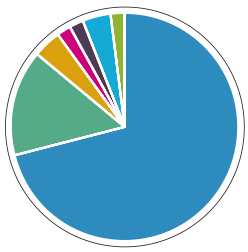
Net financial surplus
(in € millions)





Net sales by business segment

Industry	43%
Service sector	26%
Energy infrastructure	21%
Telecommunications	10%
Total	100%



Net sales by geographical area

France	71%
Germany	15%
Spain	4%
Sweden	2%
Netherlands	2%
Rest of Europe	4%
Rest of the world	2%
Total	100%

Profile

The power of responsiveness

A diversified activity carried out under a great many contracts

VINCI Energies is the leader in France[1] and a major player in Europe for energy and information technologies.
By combining these technologies in customised offerings with high service content, VINCI Energies provides a link between equipment manufacturers and users, and meets its customers' diverse and changing needs in four areas:

– energy infrastructure: the transmission, transformation and distribution of electrical energy, and urban lighting;

– industry: electrical energy distribution, monitoring and control, air treatment and fire protection;

– service sector: energy networks, climate engineering, fire protection, building automation systems, security, etc.;

– telecommunications: infrastructure and voice-data-image business communications.

VINCI Energies has expertise in four complementary business segments – engineering, systems integration, construction and maintenance – and provides comprehensive offerings through 700 companies, all with strong roots in their markets and linked together in a network.
As a result, they can develop solutions that are both global and local, and respond quickly to the needs of a constantly changing market.

VINCI Energies' diversified business activity is carried out under a great many multi-year or recurring contracts, which incorporate a significant maintenance and services component. This, together with its organisational structure, shields the company from fluctuations in the economic climate.
With 26,000 employees in some 20 countries, mainly in Europe, VINCI Energies generates almost 30% of its net sales outside France.

(1) Source: *Moniteur* magazine, November 2003 (basis: 2002 net sales)

Improved profitability

Against the backdrop of a wait-and-see economy, VINCI Energies continued to grow in France and Spain.

Net sales
+2%

Operating income
+10%

From the strong footholds established in its markets, VINCI Energies applies a strategy of differentiation and positioning in segments offering recurring business. As a result, despite the generally difficult economic climate, especially in industry, the company recorded a 2% increase in net sales and a further improvement in profitability over and above the substantial increase of the previous year. Operating income stood at 4.1% of net sales, up from 3.9% in 2002.

More responsive management units

In France, VINCI Energies set up a new organisational structure at the beginning of the year, based on more responsive management units with better roots in their markets and economic catchment areas.

High voltage: diversification into private substations

To counter the reduction in orders from RTE, France's public-sector power transmission operator, VINCI Energies refocused its high voltage transformer station business on industrial customers. In 2003, the company built the biggest privately owned 225 kV substation of recent years for Sollac's steelworks in Dunkirk (photo opposite). VINCI Energies also built the underground link with the power plant, which is fuelled by blast furnace gas.

In this new structure, the company's business units were particularly resilient in a wait-and-see economy, achieving a 6% increase in net sales with a 5.4% operating margin. The situation was more varied outside France. Results were satisfactory in the United Kingdom and the Netherlands, and came in at a high level in Spain, where Spark Iberica entered VINCI Energies' scope of consolidation on 1 January 2003. Conversely, results were mediocre for Emil Lundgren in Sweden, which suffered from the poor financial health of telecom operators, and for TMS in Austria, which specialises in automated production systems for the automotive industry and experienced strong pressure on prices in its sector. Recovery plans have been introduced in both companies.

In Germany, where the recession continued, insulation business showed resilience and Calanbau achieved a good performance in fire protection.

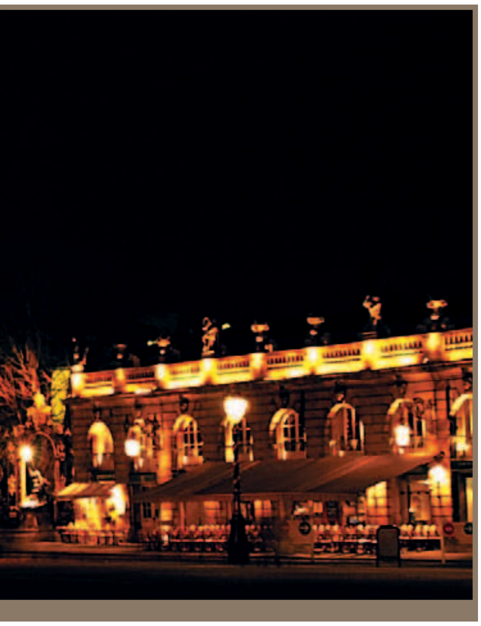
Energy infrastructure

VINCI Energies benefited from its strong market positions and the continuous effort to diversify its offerings. In high and very high voltage networks, total sales from business carried out by Omexom in France reached the expected level.

A heavy workload in VHV lines was created by RTE, the French power transmission operator, when it invested in network modernisation and interconnections with other Europe an networks. The reduction in public-sector orders for transformer stations was partially offset by the VHV line workload, and partially by refocusing on industrial customers, as illustrated by the construction of the biggest privately owned substation in France (see box above).

The rural electrification companies, with their long-standing roots in their local markets, maintained brisk business activity with good profitability. In urban lighting (Citéos brand), VINCI Energies continued to expand its full-service management and landmark enhancement offerings by reinforcing its upstream capabilities.

In Spain, the vigorous market for power infrastructure enabled Spark Iberica to record 20% growth in net sales and good profit.



Public lighting and landmark enhancement in Nancy, France.

Industry

Capital expenditure, which declined heavily in Europe in 2001 and 2002, seems to have reached its low point in 2003. Overall, despite the difficult economic situation, especially in France, VINCI Energies companies managed to maintain their business level based on the quality of their offerings, their sales and marketing momentum and the large number of small contracts that made up for the postponement of major investment programmes. Although the situation in heavy industries such as steel and basic chemicals remained difficult as they continued to restructure, there was an improvement in business volume from the fine chemicals, pharmaceuticals, agrifood, automotive and environment-related industries.

Against this backdrop, VINCI Energies adapted to meet its customers' changing needs. In monitoring and control, for example, Actemium continued to specialise its offering in response to industry's strong expectation for production tool optimisation. Similarly, as illustrated by the award of a number of significant contracts during the year, Opteor continued to expand in multi-technical maintenance in line with the growing trend towards outsourcing. The company provides solutions that include the full range of know-how needed in engineering, operational maintenance and equipment maintenance. In the buoyant environment industries market, the development of innovative offerings in areas including data acquisition, information processing and retrieval, and graphic information systems was brought together under single management in 2003 as part of the same approach. It meets strong demand for such services as atmospheric pollution measurement, weather observation, risk prevention at Seveso-classified industrial sites and monitoring of flood-prone zones.

Service sector

VINCI Energies took full advantage of the upturn in the markets related to health care, education, culture, security and logistics.

The quality of its specialised offerings in these areas was confirmed by several significant orders and by a high level of business activity throughout the year, offsetting the stagnation in the office space market.

Customised process solutions

VINCI Energies is a longstanding partner of all types of industry, providing solutions tailored to their processes. In 2003, Actemium, VINCI Energies' industrial monitoring and control unit, helped the Evreux unit of GlaxoSmithKline, the pharmaceuticals firm, by installing secure packaging lines, new test equipment and an environmental monitoring system for its clean rooms.

In the aviation industry, VINCI Energies carried out work for Zodiac-Aérazur, which manufactures fabric thermowelding machines for aircraft escape slides. The company is also helping to equip the new Airbus A380 production site in Toulouse for EADS, including the design and construction of a hydraulic test bench for the central segment of the plane, air conditioning for the Aéroconstellation hangar and multi-technical maintenance of the Jean-Luc Lagardère assembly site (photo opposite).

Lastly, in the mines and quarries industry, Hanson Aggregates awarded two new contracts to VINCI Energies for mechanical systems and safety devices at several quarries in Wales.

Industry and the service sector: value added maintenance

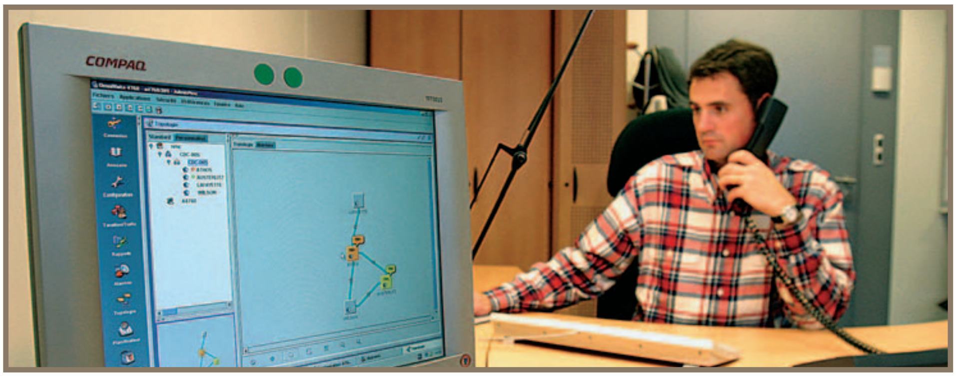
Opteor, a network comprising 31 business units and 1,800 engineers, technicians and operators, implements solutions that are both global and local in support of companies seeking to optimise their production systems and leverage their assets. In 2003, Opteor signed a five-year contract with M-real, a paper manufacturer, to maintain one of its biggest production sites in Europe (photo opposite). Under the terms of the contract, which includes performance targets and profit sharing, Opteor is in charge of maintaining production facilities and industrial utilities as part of an improvement plan that aims to reduce maintenance costs by 15% over five years. The effectiveness of this ongoing maintenance improvement programme is boosted by the fact that Opteor, with overall contract management responsibility, has the integrated skills needed and is constantly seeking synergies between the services provided.

Opteor was also selected by TNT Jet Services to manage the maintenance of cold rooms at its 80 sites in France, and by Cegetel for the renewal of a multi-service maintenance contract (with 24/7 on-call service) covering 74 buildings and the infrastructure housing the operator's strategic telecommunications centres.

Refurbishment of the Valhubert building in Paris: a contract for electricity, air conditioning, plumbing and fire protection successfully completed by exploiting the commercial and technical synergies within VINCI Energies.

VINCI Energies continued to strive for technical differentiation in order to exploit the quality of its expertise and maintain satisfactory price levels in increasingly competitive markets. The company's focus is particularly well illustrated in equipment for buildings open to the public, for which offerings have included the latest upgrades in building management, safety and sound systems, as well as in communications networks.

Commercial and technical synergies with Axians, the network specialising in business communications, helped broaden the coverage of these markets. Similarly, the development of multi-technical and multi-site maintenance meets companies' growing needs for comprehensive solutions enabling them to optimise the management of their property assets.



With telephony on Internet Protocol (IP), networks can carry voice, data and image over the same channel.

Telecommunications

In telecommunications infrastructure (Graniou brand), sales increased 16% in 2003, driven by the resumption of operator investment in mobility networks, both to reinforce existing networks and to deploy new generation equipment that combines mobility and broadband technology (GPRS, Edge, UMTS, Wi-Fi, etc.).

Conversely, business was sluggish in fixed-line networks despite the sales and marketing efforts made with local authorities, who take longer than operators to make decisions but are expected gradually to become a vector for growth.

Graniou has extended its network deployment expertise into a broader range of services. In 2003, for example, Hi3G, a Swedish operator, awarded the company a maintenance contract covering 550 sites, which are set to increase to 1,100 in 2004.

In business communications, manufacturers saw a further drop in equipment sales but Axians increased sales by 5%. This further growth in market share endorses the company's strategy, which is based on offering high service content and specialist expertise, in particular in new technologies such as voice on IP (Internet Protocol) and Wi-Fi.

A number of contracts awarded by major accounts, including 3M, CNP and Cegetel, will help sustain business activity in 2004.

First Wi-Fi contracts

SFR awarded VINCI Energies the contract to deploy its Wi-Fi hotspots, which enable laptop computer users to connect to the Internet by radio wave link. The contract includes negotiating sites and the installation and commissioning of antennas and switching equipment. The first operation of this type was completed in 2003 at the Palais des festivals in Cannes (photo opposite), where 140 terminals were installed.

Under the terms of another contract, the Sofitel Arc-de-Triomphe hotel in Paris is to be equipped with Axians' Wi-Fi offering, Nomad Access.

Outlook

Further growth in sight

VINCI Energies is moving confidently into 2004 in all its sectors of activity. Having shown excellent resilience in a difficult business environment in 2003, the upturn anticipated in capital expenditure is expected to generate further increases in both sales and profitability. Building on its leading positions, the diversity and quality of its offerings and the responsiveness of its network, VINCI Energies will continue to implement its growth strategy aimed at covering all the segments corresponding to its fields of expertise.

The strategy will combine organic growth and acquisitions, as well as strategic alliances, consistent with the company's determination to strengthen its systems integration capabilities.

In energy infrastructure, opportunities are expected to arise from the liberalisation of Europe's electricity markets, the development of interconnection projects and the expansion of power production facilities to offset supply shortfalls. Another source of potential growth is local authorities' demand for comprehensive urban lighting solutions.

In industry, the development of multi-technical, multi-site maintenance, the extension of the Opteor (maintenance) and Actemium (process solutions) networks in Europe, and the reinforcement of VINCI Energies' systems integration capabilities will enable the company to fully exploit the anticipated resumption of capital expenditure. In the service sector, VINCI Energies will continue to leverage its core activities and reinforce its network in promising sectors such as property maintenance and climate engineering.

An upturn in capital expenditure is anticipated

In telecommunications infrastructure, following the shake-out of recent years, the deployment of GSM and UMTS sites and the development of broadband services, together with operators' demand for maintenance services and network operation support, are expected to generate considerable growth for Graniou. In business communications, based on its resilience during two difficult years and the major investments made in new technologies, Axians is well placed to take advantage of the expected recovery in its market.

Using the 3D model generated by i.g.o., a software package developed by VINCI Energies, the Nîmes urban development project can be visualised and modified at will in real time.


EUROVIA

Net sales
5,338
million euros

Operating income
201
million euros

Net income
126
million euros

Workforce
35,100

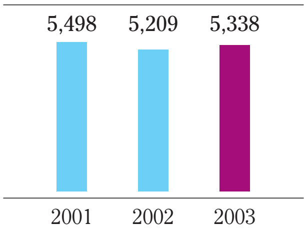
Repairing the runways at Nice-Côte d'Azur airport.

Roads

Eurovia, one of the world's leading roadworks companies, bases its growth on the integration of its business lines – work and production of material for road construction – and using a close-knit network to offer its full range of expertise and solutions incorporating high environmental value added.

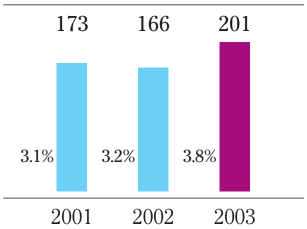
Key figures

Net sales
(in € millions)

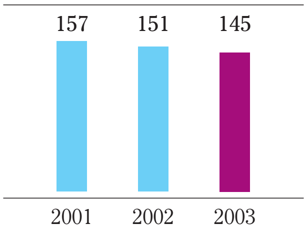


Gross operating surplus
(in € millions and as % of net sales)

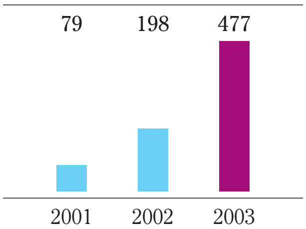
Operating income
(in € millions and as % of net sales)

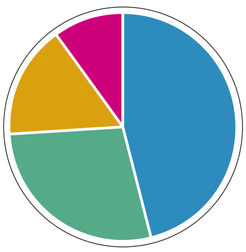


Capital expenditure
(in € millions)



Net financial surplus
(in € millions)

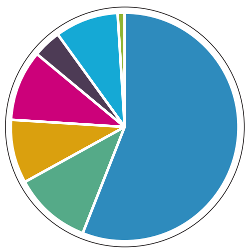




Net sales by business segment

Roads and motorways	46%
Quality of life and environment	28%
Industrial development	16%
Sales of materials [1]	10%
Total	100%

(1) Excluding internal consumption



Net sales by geographical area

France	56%
Germany	11%
UK	9%
Central and Eastern Europe	10%
Rest of Europe	4%
North America	9%
Rest of the world	1%
Total	100%

Profile

Going international

Expertise and leadership positions in environment - related business segments

Eurovia, France's biggest producer of road aggregates[1], is a world leader in roadworks and materials recycling. The company generates 90% of its net sales in Europe, mainly in France, Germany, the United Kingdom, Spain and Central Europe. It also holds significant positions in the United States (Florida, North and South Carolina), Canada (Quebec), Mexico and Chile.
By combining a strong foothold in many local markets, an ambitious innovation policy and a management system that optimises the dissemination of competencies across its 330 agencies, Eurovia has developed an integrated range of skills covering the entire road and motorway value chain, extended to include urban and environmental development.
Eurovia designs, builds, renovates and maintains road and motorway infrastructure, as well as roads and other networks for urban, industrial and retail development sites. This business activity, carried out for both public (about 70% of net sales) and private customers, makes up around two-thirds of the company's net sales. The broad distribution over a large number of projects – some 50,000 a year – reduces exposure to risk and ensures recurrent earnings.
The company also manages a network of 230 quarries (producing 47 million tonnes of aggregates a year), 62 binder plants (450,000 tonnes), 455 coating plants (23 million tonnes) and 105 construction waste recycling units (3.3 million tonnes). This industrial activity, which complements the roadworks business in terms of operations sites, know-how and economic profile, optimises the company's market coverage and secures supplies (1.5 billion tonnes of materials held in reserve, representing about 30 years of production).

Lastly, with its long-standing focus on sustainable development, Eurovia has developed expertise and leading positions in environment-related business segments.
These include materials recycling, with raw materials from household and industrial waste; noise abatement using products such as barriers and acoustic surfacings; safety, with products such as crash barriers, road signs and skid resistant surfacings; waste disposal, with landfills and geotechnical membranes; and demolition/deconstruction.

(1) Source: internal study (basis: 2002 production)

Return to growth

In a more favourable economic climate than in 2002, Eurovia continued to improve profitability, especially in France, and strengthen its positions in other countries.

Eurovia, which has worked on many tram projects in France (such as Nantes, above) and abroad, won the contract to build the third tram line in greater Grenoble.

Net sales
+2,5%

Operating income
+21%

Following a decline in business in 2002, Eurovia's net sales returned to growth in 2003 (2.5%, or 5% excluding the impact of exchange rates) in a market environment that remained less favourable than in 2000 and 2001, which were two exceptional years. Continuing its policy of selective order taking and optimising worksite management, Eurovia made a further significant improvement in profitability by increasing its operating income by 21%, bringing it to 3.8% of net sales compared with 3.2% in 2002. In addition, Eurovia expanded its potential for innovation by setting up a new international research and development centre at Bordeaux Mérignac. The linchpin of a network of over 400 engineers and technicians in some 20 countries, the centre designs and develops the new products and processes deployed in the company's markets, adapting them to local weather conditions and technical specifications. With the high quality of its teams – which participate in many European research programmes – and equipment, Eurovia has a wealth of expertise to address the most complex problems in fields such as cold

A new R&D Centre to strengthen Eurovia's innovation capacity

Quarries
230

Binder plants
62

Coating plants
455

A low-energy, environment-friendly surfacing material

Following on from a European research programme, Eurovia's R&D centre has developed Ecolvia, the first cold, dense-grade asphaltic concrete using a flux-free emulsion. Made without oil-based additives, it generates no fumes during application and emits only very small quantities of volatile organic compounds. In addition, it saves 70 thermies of energy per tonne because it is made using an entirely cold production process.

asphalt mixes, industrial waste recycling and polymer bitumens.
More broadly, the centre strengthens Eurovia's lead in markets where the ability to apply innovative solutions is becoming a key factor, especially in the context of sustainable development.

This ambitious innovation policy goes hand in hand with a strategy of leveraging Eurovia's expertise in new offerings deployed throughout Europe, by optimising technical, commercial and managerial synergies among the different parts of its network.

France

Bolstered by the diversity of its business segments, the quality of its offering and the density of its nationwide network of local companies, Eurovia's sales in France increased 2.5% and operating income exceeded the record 2002 level to reach 4.9% of net sales.

Business was particularly brisk in the renovation and maintenance of road and motorway infrastructure. Eurovia's position in France is strengthened by its application of solutions incorporating high environmental value added.

Examples include the A75 motorway, where 90% of the materials requirements were covered by recycling, and the experimental recycling project on the RD87. In addition to roadworks, the company built roads and other networks at many urban, industrial and retail development sites. The most significant projects in this business segment included the construction of the Bordeaux tram line roadbed and roadways; the renovation of the Château de Vincennes esplanade and the car park at the Ritz hotel in Paris; the construction of access roads to the old railway station in Monaco; and the

The A380 route

Eurovia is executing the two main works packages of the very wide 94 km road between Langon and Toulouse that will be used to transport the elements of the Airbus A380. The two sections include the creation of five detours and four bypasses, with handover scheduled for May 2004. Eurovia is also building the roads within the Aéroconstellation development zone where the elements of the aircraft will be assembled, and it is reinforcing structures that will be subjected to heavy loads in the Bouconne forest, where 40,000 tonnes of Bétonpact, a compacted cement concrete, will be laid.

design and construction of a plant for Toyota in northern France. The company's position in this segment is strengthened by its expertise in a broad range of activities such as drainage, waterproofing, small civil engineering works and landscaping. Eurovia, France's leading producer of road aggregates, has increased the self-sufficiency of its operations by improving quarry management. At the end of 2002, the acquisition of the Piketty quarry, which treats 600,000 tonnes of limestone a year, strengthened the company's materials supply capacity in Île-de-France.

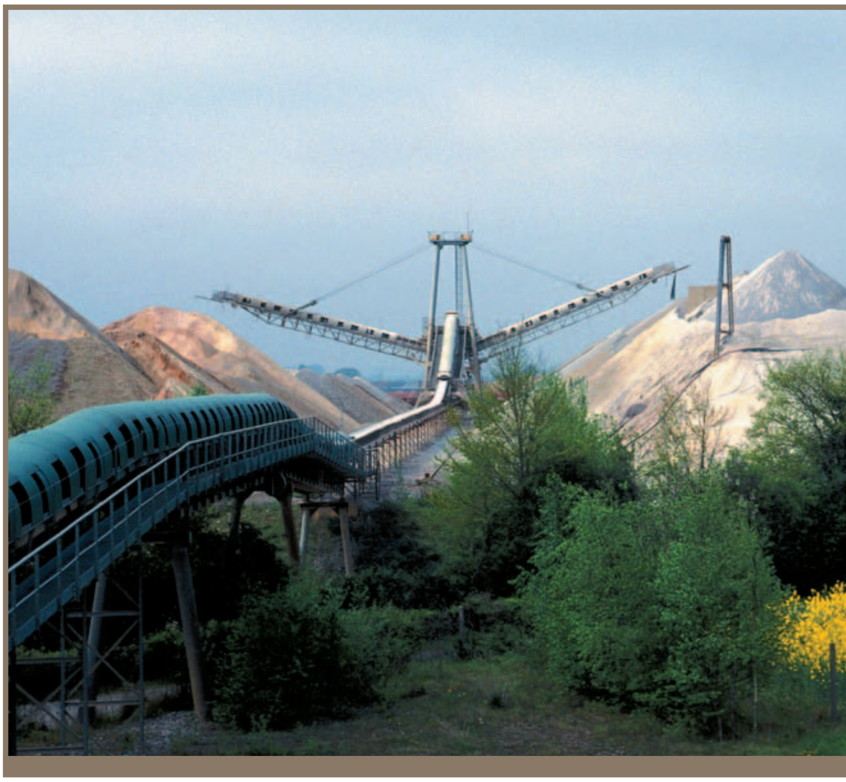
Eurovia is also one of the leaders in construction waste, with 17 wholly or jointly owned static platforms and 15 mobile facilities. Overall, the company processes an annual total of more than 7 million tonnes of recycled materials of every kind, including construction waste, household waste incineration bottom ash and blast furnace slag. Lastly, in environment-related business, the quality of the processes developed by Eurovia was demonstrated in several significant contracts in deconstruction, where examples include the Duchère apartment blocks in Lyons and buildings at the Alès mines, and in storage site equipment, such as the containment tanks for Atofina at Carling in the Moselle region.

The opening of new construction waste recycling plants in 2003 strengthens Eurovia's position as one of the leaders in the sector

Rest of Europe

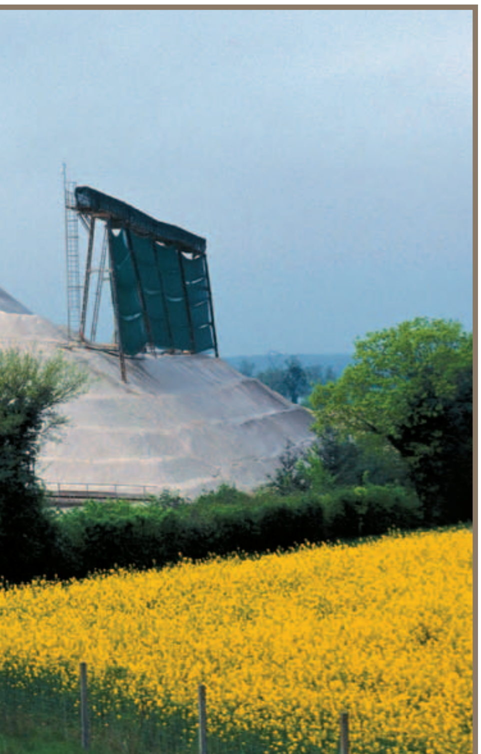
In Germany, where Eurovia is among the leaders in roadworks, the company held up well in an economic environment that has been in recession for several years. The turnaround of loss-making subsidiaries, combined with selective order taking, resulted in only a 1.2% decline in sales and an improvement in profitability. Eurovia GmbH closed the year with a profit. The creation of Eurovia Béton GmbH at the end of the year to bring together three operating entities specialising in concrete, engineering works and noise barriers, is part of a strategy to develop new offerings for the European market.

In the United Kingdom, Ringway reported a substantial increase in sales (almost 20% excluding exchange rate effects). The company won a €105 million multi-year contract for motorway maintenance in West Surrey which, with the five-year contract worth €204 million signed in 2002 for maintenance of the road



Full-service maintenance

As part of a four-year contract, with an option to extend to ten years, Ringway, Eurovia's United Kingdom subsidiary, is carrying out the maintenance, inspection and some design work on the West Surrey motorway network to the south of London. The contract includes open book accounting – guaranteeing the customer full financial transparency – and sets high performance targets, which are monitored by the County Council.



(1) Source: internal study

network north of London, reinforces Eurovia's position in the promising services segment that combines roadworks and maintenance in long-term contracts.

Taking advantage of a similar trend in the Spanish market, Probisa won or continued to operate four full-service road maintenance contracts, representing a total of €23 million over periods of two to four years, and established an innovative partnership with a public-sector company to use bottom ash from incineration as a backfill material. Probisa's expertise in bitumen emulsions is currently being put to use in the renovation of 900,000 square metres of moderate-traffic roads using the new in situ process.

Net sales

Czech Republic

+20%

In Central Europe, sales rose sharply in the Czech Republic (20% excluding exchange rate effects), which is Eurovia's fourth largest market after France, Germany and the United Kingdom. SSZ won a €140 million contract to build a 6.5 km section of the D47 motorway in the Czech Republic, consolidating its position as the country's roadworks market leader (*see box page 54*).

Sales also increased strongly in Slovakia and Lithuania. Eurovia's performance in Central Europe, a region with high growth potential, confirms that it has adopted the right strategy, namely to set up a close-knit network by creating subsidiaries and acquiring existing companies.

Eurovia is the second largest producer of road materials in France[(1)], where it controls or holds an interest in 210 coating plants, 35 binder plants and 191 quarries. Pictured here, the Chailloué quarry in western France.

SSZ: an exemplary track record

SSZ, a former state-run company, became part of Eurovia in 1991. It is now the Czech Republic's market leader for roadworks[1] and the country's second largest construction company[1], a perfect example of Eurovia's international growth model. Developing the local teams' capabilities and exploiting synergies with other business units as part of a clear and shared strategic framework, the model has made SSZ one of the country's most efficient companies.

With a workforce of 3,800 – of whom 39% are management and technical staff – and with ISO 9001, 9002 and 14001 certification, SSZ combines the full range of know-how needed for the construction and rehabilitation of transport infrastructure: motorways, urban roads, rail corridors, tram lines, engineering structures and airport runways. The Czech Republic's upcoming membership of the European Union is expected to give further impetus to the country's development.

North America

In the United States, Eurovia benefited from the increased popularity of design-build contracts – where a builder works with a designer to bid on an overall tender – which favour market leaders. Hubbard, currently managing three contracts of this type with a total value of $130 million, and Blythe, which won a new contract worth $89 million (*see below*), have thus consolidated their significant positions in Florida, South Carolina and North Carolina. In Canada, following two years of strong growth, Eurovia faced a decline in the market while maintaining income at a very high level. DJL confirmed its expertise in state-of-the-art, environment-friendly processes, renovating Highway 30 using the cold in situ recycling technique with emulsion. In addition, the company strengthened its portfolio of recurring business by winning the city of Montreal's new winter maintenance contract. Lastly, sales rose sharply in Mexico, where Bitunova is rehabilitating the Paseo de la Reforma, Mexico City's biggest avenue.

Business generated outside France by all subsidiaries amounted to 44% of Eurovia's total net sales, with operating income doubled in 2003 to represent 2.3% of net sales.

Turnkey motorway in the United States

Blythe, Eurovia's Florida subsidiary, won the contract to renovate and widen a 13 km section of I-85 in North Carolina. In addition to four new lanes, the contract covers the construction of two bridges, extensive lighting and signage, and the deployment of a traffic information system. This success followed on from two major contracts won by the company in Florida in 2002 to improve the I-4 (photo opposite), which included an interchange, access ramps and additional lanes.

(1) Source: B.I.G. Public Relations, July 2003 (basis: 2002 net sales)

Improved profitability

Eurovia's business will continue to grow in 2004. The company will maintain its policy of selective order taking, production optimisation and intensification of synergies among the various entities. This is expected to result in a further increase in operating income.

Building on its growth strategy, Eurovia will consolidate its positions in countries where it has operations. In Central Europe, where the prospect of European Union enlargement has prompted major infrastructure upgrades, Eurovia will draw on the quality of its network to enhance its geographical and market segment coverage in both roadworks and materials production. In the United States and Canada, in a trend similar to the move already under way in the United Kingdom, design-build and multi-year maintenance contracts will further improve Eurovia's strong positions. In France, the plan to transfer responsibility for a major portion of the national motorway infrastructure to the départements is expected to stimulate investment in renovation and modernisation projects in the medium term.

The increased popularity of public-private partnerships in all the company's markets represents a growth driver for Eurovia, which has the full range of skills and resources needed to assume full responsibility for major construction and maintenance projects.

In roadworks, roads and other networks, Eurovia will continue to structure and consolidate its offerings to enhance its local market coverage while broadening its ability to bid on complex major projects.

Public-private partnerships, a vector for growth

In materials production, the acquisition of strategic quarries and the increased flow of aggregates – import and export – by sea will strengthen Eurovia's self-sufficiency as regards materials, in synergy with the continued growth of recycling road materials, industrial by-products and construction waste. Lastly, in the environment – related business segments, Eurovia will continue to expand its offering in products and services for noise abatement, safety, soil remediation, waste storage and deconstruction.

To limit the noise impact of transport infrastructure in residential areas, noise barriers of all types – wood, concrete, glass, metal – are made and installed to merge harmoniously into the urban landscape.

Net sales
7,716
million euros

Operating income
222
million euros

Net income
178
million euros

Workforce
44,200

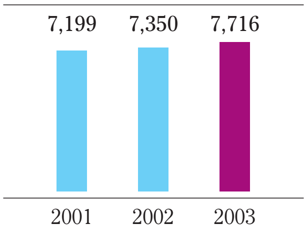
The steel and concrete reinforcement of the pylons, at the top of which are anchored the 368 stay cables of the Rion-Antirion bridge in Greece, required specialist teams to work at more than 130 metres above sea level.

Construction

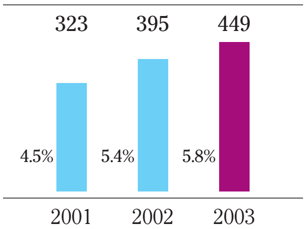
One of the world leaders in building and public works, VINCI Construction has achieved and sustained excellent results by applying an innovative management model and rigorous risk control guidelines.

Key figures

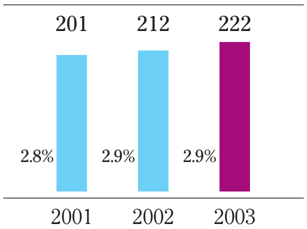
Net sales
(in € millions)



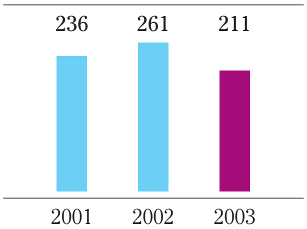
Gross operating surplus
(in € millions and as % of net sales)



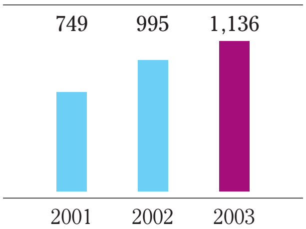
Operating income
(in € millions and as % of net sales)

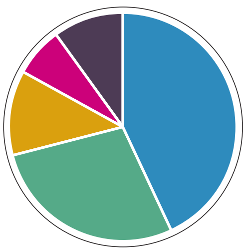


Capital expenditure
(in € millions)



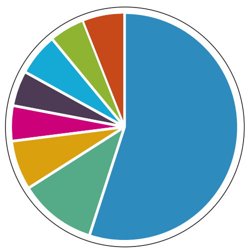
Net financial surplus
(in € millions)





Net sales by business segment

Building	43%
Civil engineering	28%
Specialised civil engineering	12%
Hydraulic engineering	7%
Services and misc.	10%
Total	100%



Net sales by geographical area

France	55%
UK	11%
Belgium	7%
Germany	5%
Central and Eastern Europe	5%
Rest of Europe	6%
Africa	5%
Rest of the world	6%
Total	100%

Profile

The driver underpinning VINCI's growth

The biggest contributor to VINCI's net sales and net income

VINCI Construction, one of the world leaders in building and civil engineering, has been diversifying its markets, business segments and customers over recent years. Combined with a highly selective approach to order taking, this policy has driven steady growth in results and has made construction, VINCI's traditional activity, the biggest contributor to consolidated net sales and net income.

VINCI Construction's business is divided into three major complementary components:

– mainland France, with two independent multi-product networks (Sogea Construction and GTM Construction), each with a large number of agencies firmly rooted in their local markets;

– local markets outside mainland France are covered by three networks of subsidiaries providing the full range of construction activities within their area of expertise. The first, VINCI Construction Filiales Internationales, operates in Central Europe, French overseas territories and Africa; the second network operates in the United Kingdom, Germany and the United States; and the third network is through the 45% interest VINCI Construction holds in CFE, construction market leader[1] in Belgium, which itself is co-shareholder of Dredging International, a major player in the world dredging market;

– major structures and specialised civil engineering projects worldwide are carried out by VINCI Construction Grands Projets and Freyssinet.

The heart of VINCI's growth model, VINCI Construction has a management system that combines decentralisation, empowerment at local level, a profit culture and networking. Thanks to this model, applied in conjunction with strict risk control guidelines, VINCI Construction has achieved levels of profitability that have caused a shift in the traditional industry standards.

(1) Source: Trend Tendances, 2004 (basis: 2002 net sales)

A record performance

VINCI Construction companies, operating in all market segments, have taken full advantage of the quality of their offerings and won a very high level of orders.

Net sales
+ 5%

Net income
+ 18%

VINCI Construction continued to apply its controlled growth strategy in 2003. The company's diversified offerings and markets protect sales and income from the vicissitudes of the business cycle. That, together with constant application of its selective order taking policy and its focus on value added, enabled VINCI Construction to record a 5% increase in net sales and an 18% increase in net income. At the end of the year, the company's order book had reached an all-time high of €7.5 billion, representing almost 12 months of business activity.

Strong growth in net sales achieved by the two major French networks

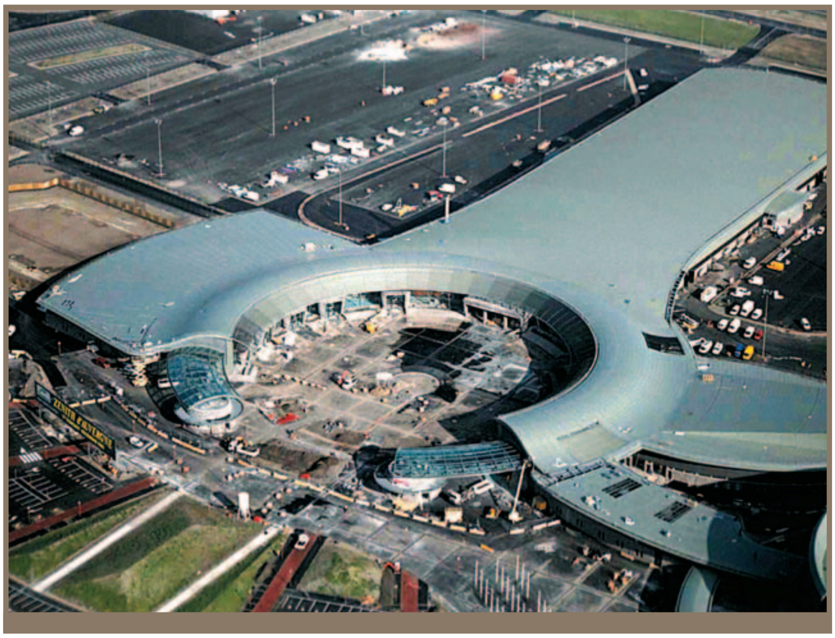
France

Taking full advantage of their close-knit network on the ground and their expertise in the entire range of construction business activities and related services, Sogea Construction and GTM Construction posted strong growth of 14% and 5% respectively in net sales, and reasonable profitability with a net margin before tax of 3.2% on average. This performance was achieved across all their market segments, aided by improvement programmes aimed at optimising production at every stage of their projects and boosting all entities' profitability.

A prestigious worksite on the corner of the Place de la Concorde and the Rue Royale in Paris: the structural rehabilitation of the Hôtel de Coislin, built in the eighteenth century and listed as a historic monument.

Principal building projects in France

Offices and retail. *Construction:* Avant-Seine and Frontalis buildings, Ministry of Youth, Education and Research, V2000 complex and Euralliance operation. *Structural rehabilitation:* Groupama head office, AXA-Hammerson project, new Galeries Lafayette site, CB16 tower **/ Sports facilities.** Bois-Colombes aquatic complex, Île de Puteaux sports complex and swimming pool, Toulon sports facility, Rhénus facility sports in Strasbourg, Amnéville indoor ski run **/ Hôtels.** Four Seasons in Les Terres-Blanches, Holiday Inn in Magny-le-Hongre **/ Industry.** PSA corporate design centre, post office sorting centres **/ Government buildings.** Regional authority archives, Narbonne courthouse, La Seyne-sur-Mer police station **/ Culture and education.** Structural rehabilitation of the Odéon national theatre in Paris, restoration of the facades of the Petit Palais museum in Paris, law faculty of Créteil university, schools in Levallois-Perret,Grande Halle d'Auvergne **/ Health care.** Construction or extension-modernisation of hospitals in Annecy and Sallanches, Clermont-Ferrand, Tours, Saint-Etienne, Perpignan, Angoulême, Angers and Toulon.



Above: Avant-Seine, a new 70,000 square metre building constructed for Capital & Continental in the Tolbiac development zone of the thirteenth district of Paris. Left: Grande Halle d'Auvergne in Clermont-Ferrand, the region's biggest ever construction project was built in 16 months.

In bulding, sales rose 5% in the Île-de-France region in a declining market. This achievement was due to VINCI Construction's expertise and strong positions in major office building projects, which enabled it to maintain a high level of new construction business, and an even higher level of renovation and structural rehabilitation business – all of which led to an increase in market share.

Business was also brisk in public facilities, high-end retail buildings, industrial sites and historic monuments. The broad diversity of projects under construction and new orders booked during the year suggest that the company will be able to weather future fluctuations in the market.

At 14%, growth in sales was even more pronounced outside the Paris area, especially in the Rhône-Alpes region. In addition to the large number of small contracts (about 7,500 a year) making up the core business of the local Sogea Construction and GTM Construction subsidiaries, there was a wide variety of bigger projects, particularly in health care (ten hospital projects under way, with a total value of €108 million) and large functional facilities.

In civil engineering, VINCI Construction was able to draw on its know-how in water treatment processes and benefit from strong demand from local authorities. Ten waste-water treatment plants, including the Achères and Valenton plants in the Île-de-France region, are now under construction or in preparation.

Complementing that know-how, the company's long-standing experience in hydraulic engineering was put to good use in major pipeline projects such as the Avre Aqueduct in the Paris region and the new Montpellier wastewater treatment plant, as well as in many small projects outside the Paris area.

The continuation or start of a number of major transport infrastructure projects following the upturn in public spending in 2002 generated brisk sales in earthmoving and structures in all market segments: motorways (A85, A86 and A89), railways (with the launch of major projects on the LGV Est high speed link), urban development (six metro and tram projects under way), port facilities (La Condamine in Monaco, Port 2000 in Le Havre) and airports (S3 satellite at Paris - Charles-de-Gaulle).

VINCI Construction's expertise in complex civil engineering structures was also showcased in a number of major industrial projects (Aéroconstellation development zone in Toulouse, test reactor in Cadarache).

In the service sector, the policy of expanding offerings upstream and downstream of construction activities generated buoyant business in property development, multi-technical and multi-service maintenance (at the end of 2003, Manei won the equivalent of 1,000,000 square metres of new contracts for major office and technical building main-

The continuation or start of major railway and motorway infrastructure projects generated brisk sales in earthmoving and engineering structures in 2003

Cereirède wastewater treatment plant: all skills on show

VINCI Construction is participating in every stage of the major project to modernise and extend the Cereirède wastewater treatment plant near Montpellier in the south of France. The civil engineering work involved building three treatment blocks and three storm water storage tanks to double the plant's capacity; the sea outfall (photo opposite) comprising a 4.5 km lagoon section, an 11 km marine section and the discharge network connecting the plant with the lagoon. This fourth and final works package was won – like the previous three – by VINCI Construction. The project has a total value of €150 million.
When the plant is commissioned at the end of 2004, it will discharge 95% treated water into the sea off the coast rather than 80% treated water into nearby ponds as at present. In the long term, the plant will serve the 38 districts that make up greater Montpellier.

tenance), as well as in the emerging markets for operating optical fibre networks (broadband network in the Maine-et-Loire region) and water treatment.

Outside France

Europe. In the United Kingdom, several new public-private partnership projects strengthened VINCI plc's positions in this rapidly growing market (*see box page 64*).

In Germany, where the market recession continued for the eighth consecutive year, satisfactory profitability was achieved by refocusing activity on high value added business segments. The quality of SKE's maintenance services at United States Armed Forces facilities in Germany led to the renewal of its main framework contracts and the award of new orders with a total value of €250 million.

In Central Europe, markets were bolstered by the run-up to European Union enlargement. Growth in sales was spectacular for Warbud (62% in local currency) in Poland, SMP and FCC (19%) in the Czech Republic and Hídépítö (14%) in Hungary. Diversifying their networks and business from strong positions in their respective markets, these companies illustrate the soundness of VINCI's growth model.

In Belgium, sales in 2003 increased in a difficult market. Efforts to reposition CFE technically and commercially led to a bigger order book at the beginning of 2004. This, together with the implementation of tighter management, is expected to improve the company's performance.

Net sales

Central and Eastern Europe

400
million euros

The La Sioule viaduct on the A89 motorway is one of the biggest cantilevered structures in France.

In common with most schools in the United Kingdom, the Sir Graham Balfour High School in Staffordshire was built under a PFI contract.

PFI, the British version of a French concession

VINCI plc was named best bidder on three new PFI (private finance initiative) projects in 2003: a school in Newport (£10 million) and the police headquarters in Kent (£18 million) and Wiltshire (£17 million). As part of a consortium, the company was also selected as one of the 12 main partners of ProCure 21, the National Health Service construction procurement scheme, for a minimum period of five years.

VINCI plc has all the skills – from financial engineering to maintenance – needed for such projects, and is generating a growing proportion of its net sales from public-private partnerships. According to a June 2003 National Audit Office review of 15 years of experience with PFI contracts in the United Kingdom, such contracts save 10–20% of construction costs compared with public financing and contracting procedures, and comply with contractual deadlines in 80% of cases as compared with 35% in conventional tenders.

Africa. Sogea-Satom's broad range of know-how and its ability to move rapidly into new markets have enabled it to maintain a reasonable level of sales. The effects of completing major projects in Central Africa have been offset by growth in business in West Africa.

French overseas territories. Building on their strong local roots to take full advantage of the economic recovery, VINCI Construction companies recorded buoyant business activity in both building and civil engineering: 1,500 subsidised housing units were handed over or completed in Martinique and Guadeloupe during 2003.

Net sales

Africa

410

million euros

Major projects and specialised civil engineering

While drawing on its outstanding expertise and engineering capabilities, VINCI Construction Grands Projets continued to adhere to its selective order taking and risk management policies throughout 2003. Net sales increased 7% and a further significant improvement in profitability was achieved: net income amounted to almost 5% of net sales, much higher than the industry standard. Business was particularly dynamic in tunnels (*see box page 66*) and distributed fairly evenly over other civil engineering segments (road, rail, port, hydraulic engineering and industrial facilities).

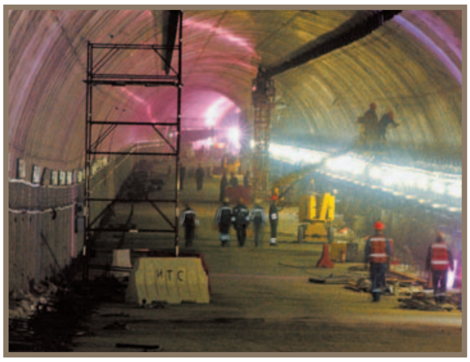
Sogea-Satom has built more than 10,000 km of bituminous-surfaced roads in Africa over the past 70 years. Pictured right, the road between Niamey and Dosso in Niger.

Hídépítö takes off in Hungary

Hídépítö, a state-owned company that was acquired by VINCI Construction in 1993, has become a leader in the civil engineering market in Hungary. In 2003, it started work on the construction of four interchanges, 15 bridges and 3 viaducts along a 20 km section of the M7 motorway between Budapest and Trieste, representing a total value of €100 million for the company, with delivery scheduled for June 2005. Hungary's membership of the European Union is expected to give a further boost to Hídépítö, which is projecting that sales will double between now and 2008.

VINCI Construction has been operating in Africa for 70 years, with dominant positions in hydraulic and civil engineering

The benchmark for major underground structures



VINCI Construction Grands Projets completed the Lefortovo road tunnel in Russia (photo opposite) and the Pannerdensch Kanaal tunnel in the Netherlands. The company is currently working on the Airside Road Tunnel at Heathrow in the United Kingdom (seven structures under the airport), the Soumagne tunnel in Belgium, the Mitholz tunnels in Switzerland and the Saint Petersburg metro in Russia.

In France, the breakthrough of the A86 tunnel between Rueil-Malmaison and the A13 motorway was an important milestone in that major underground motorway project. In Sweden, the last legal obstacles were cleared for the two railway tunnels along the new high speed line between Gothenburg and Malmö. Lastly, based on its strong engineering capability, VINCI Construction Grands Projets won a design contract for the extension of the Athens metro in Greece and a technical support contract from the Moscow city authorities in Russia as part of the Silver Forest road tunnel project.

In specialised civil engineering, Freyssinet's net sales increased 4% (excluding the impact of exchange rates) and, as a result of a determined strategy to improve margins, the company's net income was close to breakeven. In the structures segment, business was brisk in cable staying, where Freyssinet is world market leader, as well as in new construction pre-stressing and repairs. In ground improvement, there was strong demand for the exclusive processes provided by Ménard Soltraitement and Terre Armée to prepare difficult terrain for construction in suburban and maritime areas and to build retaining structures.

Business was brisk in cable staying, where Freyssinet is world market leader

Freyssinet supplied and installed the 16 stay cables that support the metal roof (25,670 square metres) of Sporting Lisbon's new soccer stadium.

Outlook

Towards a further improvement in performance

In 2004, VINCI Construction will continue to apply the guidelines that have led to high profitability: priority given to safety and training, worksite productivity improvement, closer networking in terms of both geographical coverage and know-how, systematic elimination of high-risk contracts, and the development of upstream and downstream activities.

In France,

the volume and quality of the Sogea Construction and GTM Construction order books augur well for the coming year. Major projects and a sustained pace of work in the four business lines – building, civil engineering, hydraulic engineering and services – will enable the two networks to continue improving their profitability performance.

In Europe,

VINCI Construction anticipates more varied business activity. In the United Kingdom, public spending on schools and hospitals is expected to increase with the growth of public-private partnerships, which have proven themselves after 15 years of experience, while public spending on civil engineering is expected to decline. In Germany, where there are no signs of a recovery in the economy, companies are adapting to the situation by refocusing on recurring service activities (SKE) and by scaling back.

In Belgium, the sales and management policy is expected to start generating an improvement.

In Central Europe, the high order backlog at the end of 2003 suggests that further growth will be forthcoming in 2004. VINCI Construction has been operating for some ten years in Poland, the Czech Republic and Hungary, and should benefit from the entry of these countries into the European Union, in particular from the infrastructure programmes receiving structural fund financing.

VINCI Construction expects sales to stabilise at a high level in French overseas territories and Africa, where the Group benefits from strong positions.

Sales in the major projects business segment are expected to decline following the high level achieved in 2003. VINCI Construction will intensify its sales and marketing activity and maintain the stringent selective order taking policy that has enabled it to achieve high profitability in this segment. Lastly, Freyssinet is expected to see further increases in net income.

Overall, 2004 looks set to be a very good year for VINCI Construction, which will be able to continue – in all serenity – its strategic efforts to prepare for the future and sustain its performance in the long term.

Serenely continuing its strategic efforts to prepare for the future

VINCI Construction's historical roots in hydraulic engineering are growing stronger in France and the rest of the world.

New employees
21,239
worldwide in 2003

Projects
67
supported by the VINCI Foundation for the Community in 2003

Corporate sponsorship
10
million euros invested in the restoration of the Hall of Mirrors of the Château de Versailles

A responsible company

In 2003, as part of its commitment to corporate citizenship and sustainable development, VINCI continued to carry out activities aimed at social and environmental improvement for the benefit of all its stakeholders.

A responsible company

VINCI companies provide a range of complementary activities that enable them to make comprehensive offers for regional development. They have, from their creation, supported local authorities and businesses in their efforts to enhance and improve living conditions. VINCI's mission is to design, finance, build and operate infrastructure to improve the quality of life. That mission, together with its organisational structure – which is based on employee empowerment, decentralisation and local roots – and the materials it uses in the course of its business activities, give VINCI a crucial role to play in sustainable development.

VINCI's sustainable development policy

Programme and organisational structure

In keeping with its decentralised management system, VINCI encourages its operations employees to make the concepts and tools of sustainable development an integral part of their managerial and commercial practice. The programme is driven by a sustainable development committee, which reports directly to the executive committee, and coordinated by the sustainable development manager. The sustainable development committee, made up of representatives of VINCI's main subsidiaries, is responsible in particular for coordinating the implementation of the reporting system and disseminating best practices by means of knowledge-sharing tools.

Making sustainable development concepts and tools an integral part of managerial and commercial practice

Social and environmental reporting

The presentation chosen by VINCI draws on the Global Reporting Initiative's (GRI) guidelines on transparency and openness, as well as on the fundamental principles of France's new economic regulations act (NRE) and its associated decree of 20 February 2002. VINCI completed two years of work to prepare a comprehensive social reporting system *(see page 72)*, which has been available since 2003. The system, combined with the financial reporting instruments, covers all consolidated VINCI entities. In environmental reporting, the company has launched a programme tailored to the diversity of its business lines. Ultimately, the programme will identify all the relevant indicators for VINCI entities.

Training, information and business unit initiatives

In 2003, almost 4,000 employees received training in sustainable development issues and practices. Two specific modules were proposed: awareness and prioritisation of issues. In addition, the company created a quarterly newsletter and dedicated a special section to the subject on its

VINCI signs the Global Compact

In January 2004 in Paris, Jacques Chirac, President of France, received Kofi Annan, secretary-general of the United Nations, on the occasion of the meeting of French signatory companies to the Global Compact.

VINCI joined the Global Compact, a United Nations initiative instigated by Kofi Annan, its secretary-general, in April 2003. In so doing, the company committed to complying with, promoting and guaranteeing the application of the following nine principles:

Human rights

1. Businesses will support and respect the protection of international human rights within their sphere of influence.
2. Businesses will make sure they are not complicit in human rights abuses.

Labour rights

3. Businesses will uphold the freedom of association and effective recognition of the right to collective bargaining.
4. Businesses will uphold the elimination of all forms of forced and compulsory labour.
5. Businesses will uphold the effective abolition of child labour.
6. Businesses will uphold the elimination of discrimination in respect of employment and occupation.

Environmental protection

7. Businesses will support a precautionary approach to environmental challenges.
8. Businesses will take initiatives to promote greater environmental responsibility.
9. Businesses will encourage the development and diffusion of environmentally friendly technologies.

website at www.vinci.com. The website lists a selection of 70 best practices. A series of environmental and human resources experiments has been initiated, in particular by the Rhône-Alpes *club pivot*, which brings together the various VINCI entities in the region. Lastly, the findings of a think-tank on the environment and sustainable development (Gredd) set up by GTM Construction provides input to VINCI's reflections on all the construction-related aspects of its business.

Also in 2003, Cofiroute published its first sustainable development report and set up a permanent cross-functional working group on the subject.

Institutional partnerships

Several VINCI Construction companies are contributing to three European projects: Forsapre in regard to employee safety and health; Eco-housing to develop recommendations for the construction of "green buildings"; and Presco, which is preparing a summary of the various national sustainable development programmes initiated by the construction industry. In addition, VINCI's participation in the Europ@Acte project, which aims to help people on probation find jobs, resulted in several employment contracts. The project is part of the Equal programme.

VINCI's website lists a selection of more than 70 best practices in sustainable development

In France, VINCI is a member of the main national organisations working on sustainable development: Observatoire de la Responsabilité Sociale des Entreprises (Orse), Orée, Comité 21, Association 4D, Admical, Entreprises pour l'Environnement (EPE) and the Institut du Mécénat de Solidarité (IMS). VINCI subsidiaries contribute to the work of special interest groups set up by the industry's trade organisations, including FFB, FNTP, EGF-BTP and Afsa.

Lastly, VINCI sponsors the sustainable development master's programme at HEC, a business school near Paris.

Social responsibility

Human resources management at VINCI is decentralised, in line with the company's organisational structure. The human resources managers operate in a network to apply all corporate policies on training, job mobility, employee savings schemes and integration. The company's employees thus benefit from local management as well as the advantages arising from VINCI's human resources policy.

Workforce
127,513
employees worldwide, of which
71,648
in France

Number of long-term contracts
21,239
worldwide

Human resources policy and organisation

Across all business lines, VINCI's human resources policy is designed to integrate employees within their business units, while offering them the benefits of belonging to a major group of companies. These benefits include job mobility, training and employee savings schemes.

The organisation of human resources at VINCI reflects the company's decentralised management structure. It combines independent management at subsidiary and business lines level, in accordance with the subsidiarity principle, with company-wide coordination by the network of human resources managers. Network members meet periodically to discuss broad guidelines with respect to jobs, salaries, training and so on. Regional coordination of the policy is facilitated by the creation of *clubs pivots* specialising in human resources *(see pages 76–77)*.

After verification of the method and procedures in 2002, VINCI's social reporting system was deployed throughout all entities in 2003. Translated into four languages, it is used by the 880 consolidated subsidiaries and linked to the consolidated financial reporting system. To date, over 150 people have been trained in its use. The system covers quantitative and qualitative information that is consolidated once a year and the results circulated to employee representative bodies. For 2004, VINCI has set itself the goal of carrying out a half-yearly social reporting exercise based on partial data, together with a comparative analysis by sector. A team has been set up specifically to manage and track the system. All the procedures are available to users.

VINCI's social reporting system was deployed throughout all entities in 2003

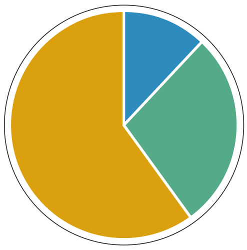
Employment, recruitment policy and induction

In 2003, VINCI employed 127,513 people, primarily in Europe. With 71,648 employees in France, the company is one of the country's 20 biggest employers.

The workforce changed very little

Workforce by business line

Concessions and services	21,873	17%
Energy	25,933	20%
Roads	35,072	27%
Construction	44,207	35%
Holding company and property	428	1%
Total	127,513	100%



Workforce by category

Management	15,433	12%
Office, technical and supervisory staff	35,911	28%
Manual labour	76,169	60%
Total	127,513	100%

between 2002 and 2003, reflecting the overall stability of the company's business scope and the improvements it has made in productivity. The stability does, however, mask variations from one region to another. For example, jobs created in France, Spain and Central European countries – especially the Czech Republic, Poland and Hungary – offset a reduction in the number of employees in Northern Europe, where VINCI reduced its business. In France, the relative proportion of management staff (managers and site supervisors) increased in 2003. This trend reflects the technical changes taking place in VINCI's business lines and the need to meet increasingly stringent health and safety requirements. It is particularly noticeable in roadworks and construction but less pronounced in energy, where the number of employees with qualifications is already high.

Recourse to temporary staff on fixed-term or temporary contracts, accounting for 7% and 11% respectively of the total workforce, remained limited to situations where business activity fluctuates.

Attracting young people into VINCI business units

In an endeavour to reduce the average age of its workforce (one-quarter of VINCI's employees are over the age of 50) and enhance the image of its business lines, the company intensified its efforts to recruit young people. The many actions taken in this regard included:

The network of campus managers is made up of almost 150 VINCI employees

- the creation of a network of "campus managers": almost 150 employees have been assigned to oversee and coordinate VINCI's relations with 70 engineering schools and higher education institutions. Their tasks in that role include participating in teaching, giving presentations of the company's business lines and organising site visits and internships;
- participation in about 30 engineering school forums in 2003, including those of ESTP, Insa, Ensam, Supelec, Centrale Lille and Mines Nancy;
- sponsorship of graduating classes, in particular at ESTP, a civil engineering school, and awarding scholarships to its students in 2003;

Once again, VINCI participated in about 30 student forums, including the one at ESTP on 21 January 2004 *(photo opposite)*.

• participation by numerous VINCI entities in the school-business week event organised jointly by Medef (French Employers' Confederation) and the Ministries of Youth, National Education and Research, as well as in "Les coulisses du bâtiment" (behind the scenes in construction), an event that gave a broad audience – especially students – the opportunity to learn about VINCI's worksites and business lines;
• the display of recruitment posters at worksites, in line with an initiative taken by Campenon Bernard Régions in the Rhône-Alpes region;
• availability of on-line job application forms on subsidiary websites and through the corporate recruitment portal (www.vinci.com/jobs);
• the @venir on-line application, through which all VINCI Energies business units can offer internships to European students. The "Our internships" section is accessed via the website at www.vinci-energies.com.

Initiating long-term career paths

VINCI's determination to offer genuine career opportunities to new recruits is reflected in its induction programmes.

The VINCI Academy was set up in 2002 to develop management training for senior managers and, more broadly, to bring together all the company's training activities and increase their cross-business content. The academy fosters the integration and further training of young managers. Management seminars and forums are organised to help develop the managerial skills of VINCI's future senior managers.

The "Entretiens de VINCI" lecture-debates, at which high-profile speakers discuss a wide variety of subjects such as ethics, international issues and labour relations, are also part of the endeavour to enhance the managerial culture of VINCI's senior management.

At subsidiary level, the "GTM Manager" programme, an induction course set up by GTM Construction for its young managers, was extended to supervisory staff in 2003. It is made up of three modules – orientation, discovery and guidance – and provides long-term support for career development. At Sogea Construction, 40 employees participated in the 2003 "Coaching Team" operation, which has the same goal. VINCI Construction Grands Projets has been organising training programmes for managers with three to ten years of experience since 2002. The programmes are designed to prepare them for positions of project director and project manager.

Eurovia recruits 1,500 new employees a year, including about 150 managers. In 2003, it set up a recruitment website (www.euroviarh.com) and introduced a mentoring system for newly hired employees as part of a multi-year induction programme, which enables them to progress rapidly to positions of responsibility.

“Exactly what I was looking for”

“I joined Sogea Construction after completing my engineering studies and I belong to the first group to participate in Coaching Team, a two-year induction programme for young people, based on mentoring, training and job mobility. I followed the programme at the La Sioule viaduct worksite, where my mentor was the site director, François Batifoulier. It was exactly what I had been looking for: a company with a proactive and ambitious policy, a company that has faith in you and offers good career prospects.”

Jean-Charles Taravella, cost analysis engineer at Campenon Bernard TP

In Africa, Sogea-Satom offers young recruits a variety of training programmes that lead to qualifications.

Expanding the recruitment pool

In partnership with local public service employment offices such as ANPE, Afpa and Greta in France, VINCI subsidiaries are putting together programmes that lead to recognised qualifications and train job-seekers in the building and civil engineering trades, expanding the pool of recruits. Through numerous local partnerships with reinsertion and qualification companies (GEIQ), induction programmes are provided to young people with no initial training. On the basis of their reinsertion aspect, these projects are also supported by the VINCI Foundation for the Community *(see page 90)*.

VINCI Energies is developing a proactive policy of providing work and study programmes. The company hires 700 young people a year under apprenticeship or qualification contracts.

1,600
young people in work and study programmes

Training and hiring local employees

The Sogea-Satom programme in Africa is an illustration of VINCI’s approach to integrating local employees into its business units and making its worksites part of the local environment. The programme was initially applied to office workers – 75% of the company’s administrative and financial positions are filled by African employees. Now, however, it is focusing on the development of local managers. An assessment of all salaries paid to high level African managers shows that those paid to Sogea-Satom’s local managers are generally higher than those offered by local businesses.
VINCI Construction also offers a variety of advantages and career prospects to young African graduates wishing to work as expatriates, and offers young recruits training programmes that lead to qualifications. Partnerships forged with local educational establishments such as the Ecole Inter-États de l’équipement rural (Burkina-Faso), which trains young people from 14 West African

countries, and the recruitment of young African graduates who studied in France and wish to return to their countries, have helped the company to substantially increase the number of local managers.

Job mobility

Based on its size and the diversity of its locations and business lines, VINCI can offer employees significant career prospects. To facilitate internal transfers, the VINCI intranet lists all opportunities by job type, region and business unit. Decentralised management of transfer opportunities by the human resources manager of each entity ensures that the list is kept constantly updated. VINCI also set up a jobs observatory in February 2003. It is structured by region and available on the corporate intranet. This human resources planning tool also identifies possible transfers between different jobs and different business units.

Business unit twinning, initiated in 2002, also encourages job mobility. A third twinning charter was signed in 2003 between Sogea-Satom Equatorial Africa and GTM Terrassement. These initiatives are part of the support system for expatriate employees. “The Passport for Africa” programme set up by Sogea-Satom, for example, helps employees and their families to adjust to their new environment. More broadly, an effort is under way to harmonise the status of expatriates across all VINCI Construction subsidiaries.

Knowledge sharing

The *clubs pivots* bring together the heads of VINCI business lines and companies by region or economic catchment area. Their purpose is to strengthen cohesion and develop potential synergies through joint programmes such as knowledge sharing, training and equipment pooling. There are nine *clubs pivots* in France and 11 elsewhere (Germany, Austria, Belgium, Spain, Hungary, Netherlands, Poland, Czech Republic, United Kingdom, Sweden and Chile). They act as clearing houses for company-wide activities such as the Innovation Awards, development of the Castor employee savings scheme and the search for “pilots” for projects supported by the VINCI Foundation for the Community.

In 2003, there was an increase in the number of *clubs pivots* focusing on specific themes. Four human resources clubs were created and a further two are being set up. They will organise joint activities in recruitment, team management, job mobility and induction of new employees. In purchasing, there are 20 clubs in France, the UK, Belgium and Germany. They work with the VINCI coordination unit to carry out purchasing projects involving several subsidiaries, organise training, exchange best practices, and apply on a regional basis the framework contracts signed by VINCI. The VINCI intranet is also a key tool for knowledge sharing, pooling know-how and developing synergies. It can be used to interrogate technical and general databases (innovation, purchasing, job mobility, corporate life, etc.) and access the 200 subsidiary intranets and websites. It also serves as a platform to launch company-wide activities.

Remuneration

VINCI has an attractive remuneration policy. The variable remuneration policy is managed by business line within the boundaries of strict guidelines governing statutory profit

Purchasing policy: establishing a balanced customer-supplier relationship

VINCI’s purchasing coordination unit promotes the exchange of best practices, not only internally through regional purchasing clubs but also on cross-business subjects. Seven golden rules govern relations with approved suppliers. These, together with codes of conduct that supplement major framework contracts covering areas such as equipment rental and temporary workers, guide users and suppliers into efficient and effective practices and encourage rapid out-of-court settlement of disputes.

sharing plans. Profit sharing and employee savings agreements are negotiated locally, as required by French law: 57% of VINCI employees benefit from employee profit sharing agreements and 32% from incentive schemes.

The average gross annual salary in France is €25,900, which is higher than the national industry average for all categories of personnel. The difference between the gross annual salary for men and women is €2,100 or 8%. The gap – far lower than the national average of 20% – is mainly due to the nature of jobs done and their constraints.

Employee savings schemes

The success of the Castor savings scheme set up in 1995 was confirmed in 2003. Over €54 million was collected from 17,200 subscribers during the year across all savings schemes. Through the corporate mutual funds invested in VINCI shares, nearly 40,000 employees – 30% of the workforce – are shareholders.

At 31 December 2003, they held 9.2% of VINCI's capital stock and collectively represented the biggest shareholder group. In France, one employee in two has joined the Castor savings scheme. By employee category, the breakdown of beneficiaries is management 30%; office, technical and supervisory staff 37%; and manual labour 33%. The average investment in 2003 was €2,500, and the average portfolio was €9,000.

During the year, three capital increases at preferential rates (20% discount on the VINCI share price) were offered to French subsidiary employees. They also benefited from an employer contribution of up to €1,900 for an annual investment of €7,000, with a 100% contribution for the first €200. A total of 1.29 million VINCI shares were subscribed under this savings scheme during the year.

Capital stock

9.2%
held
by employees

Castor

40,000
employee members

Internal transfers

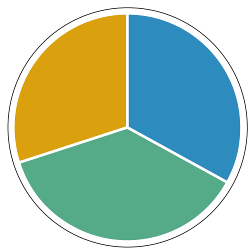
1,500
employees in France, representing 10% of personnel movements

A new product and extended opportunities in 2003

Several new opportunities were offered to employees in France. They can now:

- invest in a new diversified savings product, Castor Équilibre, created in May 2003 as an alternative to Castor. The fund is invested in fixed-income securities (two-thirds of the fund's net assets are in bonds and the remaining third in monetary securities), including a maximum of 10% in listed VINCI bonds. Employees can thus pay up to a maximum of 25% of their gross annual salary into two different savings schemes;
- assign their assets from one fund to the other, subject to certain conditions, and thus switch between a safe, moderate yield fund and one that is based almost entirely on VINCI shares;
- transfer assets held in previous employers' savings schemes to the Castor scheme with no change to the statutory period during which their funds are unavailable.

Since 2003, employees in France can also access the "Pactéo à l'écoute" Internet portal offered by Crédit Lyonnais Épargne Entreprise to benefit from a number of services such as on-line consultation of a comprehensive legal database, advice and a secure area from which to consult their accounts and track requests for reimbursement.



Castor subscribers

Manual labour	33%
Office, technical and supervisory staff	37%
Management	30%
Total	100%

Through the various Castor savings schemes, VINCI employees hold 9.2% of the company's capital and are, collectively, the leading shareholder group.

Created in 2002, the VINCI European works council met for the first time in April 2003 in Brussels. The bureau is made up of **1** Michel Moutel, Secretary, an employee of VINCI Energies Ouest-Centre; **2** Jean Moons of CFE, Belgium; **3** Dennis Richards of Rosser & Russell Building Services Ltd, UK; **4** Georg Bach of Felix Schuh & Co GmbH, Germany.

European works council
8 countries
represented

Increased effort for lower income employees

VINCI is developing a special plan for lower income employees. In addition to the incentive schemes and employee profit-sharing, the plan is based on employee shareholding – 70% of Castor subscribers are non-management staff. This situation is unparalleled among French companies and demonstrates the confidence VINCI employees have in their company, as well as the attractive nature of the employee savings system offered. The system will become even more attractive to lower income employees in 2004 when the employer's contribution will increase from €200 for the first €200 invested to €400 for the first €400 invested. This very attractive plan also provides for payment by monthly direct debit (for a minimum payment of €20 a month).

70% of Castor subscribers are non-management staff

Labour relations

VINCI's social dialogue policy reflects the company's commitment to a number of fundamental principles. These include recognition of union organisation within the company, the quest for an ongoing balance between trade union involvement and keeping a close link with professional activity; the determination to increase information and training for employee and trade union representatives, and facilitating communication and the organisation of meetings for trade unions and employee representative bodies.

Social dialogue organisation

On a national basis, the representation model best suited to the diversity of organisational structures has been adopted for each business line or entity: central works council (CWC), works council (WC), single staff delegation (SSD) and employee representatives (ER). Several specific bodies have been set up at corporate or national level to supplement the representative bodies within business units. One example is the VINCI Energies economic and social dialogue and consultation committee. Discussions within these different bodies are channelled at national level by the Group works council and at European level by the European works council.

The Group works council, which meets twice a year, is made up of representatives from over 50 entities in France. The European works council set up in 2002 meets once a year and its remit is to inform the social partners about all topics relating to corporate life, including strategy, economic and financial position, capital investment, business activities, training, organisational structure, employment and safety. It met for the first time in April 2003. The European Federation of Building and Woodworkers (FETBB), a member organisation of the European Trade Union Confederation (CES), and the International Federation of Building and Wood Workers (IFBWW), and the European Federation of Managers in the Construction Industry (FECC), a member organisation of the European Confederation of Executives and Managerial Staff (CEC), each have one expert on the VINCI European works council. They helped appoint members from countries other than France.

Social climate

Following the enhancement of the social reporting system, reliable human resources indicators were available in 2003 for the first time. A significant number of collective agreements – 1,193 overall – were signed, covering one-third of VINCI's workforce. They related mainly to personal protective equipment (PPE), remuneration and retirement schemes. These agreements are a reflection on the ground of the ongoing priorities set by VINCI's human resources policy, namely improving health, safety and working conditions for employees. A further illustration is the low number of labour disputes: in 2003, absenteeism due to strikes amounted to only one day per 10,000 days worked.

1,193
collective agreements
signed

Information available to all

All employees have access to the VINCI intranet, which provides real-time information on corporate life. They also have access to the technical and general databases. The VINCI intranet has specific search engines to foster knowledge sharing, know-how pooling and synergies. It is accessible in three languages (French, English and German) and received 230,000 hits in 2003.

Employee participation in VINCI decision-making bodies

Employees holding shares in the Castor savings scheme have a representative on VINCI's Board of Directors *(see pages 12–13)*, who is also a member of the Castor fund supervisory boards.

Safety, the focus of social dialogue

"The participants have agreed to make occupational health an absolute priority for the whole Group. [...] They call on the occupational health, safety and environment bodies to play their full role in pursuit of the common «zero accidents» goal. All employees on the ground where accidents occur – i.e on worksites and during work-related travel – must make that goal their personal goal."

Extract from the joint statement published by Antoine Zacharias, chairman of VINCI and the VINCI European works council on 10 December 2003

Reflecting its concern for accident prevention and safety, VINCI Airports adapted its equipment and procedures to suit the handling tasks involved in its operations.

By signing the Vigiroute® charter, every Eurovia employee undertakes to apply ten rules for responsible driver behaviour.

Accident prevention, health and safety

After a decade of steady improvement in the frequency and severity of occupational accidents within VINCI subsidiaries, the trend flattened in 2002 and during the first months of 2003. VINCI's results were nevertheless better than the industry average.

Against this backdrop, improving accident prevention and safety was the main thrust of the company's human resources policy in 2003. Many events focusing on this theme were organised, including a conference attended by all French subsidiary managers in charge of safety. Accident prevention and safety is addressed on a systematic basis at meetings of VINCI's executive committee and other management committees.

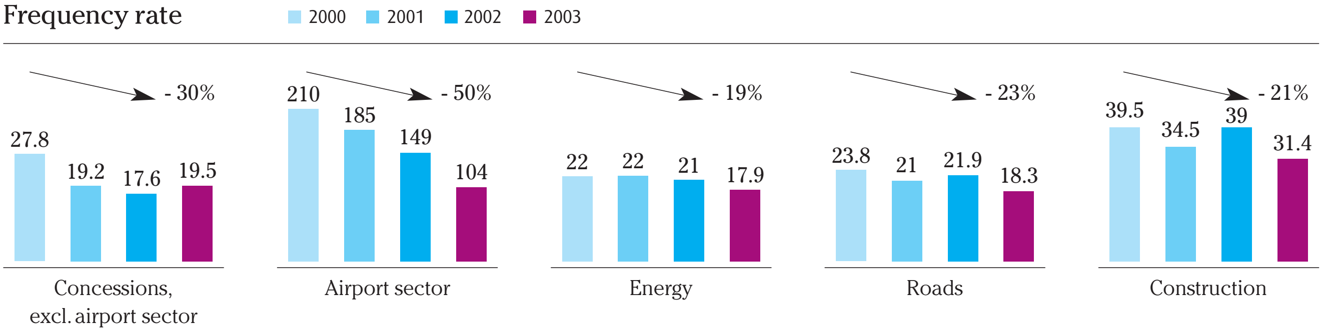
At the 2003 VINCI senior management convention, which also focused on accident prevention and safety, each business line committed to implementing an action plan with strong management involvement and engaging all employees.

Within this context, VINCI Construction intensified the deployment of its "Safety First! programme", increasing the number of awareness-raising actions and the dedicated means of exchanging information (conferences, training, newsletters, intranet pages and so on). The efforts made by all the company's teams led to a decrease in the frequency of occupational accidents in 2003.

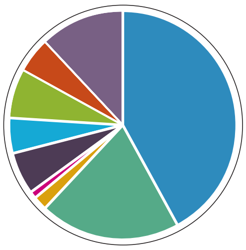
VINCI Energies emphasised sharing good practices by organising a discussion network between entities that had no accidents leading to time off work during the previous 12 months (47% of its companies) and those with less good results. In 2003, the companies with a poorer record set up a safety programme,

Safety indicators

Frequency rate



Main areas of training



Technical	42%
Health and safety	20%
Quality	2%
Environment	1%
Management	6%
IT	5%
Admin., accounting & legal	7%
Languages	5%
Other	12%
Total	100%

including daily performance indicators, which was presented to senior management.

In March 2003, Eurovia signed a charter with the French government's inter-ministerial road safety unit. Under the terms of the charter, Eurovia has committed to reducing the number of road traffic accidents involving its staff by 30% over three years. This commitment, formalised in the Vigiroute® accident prevention plan, applies to all the company's 20,000 employees in France. It comprises actions to heighten awareness, such as a driver's guide given to all employees, special training, and systematic analysis of every accident in order to implement appropriate preventive measures. In 2003, Eurovia's road traffic accidents decreased by 21%.

Cofiroute launched a similar approach. In parallel with initiatives to improve safety on its network and raise motorists' awareness of the risks associated with motorway driving, the company implemented an internal prevention plan to encourage all employees to adopt exemplary road accident prevention behaviour.

Cofiroute has committed to reducing the number of accidents involving its employees by 20% over five years. In addition, recording devices were fitted to 20 company vehicles so that employees volunteering to participate could gain a better insight to their behaviour behind the wheel and analyse it.

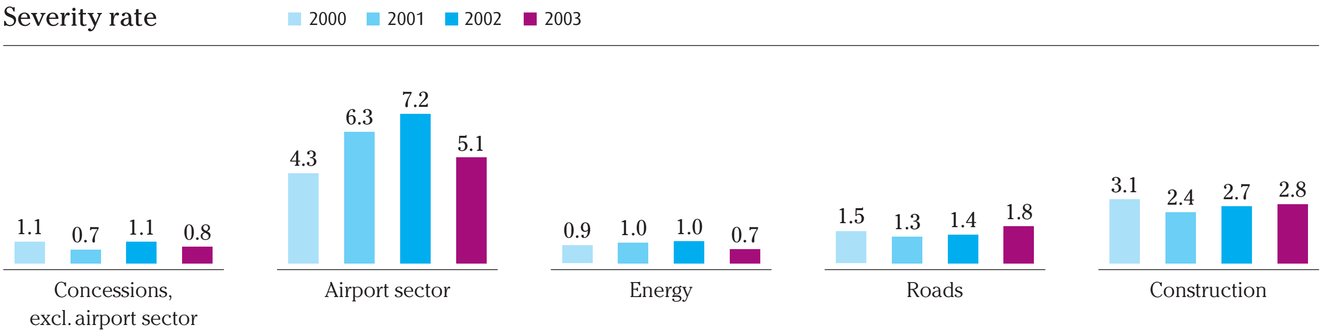
SEN, an airport services subsidiary of VINCI Airports in France, significantly increased its accident prevention personnel in 2003, and adapted its equipment and procedures to suit the handling tasks involved in its operations. These measures led to a 30% reduction in the frequency and severity of workplace accidents in just one year.

The Vigiroute® charter reduced the number of Eurovia road accidents by 21% in 2003

Safety training

The safety training budget for 2003 increased, reflecting the importance VINCI attaches to this major issue. Substantial resources were allocated to initiatives and tools that complement training, such as the "Safety First! programme" within VINCI Construction entities, the Accident Prevention and Safety Challenge at VINCI Construction Grands Projets, and the Vigiroute® plan at Eurovia, currently being extended to all VINCI companies. With regard to temporary employees, induction procedures are applied systematically by all subsidiaries. In 2003, for the first time and as part of continuing improvements to these arrangements, VINCI's purchasing coordination unit carried out an audit of the 4,000 approved temporary employment agencies in France to assess the safety training given to temporary staff.

Severity rate

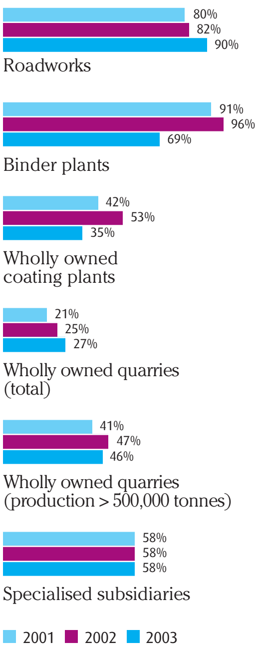


A long-term partnership

"Afpa has been working with Sogea Construction for many years, providing assistance in recruiting, training and retaining employees in the building and public works sector. In liaison with Sogeform, Sogea Construction's training organisation, 15,000 hours of training are provided every year on the skills required on building sites, for all categories of personnel."

Patricia Behr, major accounts manager, Afpa (the French adult training association)

Quality certification trend at Eurovia
(as % by segment)



The decline in quality certifications at binder and coating plants reflects the expiry of the national multi-site plants and factories certificate in July 2003.

Quality

Quality is of prime importance at Eurovia. In 2003, 80% of its operations in France were certified under the 2000 version of ISO 9001. Eurovia is also developing its own Internet-based quality management tools through shared databases, including shortfall management, progress initiatives, feedback on experience and customer satisfaction assessment. The tools facilitate quality management and are decision-making aids aimed at improving the company's performance. Since November 2003, the company has had a networked "site risk analysis" tool, which gives design engineers and site supervisors the means of better assessing and controlling quality, safety and environment risks during tender and site preparation. Eurovia's technical and promotion department and its research centre are both certified ISO 9001 : V2000.

Sogea Construction's quality policy is built around job enrichment, improvement of the company's performance, customer satisfaction and financial consolidation. The approach is monitored by the quality, safety, environment and training department. In 2003, several Sogea Construction subsidiaries obtained ISO 9001:V2000 certification or had it renewed, namely Campenon Bernard Méditerranée for its civil engineering and building activities; Sogea Sud-Est TP, Cofex, Claisse and Sobea Environnement for hydraulic engineering; Dodin for civil engineering; Énergilec for its maintenance activities; Deschiron for earthworks; Cofex Littoral for civil engineering; Bateg for building; Sogea Nord-Ouest for its building activities in Normandy; Sogea Nord for hydraulic engineering; Sogea Est for building and hydraulic engineering; EMCC and Armor for marine and river works; CTS for diving; and Sogea Sud-Ouest for hydraulic engineering.

GTM Construction is the first company in the construction sector to obtain triple ISO 14001 (environment), ISO 9001 (quality) and BS 8800 (safety) certification

In 2003, VINCI Construction Grands Projets obtained ISO 9001: V2000 certification for all its design and construction activities on major infrastructure and turnkey projects.

GTM Construction has invested for many years in the development of processes and services that protect the environment and promote sustainable development. The company is the first in the construction sector to have obtained triple ISO 14001 (environment), ISO 9001 (quality) and BS 8800 (safety) certification.

The VINCI Energies Academy, which is open to all energy business line employees, ran 168 training sessions for 1,700 trainees in 2003, representing a total of 40,000 hours.

Training and education

VINCI's cohesiveness is to a great extent founded on an ambitious system of training and knowledge sharing, which brings together a decentralised organisation and a strong determination to exploit synergies within the group.

In-house training

Internal training centres set up at VINCI or subsidiary level are ideal places to learn trades, exchange good practices and transfer skills between generations. These centres broadened their portfolio of programmes in 2003 in order to support employees throughout their careers and give them the tools they need to cope with changes in their jobs and working conditions (new procedures and methods, safety and quality standards, etc.). They also continued to develop courses leading to qualifications and organise management training seminars. In-house training, which accounted for 26% of total training, is carried out by VINCI staff, who are also responsible for content. This ensures a better match between the practical training given to employees and company needs.

Formed in 2002, the VINCI Academy continued its training activities for senior management, managers

Training
1,420,000
hours across
all VINCI companies

Breakdown of training hours in 2003 by employee category and subject matter

	Worldwide					of which France	
	Management	Office, technical & supervisory staff	Manual labour	Total	%	Total	%
Technical	46,433	167,969	394,136	608,538	42%	392,961	46%
Health and safety	24,850	72,798	183,808	281,456	20%	201,111	23%
Quality	5,326	10,535	9,605	25,466	2%	10,090	1%
Environment	3,133	2,563	2,731	8,427	1%	2,939	0%
Management	35,897	26,832	21,624	84,353	6%	58,885	7%
IT	27,039	45,804	5,483	78,326	5%	55,013	6%
Admin., accounting & legal	39,154	54,271	4,452	97,877	7%	63,227	7%
Languages	21,059	41,811	3,375	66,245	5%	15,406	2%
Other	19,769	67,748	81,321	168,838	12%	65,488	8%
Total	**222,660**	**490,331**	**706,535**	**1,419,526**	**100 %**	**865,120**	**100%**

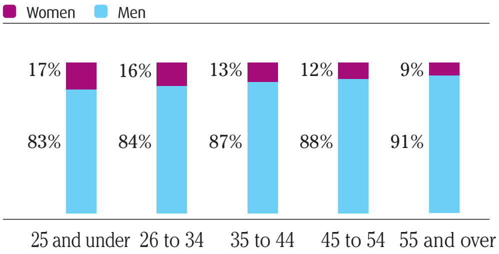
At GTM Construction, 1,846 trainees received 37,000 hours of in-house training.

showing potential and new recruits. At Sogea Construction, the number of hours of training provided by Sogeform increased 60% over the 2002 figure. It extended its portfolio by adding many safety-related courses, including a certificate for safe driving of site equipment, methods to provide a safe working environment (shoring of trenches), site organisation, and communication on the subject of safety. In addition, the 60 members of the Sogea Construction training staff have a new teaching tool: a professional skills database covering about 15 general themes such as foundations, civil engineering, restoration work, prefabrication and masonry. Each theme is covered by videos (for a total of nine hours), fact sheets (350 for works engineers, for example), exercises and glossaries giving definitions and links to other chapters. The database allows trainees to create their own training programme by selecting the subjects and documents that are of interest to them.

Cross-business training helps disseminate a common culture within the various VINCI entities

At the GTM Construction training centre, a total of 37,000 hours of training (up 25% over 2002) was given to 1,846 trainees. The VINCI Energies Academy, which is open to all energy division employees, develops programmes tailored to specific needs in the technical, management, legal and commercial fields. In 2003, it ran 168 training sessions for 1,700 trainees, representing a total of 40,000 hours. The road industry training centre created by Eurovia, Girf, provided 85,000 hours of training to nearly 2,500 trainees at its centre at Gevrey-Chambertin. The centre also offers a roadworks masonry course,

Equal opportunities: change in percentage of female employees



which leads to a certificate recognised by France's Ministry of Education. In Canada, Eurovia's subsidiary DJL received an award from the Quebec road building and public works association for the quantity and quality of its training in 2002-2003.
Lastly, in 2003, VINCI Park started work on the creation of a training school for car park employees. The school is an important means of enhancing the status of these jobs, for which the educational system provides no initial training, and for disseminating VINCI Park's service culture within its subsidiaries. It will open in 2004. Overall, in 2003, VINCI's internal training centres provided 221,000 hours of training to 8,200 employees.

Development of synergies and cross-business training

The training managers of VINCI's four business lines have created cross-business training programmes, which are now included in their individual catalogues. In the field of purchasing, for example, five modules are available to all employees: introduction, legal aspects, purchase of ready-mixed concrete, purchasing for operations, and negotiations. This type of training helps to develop synergies and build a common culture across all VINCI entities.

External training

External training institutions are used to complement the programmes organised internally by subsidiaries at the local level. External programmes focus mainly on technical subjects and management, and are used to ensure that all employees – irrespective of their level – can play a full role within VINCI's decentralised organisation.

Equal opportunities and combating discrimination

The number of women in VINCI's workforce is gradually increasing and, at 13%, is higher than the industry average of 9%. However, the company is now faced with the problem of there being few female candidates for operational positions: young women in engineering schools intending to seek work in building and public works account for less than 20% of the student population.

Recently recognised for a recruitment campaign giving pride of place to women, VINCI will intensify its efforts to seek a balanced workforce in the coming years.

To facilitate the integration of people with disabilities into working life, VINCI companies are developing an approach aimed at adapting work stations, in collaboration with occupational medicine services, Agefiph (a French organisation that promotes the employment of the disabled) and other stakeholders.

221 000
hours of in-house **training**

VINCI employs 1,694 disabled employees. This number has to be considered within the context of the company's business lines: French law governing the employment of the disabled excludes 32 jobs. Of these, VINCI companies carry out 15, which therefore limits employment opportunities.

Compliance with French legislation on working hours

Initiated in France over a period of several years, agreements to rearrange and reduce working hours have been gradually implemented within VINCI companies. The agreements have been negotiated locally between management and employee bodies, with no industrial unrest. Implementation is monitored by special committees and employee representatives.
The various partners were able to reach solutions that best met their requirements because VINCI decentralised the negotiation and management of the agreements.

Social indicators

Workforce

Breakdown by geographical area and by business line

	2002		2003						
	Total	%	Total	%	Concessions and services	Energy	Roads	Construction	Holding company & property
France	70,557	55%	71,648	56%	7,560	18,364	20,167	25,152	405
Germany	9,523	7%	9,154	7%	25	3,806	3,695	1,605	23
UK	7,249	6%	7,172	6%	1,628	394	2,339	2,811	0
Benelux	4,769	4%	4,640	4%	170	728	208	3,534	0
Spain	1,327	1%	2,133	2%	155	970	847	161	0
Rest of Europe	8,839	7%	8,913	7%	37	1,494	4,802	2,580	0
Europe	**102,264**	**80%**	**103,660**	**82%**	**9,575**	**25,756**	**32,058**	**35,843**	**428**
America	15,702	12%	15,336	12%	9,919	23	3,014	2,380	0
Africa	5,801	5%	4,861	4%	0	154	0	4,707	0
Asia	3,415	3%	3,334	3%	2,379	0	0	955	0
Oceania	198	0%	322	0%	0	0	0	322	0
World	**127,380**	**100%**	**127,513**	**100%**	**21,873**	**25,933**	**35,072**	**44,207**	**428**

Breakdown by category and by business line

	2003							of which France	
	Concessions and services	Energy	Roads	Construction	Holding company & property	Total	%	Total	%
Management	1,208	4,184	3,416	6,380	245	15,433	12%	11,606	16%
Office, technical & supervisory staff	4,077	9,471	8,701	13,480	182	35,911	28%	21,282	30%
Manual labour	16,588	12,278	22,955	24,347	1	76,169	60%	38,760	54%
All categories	**21,873**	**25,933**	**35,072**	**44,207**	**428**	**127,513**	**100%**	**71,648**	**100%**

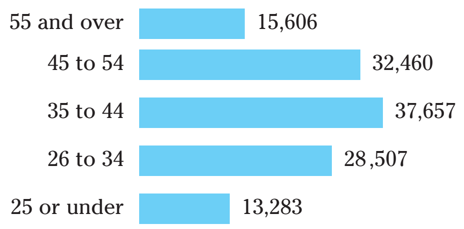
Breakdown by type of employment contract and by business line

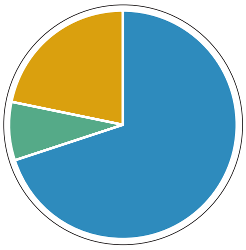
	2003							of which France	
	Concessions and services	Energy	Roads	Construction	Holding company & property	Total	%	Total	%
Long term	20,455	24,382	32,975	38,673	420	116,905	92%	68,043	95%
Fixed term	1,406	894	1,527	5,115	7	8,949	7%	2,406	3%
Work and study	12	657	570	419	1	1,659	1%	1,199	2%
All categories	**21,873**	**25,933**	**35,072**	**44,207**	**428**	**127,513**	**100%**	**71,648**	**100%**
Temporary	676	2,882	2,849	7,793	17	14,217	11%	10,124	14%

Breakdown by gender and by business line

	2003							of which France	
	Concessions and services	Energy	Roads	Construction	Holding company & property	Total	%	Total	%
Men	15,892	22,785	31,759	40,074	221	110,731	87%	63,846	89%
Women	5,981	3,148	3,313	4,133	207	16,782	13%	7,802	11%
All categories	**21,873**	**25,933**	**35,072**	**44,207**	**428**	**127,513**	**100%**	**71,648**	**100%**

Age pyramid





Young people at VINCI

25 and under*	13,283	70%
Work and study	1,568	8%
Interns	4,134	22%
Total	18,985	100%

*In post at 31 December 2003

New employees, France

	2002		2003						
	Total		Concessions and services	Energy	Roads	Construction	Holding company & property	Total	%
Long term	7,184	46%	603	1,538	1,184	3,259	39	6,623	40%
Internal transfers	1,058	7%	202	465	648	270	9	1,594	10%
Fixed term	7,442	47%	5,587	682	738	1,273	15	8,295	50%
All categories	**15,684**	**100%**	**6,392**	**2,685**	**2,570**	**4,802**	**63**	**16,512**	**100%**

Reasons for departure, France

	2002		2003						
	Total	%	Concessions and services	Energy	Roads	Construction	Holding company & property	Total	%
Internal transfers	1,139	6%	430	317	291	281	4	1,323	8%
Resignations	3,147	16%	318	794	651	977	10	2,750	17%
End of fixed term contracts	5,636	28%	5,321	429	458	727	10	6,945	44%
End of site	1,085	5%	59	5	21	695	0	780	5%
Retirement	523	2%	26	124	264	355	3	772	5%
Redundancy	403	2%	37	78	51	67	2	235	1%
Other dismissals	2,221	11%	203	459	574	768	7	2,011	13%
Other reasons	6,104	30%	119	321	141	483	6	1,070	7%
All categories	**20,258**	**100%**	**6,513**	**2,527**	**2,451**	**4,353**	**42**	**15,886**	**100%**

Social indicators

Remuneration and social charges (in € thousands)

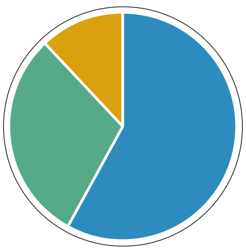
	Total	Management	Office, technical & supervisory staff	Manual labour
Average VINCI salary	26	51	25	20
Men	27	52	26	20
Women	25	39	22	21
Average salary in building and public works sector*	—	45	24	18
Social charges	57%	59%	57%	55%

* Source: PROBTP (French building and public works association)

Social welfare, employee profit sharing, incentive schemes

	Social welfare	Profit sharing	Incentive schemes
Amount paid (in € thousands)	30,449	40,887	23,486
Percentage of employees concerned*	67%	57%	32%
Percentage of total payroll	0.8%	2.2%	0.7%

* Profit sharing relates to employees in France only



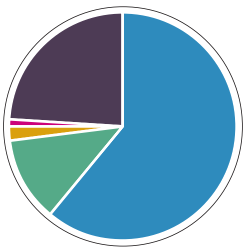
Geographical breakdown of remuneration
(in € thousands)

France	1,846,366	58%
Europe excl. France	969,348	30%
Rest of the world	366,986	12%
Total	3,182,700	100%

The base salaries, to which profit sharing has to be added for more than half the employees in France, place the average VINCI salary above the industry average.

Organisation of work

	Total	Management	Office, technical & supervisory staff	Manual labour
Total hours worked	192,296,456	25,463,705	52,512,400	114 ,320,351
of which overtime	8,476,655	434,996	868,487	7,173,172
Number of part-time employees	4,396	126	1,112	3,158



Employee absence

Sickness	61%
Occupational accidents	12%
Accidents on the way to work	2%
Occupational sickness	1%
Other	24%
Total	100%

The majority of absences are attributable to sickness. On average, sickness represents 11 days a year off work per employee.

Opinion of one of the Statutory Auditors on the approach to Sustainable Development and on the application of procedures for the collection of information contained in the Social responsibility section of the 2003 annual report

As requested, and as Statutory Auditors of VINCI, we have performed the procedures described below relating to:
- the approach to Sustainable Development implemented by VINCI; and
- the application of procedures for the collection of social performance information contained in the Social responsibility section of the 2003 annual report.

This approach and these procedures have been established under the responsibility of the Executive Committee of VINCI. We are required to form an opinion on them, on the basis of our work, which constituted neither an audit nor a limited review of information as understood in the international auditing standards.

NATURE AND EXTENT OF OUR WORK

Our work comprised the following:

with respect to the approach to Sustainable Development
- a review of the organisation implemented, as described in the section entitled "A responsible company" of the annual report;
- a review of the internal documents relating to the integration and the deployment of the approach; and
- discussions with the Sustainable Development Manager and the Managers of each business line.

with respect to the application of procedures for the collection of social performance information
- an analysis of the procedures for the collection, validation and consolidation of social performance indicators included in the "Social responsibility" section of the annual report; and
- discussions, at head office and in sub-groups, with the main persons responsible for the implementation, and verification of the application of the social performance information collection procedures.

COMMENTS

On the basis of the work performed, we have the following comments to make:
- VINCI bases its approach on the Global Reporting Initiative guidelines and on the principles of the New Economic Regulation Act;
- in 2003, VINCI's main objective was to integrate the sustainable development concepts and tools into managerial practice;
- VINCI has undertaken a consistent sustainable development process and has implemented an appropriate internal organisation, enabling a gradual deployment of its approach in the Group's various business lines;
- the people met seemed to us to have a good understanding of the main sustainable development issues and practices;
- during our visits, we have not observed any material irregularities regarding the application of the procedures for the collection of the Group's social information; for following years, greater means for verification should be implemented by the Group's business lines.

CONCLUSION

Taking account of the comments made above, we have noted no material irregularity in the integration of the sustainable development approach and the procedures implemented for the collection of the information given in the "Social responsibility" section of the 2003 annual report. The approach and the procedures seem to us to be suited to the objectives pursued.

Paris, 26 March 2004

RSM Salustro Reydel

Philippe Arnaud Partner in charge of the sustainable development department.	Benoît Lebrun Partner	Bernard Cattenoz Partner

Civic involvement

VINCI promotes solidarity, corporate sponsorship and development initiatives, and its employees are highly motivated in their support of community projects.

The nature of its business activities takes VINCI into the heart of urban areas, where social realities are encountered on a daily basis. During their working day, the company's employees have to deal with urban space issues, living conditions, municipal policies and local governance involving the participation of residents. Against this backdrop, VINCI's sustainable development approach is to assume overall responsibility and give individual entrepreneurs the freedom to carry out commendable initiatives, supported by the VINCI Foundation.

At the heart of communities and social realities

VINCI Foundation
47%
of the projects supported are proposed by employees

The neighbourhood association in Aix-en-Provence, which maintains community land, is one of the projects backed by the VINCI Foundation for the Community. As such, the project is monitored by a VINCI employee, who supports its implementation.

Enrichment from broadened horizons

"Without the help of a foundation, one in every two projects would fail because there is very little in the way of capital expenditure funding at local level. In addition, when VINCI or some other big company becomes involved, there's often a leverage effect that brings other partners into the project and enables us to balance our budget. The other advantage is the exposure to the business world. Many managers of neighbourhood associations are former social workers. Contact with engineers and business leaders shows them other ways of thinking, a different culture – it's a very enriching experience."

Zinn-Din Boukhenaïssi, director of the national liaison committee for French neighbourhood associations (CNLRQ)

Solidarity

The VINCI Foundation for the Community

The VINCI Foundation for the Community was created in 2002 to support the citizen initiatives proposed by employees and promote solidarity alongside agencies focusing on work as a means of social reinsertion. Since its launch, the foundation has financed 110 projects aimed at creating job opportunities for people in difficulty, together with citizen initiatives that rebuild social cohesion in urban neighbourhoods. Each project is monitored by a VINCI employee, working on an entirely voluntary basis. Employees support the implementation of the project by contributing their skills and drawing on their contact network.

In 2003, the VINCI Foundation supported 67 projects in France, providing total funding of €1.15 million, which represents an average of €17,000 per project. Half the projects had been presented by VINCI employees, and seven were benefiting from financial support for the second year running. The VINCI Foundation's funding is used to cover capital expenditure and project start-up costs. It is accompanied by ongoing support for projects in the form of considerable personal inputs from VINCI employees. The partnership with the Unis-Cités association in Lyons, for example, gives young people engaged in community projects an opportunity to find out about the business world, thanks to the involvement of employees from Campenon Bernard Régions (Sogea Construction). In the Paris region, the financial support given to PRAO, a reinsertion company, led to the creation of an end-of-project site cleaning service. With the service being used regularly by GTM Bâtiment, four additional jobs have been created. In the Val-d'Oise region, the neighbourhood association in Bezons, which employs people in difficulty for caretaking duties or the upkeep of parks and gardens, was given far more than €15,000 to equip its premises. Over a period of six months, a safety engineer from Sogea Construction helped the association to draw up a comprehensive list of risks and safety measured connected with its professional activities. The methodology used in the course of this example of skills sponsorship was subsequently applied throughout the network of 130 French neighbourhood associations.

Foundation funding is accompanied by ongoing support for projects

On the other hand, the Eurovia Foundation, which was set up in 1994, aims to assist the children of its employees to continue their studies. It has an annual budget of €107,000.

The restoration of the Hall of Mirrors concerns not only the art works and decorative features, but also the electrical systems and ceiling structure

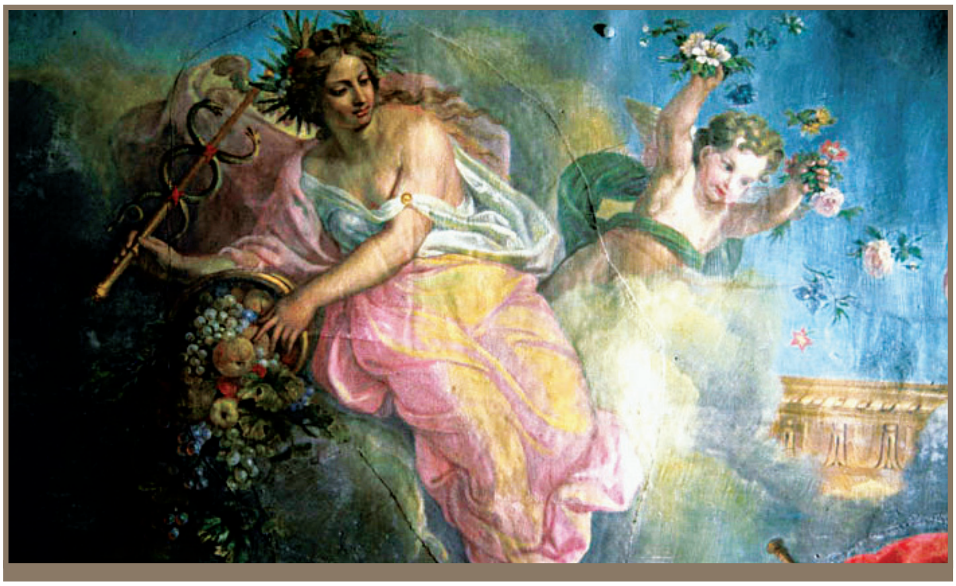
Corporate sponsorship

VINCI is restoring the Hall of Mirrors at the Château de Versailles

On 27 January 2003, Antoine Zacharias, chairman of VINCI, and the French Minister for Culture and Communication formally launched the biggest cultural sponsorship operation ever to be undertaken in France: the restoration of the Hall of Mirrors at the Château de Versailles.
Through this community initiative, VINCI is contributing to the preservation of a seventeenth century masterpiece, listed by UNESCO as a World Heritage Site. The project is exceptional in terms of its financial scale – VINCI's contribution amounts to €10 million before tax – and its original format, that of a skills-based sponsorship operation. Seven VINCI companies are participating in the restoration works (see box below).

The restoration effort concerns all the room's art works and decorative features, including the parquet flooring, marbles, sculptures, paintings, bronzes and mirrors.

It also involves renovating the ceiling structure and the electrical, lighting and fire detection systems.



The stuccos and paintings will be restored in line with the latest scientific standards for conservation and reversibility.

Participants in the restoration programme

- Site equipment, site safety: Dumez Île-de-France*
- Site ventilation: Lefort-Francheteau*
- Masonry, structural work, plasterwork: Degaine*
- Restoration of the marbles: Socra* and DBPM
- Woodwork, timberwork: Ateliers Saint-Jacques
- Restoration of the paintings: associated restorers (team led by Cinzia Pasquali)
- Restoration of the sculptures and gilding: associated restorers (teams led by Cinzia Pasquali and Maria de Monte)
- Restoration of the bronzes: Socra* and Antoine Amarger
- Mirrors: Vincent Guerre
- Electricity: SDEL Artec*
- Coordination of security, accident prevention and health: Dynacoord*
- Audio-visual equipment: Axians*

* *VINCI company*

Three million visitors a year walk through the Hall of Mirrors, one of the world's major historical and artistic sites.

During 2003, preliminary surveys were carried out and contracts awarded for the various restoration works packages. Based on the survey data and the scientific analysis of numerous samples, an international scientific council made recommendations as to the precise form the restoration should take. The council comprised specialists in seventeenth century history, painting and architecture, as well as restorers and European museum directors. The work itself will be carried out under the aegis of a steering committee, which takes decisions of a scientific and artistic nature and monitors programme execution. The committee consists of the managing director and project director of Etablissement public du musée et du domaine national de Versailles (the authority responsible for running Versailles), a general inspector from Monuments Historiques (France's historic monuments commission), a project manager appointed by VINCI, and a VINCI representative.

Restoration work started on 1 March 2004 with the replacement of the parquet flooring. While that is being done, the room's electrical circuits are being completely overhauled and concealed beneath the new parquet by SDEL Artec, a VINCI Energies subsidiary.

Scaffolding will be installed, along with scenographic information displays for visitors, so that the Hall of Mirrors can be kept open to the public throughout the restorations and the restorers' working conditions safeguarded. Restoration of the paintings and sculptures will begin in July 2004, with all works scheduled for completion by March 2007.

VINCI has provided all its employees with a free pass for the Château de Versailles, valid for the duration of the restoration project.

In recognition of this quite unprecedented sponsorship operation, the French Minister for Culture and Communication, Jean-Jacques Aillagon, presented Antoine Zacharias, chairman of VINCI, with the Ministry of Culture and Communication's Major Partner Medal.

Community involvement

SCA is the VINCI Airports subsidiary that operates Siem Reap international airport, which serves the site of the Angkor Vat temples in Cambodia.

Launched in 2004, the restoration of the Hall of Mirrors is scheduled for completion in the spring of 2007

Les Artisans d'Angkor, a local company, participated in decorating Siem Reap international airport in Cambodia.

It awarded the airport décor contract to Les Artisans d'Angkor, a company skilled in the use of traditional Khmer know-how such as stone and wood sculpting, and silk weaving. SCA has also taken steps to protect the environment by installing rainwater reservoirs, as well as irrigation systems to encourage agriculture around the airport. Lastly, with a view to being able to hand over the management of the airport to local personnel in the future, SCA has adopted a proactive policy of recruiting young workers and providing staff training.

In Alexandria, Egypt, VINCI Construction Grands Projets is helping to preserve some ancient remains. On a number of occasions in 2003, one of the company's teams working on the Idku project (liquefied natural gas tanks) met Jean-Yves Empereur, an archaeologist specialising in ancient Alexandria, who is working nearby to preserve an ancient buried cistern. The idea of creating a museum was born. The Idku project management decided to participate in the preservation project on a voluntary basis, in particular by checking that new buildings constructed above the cistern apply as little stress as possible to the ancient structure.

VINCI Airports invited local craftsmen to decorate Siem Reap, showcasing their traditional skills

A corridor will be provided beneath the scaffolding, together with an array of scenographic displays to inform visitors about the restoration programme, so that the Hall of Mirrors can remain open throughout the works.

Two VINCI Energies companies belonging to the Axians network, one in Caen and the other in Rennes, have set up a citizens partnership with R'PUR, an association working to reinsert people with problems by offering them socially useful employment protecting the environment and improving living conditions. In a project that benefits from the support of the VINCI Foundation, the partnership focuses on recycling or disposing of electronic equipment collected from Axians customers.

Environmental responsibility

As a major player in urban and regional development, VINCI designs and builds environment-friendly infrastructure. All VINCI subsidiaries take the environmental aspects of their business into account.

VINCI's environmental policy is based on the empowerment of each business unit and on systematic discussion, which is part of the company's culture. The development of an environmental reporting system is under way. Drawing on the Global Reporting Initiative (GRI) guidelines, it will take into account the challenges of each business segment, France's new economic regulations act (NRE) and stakeholder expectations.

Management and certification

The company's policy is implemented by operations managers. In those subsidiaries where environmental aspects are significant, a qualified person is designated to assess and track them. Sogea Construction has 20 people working in the field of quality, safety, environment and training. About ten senior managers at GTM Construction are specialists in environmental issues. At the local level, one person is also identified to handle environmental questions on building, civil engineering and roadworks sites.

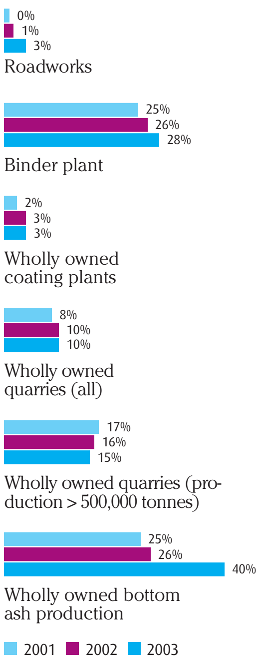
The number of hours of environmental training provided worldwide increased from 7,456 hours in 2002 to 8,427 hours in 2003. VINCI decided to make supervisory staff training a priority in order to emphasise, through management's empowerment, the collective awareness of environmental issues and step up the pace of deployment of the "clean site" programme. The environmental policy has also led to the gradual introduction and roll-out of management systems and an increasing number of certifications. In preparation for its ISO 14001 certification project in 2004, VINCI Construction

Environmental training

8,427
hours in 2003

Environmental certification trend

(as % by segment)



VINCI's environmental policy has led to the gradual deployment of management systems and an increasing number of certifications

A new competitive strength

"Increasingly aware of their environmental footprint, VINCI and other companies are seeking to limit it as far as possible by blending roads into the countryside, restoring end-of-life quarries, recycling waste, optimising energy use and so on. These actions, taken as part of the companies' sustainable development programme, go far beyond regulatory requirements. They help the companies to build a corporate citizen image, enhance their legitimacy and strengthen their competitive leadership."

Richard Armand, managing director of EPE, the French association of businesses for the environment

Grands Projets installed the first components of its "environmental management system" in 2003, and formalised its environmental commitments and their impact on project execution processes (completion of a survey, distribution of an environment manual).

Sogea Construction's environmental policy has led to the introduction of impact studies at most of its worksites, as well as environmental protection plans such as landscaping to lessen the impact of worksite equipment, keeping existing roads clean and informing nearby residents of the selective waste sorting arrangements. GTM Construction continued the environmental certification programme it started in 1994, increasing the focus on waste management in 2003. The company's head office and all its earthworks and public works entities are now ISO 14001 certified. In building, 20% of GTM Construction's business was certified at the end of 2003, the aim being to achieve complete certification in 2007.

Similar programmes are under way at Eurovia to obtain certification of its industrial sites: quarries, production sites and recycling plants. Elsewhere, Deschiron and Dodin of Sogea Construction, Entreprise Electrique de Clermont-Ferrand and RDJ Quarry Maintenance (UK) of VINCI Energies, and FCC, a VINCI Construction subsidiary in the Czech Republic, all received ISO 14001 certification in 2003.

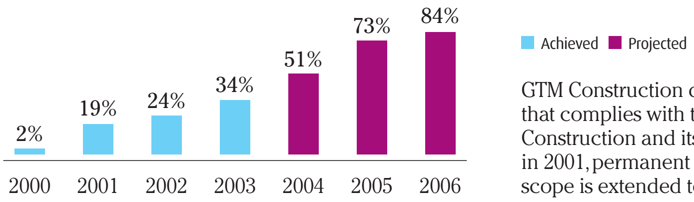
Limiting the impact of business on the environment by reducing materials and energy consumption

Protecting natural resources

All VINCI subsidiaries have started a process aimed at limiting the impact of their business on the environment by reducing their materials and energy consumption.

At VINCI plc in the UK, for example, the policy of dialogue with customers, sub-contractors and suppliers encourages them to decrease con-

GTM Construction's scope of certification



GTM Construction decided to introduce a single environmental management system that complies with the ISO 14001 standard. In 2000, certification was received by GTM Construction and its earthworks business. This was followed by its public works segment in 2001, permanent sites in 2002 and by its building segment in 2003. The certification scope is extended to subsidiaries wishing to participate in the approach.

sumption of primary resources by using recycled materials and by reducing waste.

Reducing materials consumption

Developing processes that reduce materials and energy consumption in roadworks is one of Eurovia's innovation priorities. The company is at the leading edge in the field of cold mixes – which obviate the need to heat aggregates and bitumen and limit carbon dioxide emissions – and materials recycling. In addition, the Recycan process, patented in 2002, converts excavation rubble into self-compacting landfill on site, thereby saving natural aggregate resources and eliminating the pollution associated with bringing in supplies. Testing on the soils in different regions has led to the validation of the process for broader application, using new machines developed by Eurovia.

On the Newport bypass project in Wales, VINCI Construction Grands Projets, in a consortium with Morgan Est, 95% of the materials used to build earthworks and roads were recycled aggregates.

In situ reuse of materials has reached 50% on several of Cofiroute's test sites

Cofiroute is also testing techniques that use recycled materials for renovating road surfaces. On several experimental sites of significant length, a high percentage (up to 50%) of on-site materials reuse has been reached. These techniques will be used extensively in the coming years. In 2003, Cofiroute measured the main resources consumed. For drinking water, unit consumption was 141,066 cubic metres, or 16.3 cubic metres per million kilometres of the network covered by customers. For electricity, unit consumption was 16,636,035 kWh, or 1,917.7 kWh per million kilometres of the network covered by customers. This data will serve as the basis for measuring consumption trends.

Protecting the environment of regions served

At each stage of motorway development, Cofiroute carries out studies and applies procedures and measurements aimed at controlling the road's impact on the environment.

For almost ten years, Cofiroute has been applying a policy of adapting

Each year, Eurovia treats one million tonnes of household waste incineration bottom ash *(photo opposite)* and reuses it as backfill for earthworks and drainage, and for lower base courses and road haunches.

Landscaping merges the motorway into its environment and improves motorists' comfort and safety *(photo page 99)*.

High performance environmental building

The objective of the high performance environmental building approach is to gain better control over a building's life cycle by taking into account from the design stage all the impacts in terms of materials consumption, energy management, comfort, integration into the environment and maintenance. The approach was adopted by Sogea Construction (Caroni Construction and Sogea Nord) for the Caudry high school in northern France *(photo opposite)* and received the Sommet de la Terre et Bâtiment trophy awarded by France's building federation (FFB) in 2003.

the motorway's profile to the surrounding geography and enhancing the areas crossed. Designed to ensure motorways merge with instead of dominate the countryside, this policy is part of the "1% countryside and development" procedure.

There are many illustrations of its positive effects. These include earthworks that prolong the natural topography, landscaped embankments, the treatment of rocky areas in a way that respects their natural erosion, the preservation of trees growing along the right of way, natural ditches (more attractive and cost-effective than concrete), landscaping of bridges, tunnels and access ramps, and the creation of landscaped windows. All these initiatives have the common goal of giving both motorists and nearby residents the vision of a motorway perfectly blended into its environment.

For all road-building projects, in compliance with the sustainable development approach of Afsa, the French association of toll motorway companies, Cofiroute also sets in place protective measures designed to collect and treat all water that has been in contact with the motorway surface to ensure that none is discharged directly into rivers and streams. The water is recovered in ditches and then channelled towards settling tanks (currently 900 are in operation on the Cofiroute network), where suspended solids and heavy metals generated by traffic are captured. The most recent sections built by Cofiroute are equipped with tanks that retain the pollution at the bottom, thereby avoiding the need to discharge the water into a filtration tank. Throughout the year, tests were carried out by an independent body on water nearby in rivers and at the exit of treatment tanks.

Cofiroute
900
settling tanks receive the rainwater that falls on the network

Optimising the environmental management of worksites

VINCI companies initiated or continued numerous clean site operations in 2003. Sogea Construction, one of the first French companies to experiment with selective waste sorting, developed tools and procedures that bring the sorting activity as close as possible to workstations by adjusting the organisation to the situation of each operation. The widespread application of environmental protection programmes also led to the formalisation of the company's commitments to stakeholders.

The Sioule viaduct site is on a Level 1 nature reserve, with a surface area of 20,000 square metres, of ecological interest for fauna and flora. Dodin and Campenon Bernard TP (Sogea Construction), which have 106 people working on the site, have committed to controlling site waste, reducing the area of the works sites to a minimum and keeping the site facilities and immediate surroundings clean and tidy. In addition, Sogea Construction is working with France's environment and energy conservation agency, Ademe, to optimise waste removal logistics.

Selective waste sorting, in widespread use at Cofiroute's operations centres since 2002, has been introduced at several motorway rest areas and will gradually be extended throughout the entire network.

GTM Construction has developed design aid tools that incorporate the environmental dimension into each project. A guide on environmental protection and GTM Construction's sites, published in March 2003, has been distributed throughout the company's network. It describes, in a very straightforward way, the best practices to be used at every stage of a worksite. A sustainable development skills working group is focusing particularly on worksite waste recycling and improving on-site employee accommodation, which is one of the biggest sources of energy savings and comfort gains for site teams.

The Mitholz tunnel site in Switzerland illustrates the attention paid to environmental issues by VINCI Construction Grands Projets. Combined with continuous spraying, dust removal equipment treats the air directly above the stone crushers in order to limit the emission of dust into the air. All rolling stock is equipped with particulate filters. The water is systematically retreated, with recovery tanks separating out heavy substances and dust before discharging it. All the workshops and equipment are installed in caves to preserve the environment. The installation of storage areas has been designed to facilitate the restoration of the site at the end of the project.

Earthworks equipment routes and rotations are optimised and energy saved by using GPS technology

Controlling the impact of operations and reducing energy consumption

Two years ago, Cofiroute launched an environmental diagnostics approach aimed at controlling the impacts associated with the operation of its network. By formalising performance indicators such as water and energy consumption, waste production, the quantities of aggregates and bitumen consumed and the surface area of solar panels located along the network, the company has been able to set specific targets, identify areas for improvement and measure the progress achieved. Recent operations in this context include the widespread use of selective waste sorting in operations centres since 2002 – also tested at four motorway rest areas with a view to gradually extending it throughout the network – and the construction of 16 wastewater treatment plants with rock reed filters. In addition, Cofiroute is increasing its efforts to limit perceived noise levels near the road. Any homes that could be exposed to noise levels of more than 60 dB during the day and 55 dB at night are investigated by the Laboratoire des ponts et chaussées in Blois, which measures the actual sound levels to ensure they are compliant with legislation and that protective mechanisms such as noise barriers, embankments and anti-noise walls are effective.

VINCI Park target
100%
solar-powered parking meters

Sogea-Satom target in Africa
100%
vehicles to European standards

GTM Construction, in partnership with the French space agency, Cnes, is testing a GPS application to optimise earthworks equipment routes and rotation on worksites, as well as to analyse driver behaviour and its impact on fuel consumption. Encouraging smooth driving in the training programme that leads to earthworks equipment driver certification is also part of this move.

VINCI Park continued to replace its parking meters with solar-powered equipment. New equipment of this type was installed in 2003 with a view to replacing all VINCI Park meters.

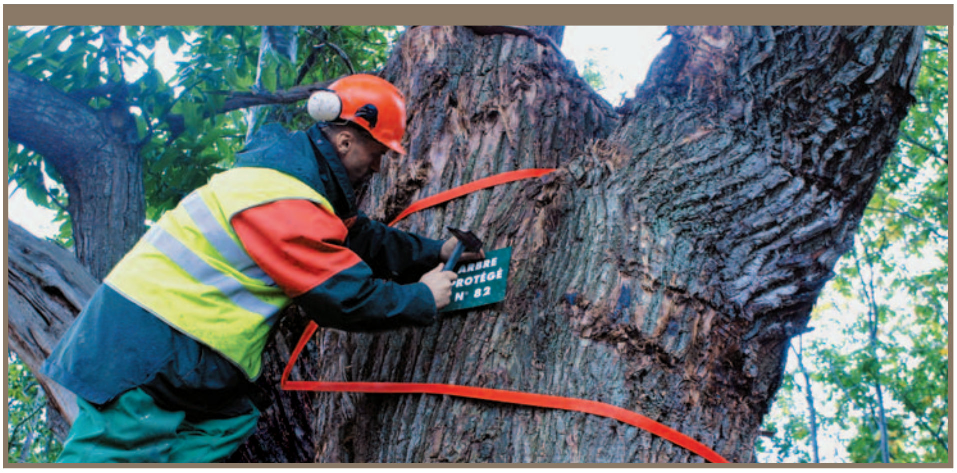
For its business in Africa, Sogea-Satom launched a programme aimed at replacing all its vehicles and equipment within five years in order to bring them up to European standards. The objective is to apply pressure on suppliers and ensure they meet more environment-friendly standards in those countries where Sogea-Satom operates.

Preserving biodiversity

The measures taken by Cofiroute for each motorway project demonstrate the company's focus on preserving biodiversity. VINCI subsidiaries involve stakeholders throughout a project's life by holding meetings, organising site visits and inspections, and so on. VINCI's general policy covers the land and marine environment.

Special arrangements are made to protect wild animals. On the Cofiroute network, for instance, there are 19 passages – bridges for the most part – for large animals such as stags, boars and roe deer. Some of the passages are equipped with CCTV to observe the animals' behaviour when near a motorway. There are also 59 tunnels for smaller animals. Trees and shrubs are planted around all these structures to encourage the animals to use them and promote reproduction.

Wetlands along motorway routes are relocated nearby and reconstituted using the original substrate and water to ensure rapid colonisation of the area by vegetation. Hedges are planted to encourage certain bird species to fly high enough to avoid collisions with vehicles. Vegetation of special interest from an ecological viewpoint is also preserved either by circumventing it when designing the motorway



To safeguard the natural habitat of the hermit beetle *(photo opposite)*, the route of the A28 motorway between Alençon and Le Mans was altered slightly. Six trees, identified as suitable homes for the beetle, were transported to a location that is more favourable to the species and its future preservation.

Eurovia,
No.1
producer of secondary raw materials from household and industrial waste

route or by lifting and replanting it. Special measures may be taken, such as the acquisition of land for protected species. On the Arçonnay–Maresché section of the A28, for instance, six hectares were bought to guarantee the long-term preservation of the *Lathyrus pannonicus*, or Hungarian pea. Lastly, when Cofiroute has to replant parks and areas under its responsibility, the company uses trees and shrubs that promote the recolonisation of local species.

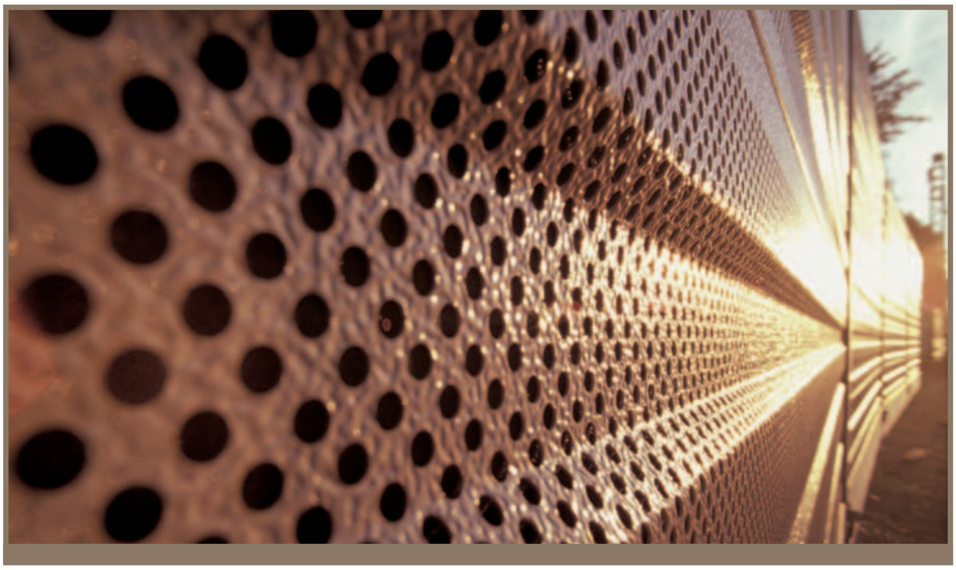
Environment-related business activities

VINCI companies also provide specialist products and services to help protect the environment.

In addition to its expertise in recycling road-building materials, Eurovia is Europe's leading producer of secondary raw materials from household and industrial waste. The company treats one million tonnes of household waste incineration bottom ash a year, which is then used as backfill for earthworks or drainage, lower base courses and road haunches (Scormat range). The company is also developing innovative solutions for recycling industrial waste such as fly ash from power plants. In the field of noise barriers, Eurovia is currently testing a new process to create anti-pollution walls. The process involves adding a photocatalyst that fixes the nitrogen oxide molecules contained in the air, making the walls a barrier against both noise and atmospheric pollution. Eurovia also offers infrastructure managers new solutions that optimise the life cycle of coatings and facilitate their upkeep. One example is the use of polymer bitumens to reduce sensitivity to temperature fluctuations.

Six hectares of land were bought near the A28 motorway in France to guarantee the long-term preservation of a protected species of plant: the *Lathyrus pannonicus*, or Hungarian pea

VINCI Construction, drawing on Sogea Construction's long-standing know-how in hydraulic engineering, has developed expertise that covers the whole water cycle, including mains networks, construction and operation of wastewater treatment plants, drinking water production and desalination plants, and pumping and booster stations.
The company's expertise also covers the design and construction of household waste treatment plants



One of Eurovia's noise barrier models, in perforated metal, is both attractive and effective.

and flue gas treatment systems. In addition, VINCI Construction is an industry benchmark for selective deconstruction solutions (Delair Navarra) with the recycling of demolition materials, and for ground rehabilitation and improvement techniques (Ménard Soltraitement), which make unusable land viable.

VINCI Energies has a broad portfolio of environmental services. Its subsidiary Degreane Horizon designs and installs data acquisition networks used by meteorological services all over the world. Iséo, which specialises in air monitoring, is in charge of networks covering the whole of Belgium, Luxembourg and part of the Netherlands.
Générale d'Infographie develops geographical information systems used in particular to manage environmental risks. Site*Geo*, its new software package for installations classified for environmental protection, supports industrial companies in the managements of at-risk sites. Générale d'Infographie is also working with the French Ministry for the Environment and Sustainable Development to develop a database listing all sensitive areas in France, in particular areas prone to flooding.

Meteorological services the world over use Degreane Horizon's data acquisition networks

Iséo, a company that specialises in air monitoring, is in charge of networks covering the whole of Belgium, Luxembourg and part of the Netherlands.

Environmental awards

Two projects presented by VINCI Construction Grands Projets and its partner, Morgan Est, received Green Apple Awards in the UK in 2003. The awards recognise companies and institutions demonstrating environmental excellence.
The National Winner prize went to the 9.5 km Newport bypass project, where 95% of the 460,000 tonnes of materials used were recycled aggregates, and the Golden Winner award went to Contract 310 on the Channel Tunnel Rail Link, a worksite where several tonnes of inert waste were used as pavement support backfill.

As part of a consortium, VINCI Construction Grands Projets has built a drinking water production plant in Chengdu, China. The plant, which takes water from the river, has a capacity of 400,000 cubic metres a day.

Innovation and development

VINCI business units have a long-standing tradition of invention and innovation – a part of the company's culture that features prominently in its research and development activities, and one that is encouraged by the VINCI Innovation Awards.

Creativity, a legacy of the entrepreneurial culture

VINCI's innovation culture is part and parcel of its entrepreneurial culture, as illustrated in the many major breakthroughs in the construction sector. In line with its management policy, the company's innovation policy combines strong impetus at corporate level with a pragmatic approach to capitalising on the initiatives developed by its business units. In addition to technological aspects, the policy covers all innovations that contribute to the company's continuous improvement programme (production methods, safety, management, services, sustainable development and so on), as evidenced by the 2003 VINCI Innovation Awards. The very strong participation in the

competition, together with the quality of projects presented and winning awards, emphasised the company's creative vitality in all areas. It also demonstrated its teams' commitment to a growth model that combines technical and business performance, empowerment of those working on the ground and the networking of energies and skills.

All the projects entered in the 2003 VINCI Innovation Awards – and the 2001 entries, too – have been included in a database accessible to all employees via the corporate intranet. This will leverage the initiatives by fostering an exchange of experience among the business units that form the VINCI network.

A working group has been set up within the R&D-Innovation Committee, in which all VINCI entities are represented, to coordinate and encourage the process and to identify innovations that lend themselves to application, with adjustments as needed, by VINCI as a whole or by certain business lines.

As the linchpin of Eurovia's international technical network, the Bordeaux centre has forged scientific collaboration arrangements all over the world

Research and development: ongoing momentum

Roads: a new research and development centre

The new Eurovia research and development centre in Bordeaux opened in 2003, giving a boost to VINCI's innovation policy in roadworks. The centre has 4,000 square metres of floor space, of which nearly half is devoted to laboratories. In addition to about 30 permanent staff members, it accommodates many members and partners of the Eurovia technical network, including doctoral students, interns from subsidiaries, and scientific and technical associates.

The site has about 100 machines that can perform over 160 tests, from the identification of aggregates to the fine chemistry of bitumen, and from image analysis to gas measurement.

Working in liaison with 26 regional laboratories in a number of countries, the centre carries out two additional tasks: developing the new products and processes used in all Eurovia's markets and operational support activities such as investigations, technical assistance and transfer of skills.

As the linchpin of Eurovia's international technical network, the Bordeaux centre has forged collaborative arrangements with many universities, schools, laboratories and industrial companies throughout the world. It participates in European research programmes, notably Optel (emulsions), Circom (compaction automation), Score and Samaris (recycling) and NRCC (new road concepts).

Concessions: the drive for new services to make road travel easier and safer

In partnership with car manufacturers, automotive equipment suppliers, industry, research organisations and public authorities, Cofiroute is involved in a number of research and development projects aimed at making motorway traffic more fluid and safer by using new information technologies.

Laboratories take up nearly half the floor space at the new Eurovia research and development centre.

65%
of research focuses on the environment

Freyssinet won FNTP's (the French Federation of Civil Engineering) top innovation prize for carbon fibre cables. Used for the first time on the Laroin footbridge in France, the cables help improve a structure's durability.

• Aida, the result of five years of research, is a cooperative ground-to-vehicle alarm system between drivers and the motorway operator. It enables them to exchange network safety and traffic control information.

• IVWH is also an alarm system, but this one is based on direct communication between vehicles so that a driver detecting a hazard on the motorway can alert the vehicles behind him and the operator, who relays the information via his own networks. The system could be particularly useful in pile-ups, reducing the number of victims by around 15%.

• In the area of new technology applications for collecting tolls, the Delta project aims to build into cars as standard equipment a new generation of hyperfrequency badges to combine remote toll payment and traffic information.

• Telepay, which can be activated by mobile telephone, aims to develop multi-modal remote payment (public transport and motorway tolls) and foster urban and inter-urban mobility throughout Europe.

• Armada and Aristote, both presented as part of France's public Predit programme, are an automatic radar incident detection system and a system for improving safety in tunnels by encouraging drivers to keep a safe distance from the car ahead of them.

Construction

VINCI Construction subsidiaries are participating in research work related to their industry. One example is the European Picada programme, which is coordinated by GTM Construction and focused on new processes to remove pollution from facades in urban environments. Subsidiaries are also developing their own innovations.

Over and beyond the innovations that received VINCI Innovation Awards, progress was made in 2003 on:

– the new compact anchoring system for carbon fibre cables developed by Freyssinet, which won the first prize in the 2003 FNTP Innovation Awards. The Laroin footbridge in the Pyrénées-Atlantiques region is the world's first application of this system;

– the offshore stone column process developed by Ménard Soltraitement in which a pontoon-mounted, satellite-guided crane is used to reinforce marine soils by pressure vibro-driving, an innovative solution used to enlarge a wharf in the port of Dunkirk.

Cofiroute is involved in a number of research projects aimed at making motorway traffic more fluid and improving safety

Energy

With its i.g.o. software package, VINCI Energy subsidiary EEE is revolutionising decision-making techniques. The software generates 3D images in real time, enabling users to visualise the environmental impact of a development project.

The 2003 VINCI Innovation Awards

For the first time, to emphasise the operational roots of the company's innovation policy, the 2003 VINCI Innovation Awards were organised on a decentralised, two-stage basis. Over 2,600 employees (compared with 1,200 in 2001) participated in ten first-stage regional competitions organised by the *clubs pivots*, which bring together the company's business units in each region. A total of 739 projects were entered in this first phase, for the most part by teams, nearly doubling the 432 entries in the previous competition. In each region, a jury picked the winners, presented the regional prizes (103 in total) and selected, from among them, those that would compete in the VINCI-wide finals. A jury made up of independent members then selected, from among the 50 finalists, the ten 2003 VINCI Innovation awards winners.

On 8 December 2003, in the presence of more than 2,500 people, the prizes were presented to the winners at a ceremony held at the Cité des sciences et de l'industrie de la Villette, in Paris.

Innovation projects
739
competition entries

Final Award winners

Grand Prize

La Digue verte® (GTM Construction): the green breakwater is a new type of concrete marine structure, which is supported by only one pile and one abutment, allowing the natural renewal of water within ports.

The winners of the 2003 VINCI Innovation Awards with Antoine Zacharias.

The specially-designed rough textured facing fosters the rapid growth of marine flora and fauna.

Prizes
50
finalists

Processes and Techniques Prize

Platform for working on gradients (Eurovia): equipped with a suction cap laying device, the platform can be used to install very heavy slabs on steep gradients. Handrails and automatic gates form a nacelle to ensure worker safety.

Materials Prize

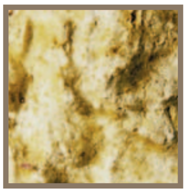
Mirror-finish concrete facing (GTM Construction): this new type of facing is obtained by pouring concrete onto a polyester skin bonded to a metal form table, giving it a very smooth, mirror-like finish.

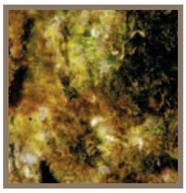
Equipment and Tools Prize

All-terrain extruder for concrete drains (GTM Construction): this new machine consists of a concrete mould and a mobile arm to control its position. It can be used on any terrain and generates significant productivity gains.

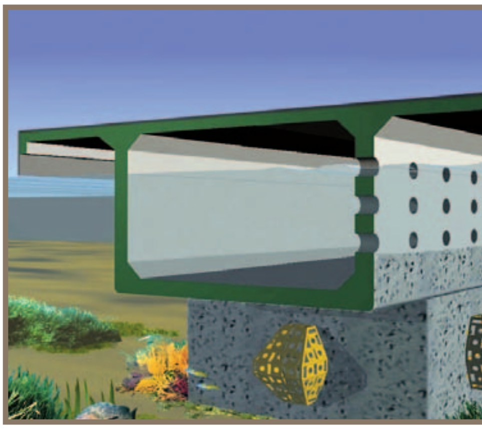
Management Prize

Traffic controller in red (Eurovia): to ensure safety when trucks manoeuvre on worksites and to enhance team responsibility, a new traffic controller is appointed every morning. Wearing a red vest, he is the only person authorised to direct truck movements.





Right: the Digue Verte® (Grand Prize).
Above: the roughness of the facing on the submerged part of the Digue Verte® fosters rapid colonisation by marine flora and fauna.



Left: the all-terrain extruder for concrete drains (Equipment and Tools Prize) improves safety and makes tasks easier.
Right: the platform for working on gradients (Processes and Techniques Prize), which can be used for two separate tasks: adjusting concrete slabs and attaching the nacelle and platform.

Services Prize

Parking station orientation aid (VINCI Park): to help customers find their way back to their cars, VINCI Park installs a system that prints the level and zone where they are parked on their ticket.

Special Safety Prize

Fire protection in a tunnel (VINCI Construction Grands Projets): installed behind the tunnelling machine, a device sprays fine droplets of water to cool fumes and prevent them from spreading in a fire. The system demonstrated its effectiveness during a fire on 5 March 2002 in the tunnel currently being bored on the A86 motorway in France.

Special Sustainable Development Prize

Machine to decontaminate contaminated concrete (VINCI Construction Grands Projets): used in operations to dismantle nuclear power stations, the remote-controlled machine fitted with an air-dust vacuum system enables operators to control the planing of contaminated surfaces without being exposed to radiation or atmospheric pollution.

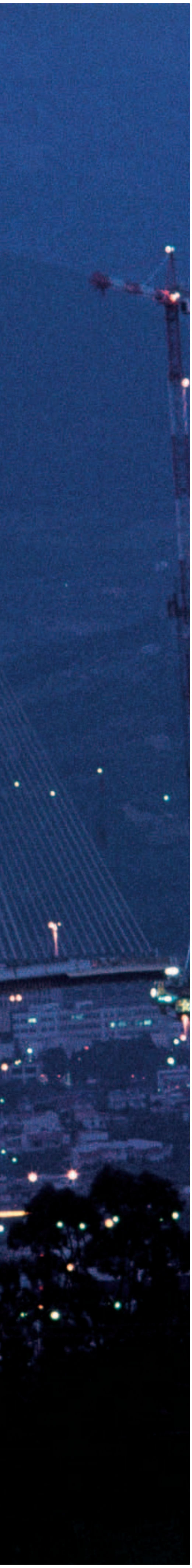
Special Workers and Supervisors Prize

Penitent's cross (VINCI Energies): this cross-shaped tool enables a single person (instead of a two-man team) to place and hold – easily and safely – the heavy protective shells of electricity meter boxes while they are sealed into walls.

Special Synergies Prize

Integrated landscaping for motorways (Cofiroute, Socaso, Sogea Construction, GTM Construction and Bernard Lassus, architect): to reconcile the conflicting expectations of residents, elected officials and drivers when motorways are built, a human chain is set up extending from the landscape architect to the earthmoving crew. This original process, initiated very early on in the project, makes the motorway an integral part of its environment.

Right: the system devised by VINCI Park (Services Prize) to print the car park level and zone directly on the ticket – a convenient way for drivers to find their cars quickly.



The Rion-Antirion bridge, in Greece

Financial items

Contents

Report of the Board of Directors

2003 results

VINCI's financial performance continued to improve in 2003, in a general economic environment marked by a "wait-and-see" attitude, in particular as a result of the world events occurring in the first half year. These good results are due to:

- growth in the Group's business in France in all its business lines;
- the marked improvement of the various businesses' operating margins[1];
- the Group's good diversification of both business lines and geographical location;
- the recovery of certain loss-making foreign subsidiaries.

Net sales

VINCI's consolidated net sales were €18.1 billion in 2003, a 4.3% increase over the previous year on a like-for-like basis (3.2% on an actual basis). At constant exchange rates, the increase in net sales was 5.5%, after cancelling the negative effect of the depreciation of sterling, the dollar and correlated currencies, for approximately €400 million. After the strong recovery in the third quarter, business remained buoyant in the fourth quarter, showing an overall increase of 5.6% on a like-for-like basis, which includes an increase on a like-for-like basis of the net sales in France of 10.3% (including increases of 16.9% for VINCI Construction and 7.7% for Eurovia).

In France, net sales were €11 billion, an increase over the year of 5.4% on a like-for-like basis and 6.6% on an actual basis, taking account of the acquisitions made, mainly in the airport services and energy sectors.

Outside France, net sales were €7.1 billion, a 2.6% increase on a like-for-like basis (or a 1.7% decrease on an actual basis, due to the effects of foreign exchange rates). This represents 39% of the total net sales.

The good performance of VINCI companies in conditions marked by a certain amount of "wait-and-see", connected to world events in the first half year, and the mediocre industrial situation in Europe, should be underlined. It reflects their strong position in their local markets as well as the Group's ability to profitably exploit the sources of growth in its various markets.

■ Concessions and services

Net sales for VINCI Concessions were €1.9 billion, up 3% on a like-for-like basis (or 2.4% on an actual basis).

Net sales for Cofiroute were €837 million, up 6.4% on an actual basis. For the first time, this takes account of ancillary income, such as commercial subconcessions and rent of telecommunication infrastructures, and the consolidation of foreign operating subsidiaries. Toll income increased 3.5% to €815 million. On a comparable road network basis, traffic increased by 1.3%. This trend is due mainly to light vehicles (up 1.4%), the increase in the number of heavy goods vehicles being less (at 0.6%).

Net sales of VINCI Park amounted to €491 million, a 2.3% increase on a like-for-like basis . In France, the obtaining of new contracts, in particular in Paris, enabled a fall in numbers using certain shopping centres, related to the general economic climate, to be offset. Outside France, net sales showed strong growth, of 7.5% on a like-for-like basis, and now account for more than 28% of the total.

In airport services, cargo activities held up well, allowing WFS's net sales to be kept steady despite the crisis context that marked the first half year. The successful integration of SEN, now fully-controlled, which operates mainly at Roissy airport, resulted in a 15% like-for-like increase in net sales in France. In total, net sales of the airports division (services and concessions) amounted to €486 million, a 2.9% increase on a like-for-like basis.

Consolidated net sales of other concessions continued to grow (by 2.7% on a like-for-like basis), in particular as a result of increased traffic levels on the recent Chillán-Collipulli motorway in Chile.

■ Energy

Net sales for VINCI Energies were €3.1 billion, up 0.6% on a like-for-like basis (or 2.3% on an actual basis).

In France, after a sharp recovery in the last two quarters, the year ended with an overall increase of 5.1% on a on a like-for-like basis (5.9% on an actual basis). VINCI Energies' net sales thus stood at €2.2 billion, demonstrating its ability to benefit from its strong positions in electrical infrastructure businesses, from a strong recovery of investments in the telecommunication sector and from the permanent efforts made by VINCI Energies' companies to differentiate their offer and adapt to trends in their markets. For example, VINCI Energies has strengthened its position as leader in the flourishing fire protection sector.

(1) Operating income/net sales (see table "Operating income by business line" page 116).

Outside France, net sales were down by 10%, on a like-for-like basis. While activity levels have stabilised in Germany, the subsidiaries in Northern Europe (Sweden, the Netherlands and the UK) have seen a contraction of business as certain industrial investment programmes have been postponed. Elsewhere, the Austrian subsidiary TMS, specialised in industrial robotics, having adapted its capacity to trends in the automotive market, has now stabilised its net sales at approximately €200 million. On the other hand, Spark Iberica, newly consolidated, is benefiting from the dynamic nature of the Spanish market for electrical and telephone equipment (up 20%).

■ Roads

Eurovia booked net sales of €5.3 billion in 2003, a 4.6% increase over 2002 on a like-for-like basis (or 2.5% on an actual basis due to the unfavourable effect of foreign exchange rates). Although business levels had remained stable during the first half of 2003, they increased strongly in the second half in both France and other countries, with the improvement seen in the third quarter (a 7% increase on a like-for-like basis) being confirmed in the fourth quarter (a 9.1% increase on a like-for-like basis).

In France, net sales were up 2.2% against 2002 on a like-for-like basis, at €3 billion. The shortfall in the first part of the year was more than offset in the second half year, the favourable weather at the end of the year allowing a very high level of activity to be reached in the last quarter (up 7.7% against 2002).

Outside France, net sales also grew faster at the end of the year (up 11 % in the fourth quarter) to total €2.3 billion for the full year, an 8.1% increase on a like-for-like basis. International business was driven in particular by strong development of infrastructures in the Czech Republic, where net sales increased 20% to €488 million, the dynamic nature of the UK market in particular as regards renovation and maintenance programmes lasting several years, where net sales increased by nearly 20% to €451 million, and the recovery of business in the USA, up 14% at €358 million. Lastly, in Germany, the trend towards stabilisation of activity levels has been confirmed, following several years of recession (down 1.2% at €615 million).

■ Construction

With sales of €7.7 billion, up 6.6% on a like-for-like basis, VINCI Construction returned an excellent performance in 2003, confirming the favourable trend already seen in the first half year.
The situation is particularly satisfactory in France, where net sales stood at €4.3 billion, an increase of 9.5% over the full year.
This performance, markedly higher than the growth experienced in general in the various segments of the construction and public works market, reflects the ability of the networks of enterprises that make up VINCI Construction to benefit fully from the diversity and the complementarity of their range of services offered, in both Paris and the rest of France.

In markets outside France, which account for 45% of VINCI Construction's business, net sales for the period were €3.5 billion, an increase of 3.3% on a like-for-like basis (and a decrease of 1.5% on an actual basis due to the effects of foreign exchange rates). Activity on major projects was at a sustained level, in Europe with railway infrastructure work in the UK and Benelux and the Rion-Antirion bridge in Greece, and elsewhere with pumping stations in Libya and civil engineering in Egypt. Likewise, facility management (mainly maintenance contracts spanning several years for US military bases in Germany) also performed well. The energy displayed by foreign subsidiaries, in particular in Central and Eastern Europe, which showed 36% growth on a like-for-like basis to €320 million, offset the slight short-term decline in Africa that followed completion of several oil-related projects.

Net sales by business line*

in millions of euros	2003	2002	Variation 2003/2002 actual	like-for-like**	at constant exchange rates
Concessions and services	1,895.0	1,850.7	2.4%	3.0%	6.4%
Energy	3,115.0	3,043.9	2.3%	0.6%	2.6%
Roads	5,338.0	5,209.2	2.5%	4.6%	5.1%
Construction	7,715.6	7,350.2	5.0%	6.6%	7.5%
Property and eliminations	47.2	99.8	—	—	—
Total	**18,110.8**	**17,553.8**	**3.2%**	**4.3%**	**5.5%**

** The above data for each business line are stated before elimination of transactions between business lines.*
*** At constant consolidation scope and exchange rates.*

Net sales by geographical area

in millions of euros	2003	% net sales	2002	Change 2003/2002
France	**10,998.9**	**61%**	**10,317.6**	**6.6%**
Germany	1,457.3	8%	1,506.7	(3.3%)
United Kingdom	1,447.9	8%	1,404.3	3.1%
Benelux	803.0	4%	820.6	(2.1%)
Spain	336.0	2%	327.4	2.6%
Other European Union*	1,162.2	6%	1,034.1	12.4%
Other European countries	154.7	1%	177.6	(12.9%)
Europe excluding France	**5,361.1**	**29%**	**5,270.7**	**1.7%**
North America	934.7	5%	1,005.5	(7.0%)
Rest of the world	816.1	5%	960.0	(15.0%)
Total	**18,110.8**	**100%**	**17,553.8**	**3.2%**
**Of which countries joining in 2004:*	*912.0*	*5%*	*796.1*	*14.6%*

Gross operating surplus

The gross operating surplus for the year amounted to €1,778 million, an increase of 7% over 2002 (or 8% at constant exchange rates). The gross operating margin was 9.8% compared with 9.5% in the previous year. This improvement relates to almost all the Group's entities: Cofiroute (up 7% to €577 million), VINCI Construction (up 14% to €449 million), Eurovia (up 13% to €364 million) and VINCI Energies (up 12% to €196 million). The decrease at VINCI Park should, however, be noted (down 6% to €165 million), due to several major concession contracts arriving at the end of their term, and in airport activities (down 30% to €21 million).

Gross operating surplus by business line

in millions of euros	2003	% net sales	2002	% net sales
Concessions and services	782.5	41.3%	776.9	42.0%
Energy	195.7	6.3%	174.8	5.7%
Roads	363.7	6.8%	321.9	6.2%
Construction	449.1	5.8%	394.8	5.4%
Property and holding companies	(13.1)	—	(4.4)	—
Total	**1,777.9**	**9.8%**	**1 664.0**	**9.5%**

Operating income

Operating income for the period was €1,166 million, an increase of 9 % over 2002 (or 10% at constant exchange rates). The operating margin was 6.4% compared with 6.1% in 2002. All business lines contributed to this new increase in operational profitability.

■ Concessions and services

Operating income for the Concessions business line was €600 million compared with €567 million in 2002, and accounted for 51% of the Group's total operating income. The operating income of Cofiroute amounted to €475 million, a 12% increase against 2002. VINCI Park's operating income increased slightly in 2003, reaching €117 million, a margin on net sales of 24%. For its part, VINCI Infrastructures made a contribution of €16 million, against €20 million in 2002. Lastly, despite the difficult conditions prevailing in the air transport sector, airport services maintained a positive operating income at €4 million, which was €8 million less than in the previous period.

■ Energy

VINCI Energies' contribution rose from €118 million in 2002 (representing 3.9% of net sales) to €129 million (4.1% of net sales). This 10% increase is mainly the result of the improved contribution of the French entities, of which the operating income rose 30% to €122 million (representing 5.4% of net sales against 4.4% in 2002). Outside of France, however, operating income was markedly down, at €7 million compared with €24 million in 2002, due to the industrial recession affecting Northern Europe and the difficulties encountered by TMS in the automotive market.

■ Roads

Eurovia's operating income was up strongly in 2003 by 21% at €201 million, representing 3.8% of net sales, following a slackening off in the previous year (at €166 million, 3.2% of net sales).
This trend is the result of a continued high level of contribution from the French subsidiaries (4.9% of net sales) combined with an improved contribution from foreign subsidiaries (2.3% of net sales), in particular in the USA.

■ Construction

VINCI Construction's operating income stood at €222 million, an increase of 5% over 2002 when the positive impact of the completion of a major international contract was booked.
The operating margin remained at the high level of 2.9% of net sales reached in the previous year, in particular as a result of the excellent performance of the French subsidiaries.

■ Property and holding companies

Sorif and Elige, subsidiaries specialised in property development projects, showed operating income of €13 million, comparable to that of the previous period. For their part, holding companies reported an operating profit of €1 million, compared with a loss of €8 million in 2002.

Operating income by business line

in millions of euros	2003	% net sales	2002	% net sales
Concessions and services	599.8	31.7%	566.6	30.6%
Energy	129.2	4.1%	117.8	3.9%
Roads	200.8	3.8%	165.7	3.2%
Construction	221.9	2.9%	212.3	2.9%
Property and holding companies	14.3	—	4.9	—
Total	**1,166.0**	**6.4%**	**1 067.3**	**6.1%**

Net income

Net income attributable to Group shareholders was €541 million for the period, up 13.3% over 2002 (€478 million).
Earnings per share was €6.49 (€5.62 in 2002), an increase of 15.5%.

When considering the contributions by business line, those of VINCI Construction and Eurovia, which achieved excellent operational performances, should be noted.

The good results of VINCI Energies in France were offset by the loss reported by the Austrian subsidiary TMS, made worse by an exceptional impairment charge against goodwill, of which the impact on net income amounts to €18 million.

Net income of VINCI Concessions was slightly down against the previous period due to losses incurred in airport services, which include a further impairment charge against goodwill on acquisition of WFS, of which the impact on net income amounts to €53 million net.

Recognition by Cofiroute of the full amount of the estimated loss on Toll Collect for €50 million net (of which VINCI's share amounts to €33 million) was fully offset by a good performance at operating level and by the positive effect of adopting industry practice on calculating capitalized financial expenses on assets under construction and the special concession amortisation charge.

Lastly, the improvement in the net income of holding companies was due in particular to reversals of provisions relating to old disputes in relation to which there were positive developments in 2003.

Net income by business line

in millions of euros	2003	2002	Change 2003/2002
Concessions and services	163.9	169.9	(3.5%)
Energy	53.3	75.1	(29%)
Roads	125.5	96.3	+30%
Construction	177.5	150.4	+18%
Property and holding companies	21.2	(13.9)	—
Total	**541.4**	**477.8**	**+13.3%**

Net financial expenses were €124 million against €192 million in 2002. This improvement takes account of the positive effect of the change in method by Cofiroute in the calculation of capitalised financial expenses included in investments in progress and the receipt of a dividend from ASF for €19 million. Net financial expenses, excluding those capitalised, remained stable in comparison with 2002. The impact over a full year of the financing of the investment in ASF and the unfavourable effect of the fall in interest rates on income from cash surpluses were offset by the impact of the improvement in operating cash resources and the decrease in the cost of long-term debt as a result of interest rate hedging undertaken since the end of 2002.

Lastly, other financial income and expenses included a foreign exchange gain of €7 million (against a loss of €17 million in 2002) and, under expenses, a provision for impairment of the Toll Collect shares held by Cofiroute, for €12.5 million.

Exceptional items represented net income of €14 million (against €7 million in 2002); this includes disposal gains of €65 million (of which €27 million arose on the sale of two subsidiaries' head offices), restructuring costs of €48 million relating mainly to the Construction business line, and lastly a net expense of €3 million that includes in particular a loss of €56 million relating to the Toll Collect project, and miscellaneous reversals of provisions relating to disputes.

The tax charge for the period was €234 million, at almost the same level as in 2002 (€223 million), which corresponds to an effective tax rate of 22.2% (against 25.3% in 2002).

Amortisation of goodwill on acquisition amounted to €184 million. Year-end impairment tests led to exceptional impairment charges of €134 million (against €37 million in 2002), of which the major part related to WFS (€93 million) and TMS (€37 million).

The Group's share of the earnings of companies accounted for by the equity method was €9 million against €1 million in 2002, which included the impact of the €9 million impairment charge against VINCI's holding in airports in the south of Mexico (ITA).

Minority interest of €105 million relates principally to the shares not owned by VINCI in Cofiroute and in the Belgian construction company, CFE.

Cash flow

Cash flow from operations amounted to nearly €1.4 billion in 2003, a 13% increase against 2002. After taking account of investments in operating fixed assets during the period for €429 million (a 6% decrease) funds generated by operations[1] amounted to €947 million, an increase of 24% against 2002. Taking account of an improvement of €113 million in the working capital requirement, following on from an improvement of €353million in 2002, cash flow available to finance growth[2] amounted to €1,060 million, a 5% decrease against the previous period.

Investments for growth by concession companies, net of investment subsidies, amounted to €526 million, a 29% increase (€119 million) against the previous period. This change results from the increase in investments by Cofiroute (€313 million in 2003 against €233 million in 2002), the continued work on the Rion-Antirion bridge in Greece (€144 million in 2003 against €100 million in 2002), and commencement of work on the Newport bypass in Wales (€36 million in 2003).

Financial investments totalled €222 million, to which should be added €36 million in share buy-backs. These investments related in the main to a further acquisition of ASF shares for €184 million, taking VINCI's holding in this company to 20% and the acquisition by Cofiroute of a 10% holding in the Toll Collect consortium for €12.5 million. VINCI's disposals of non-operating assets amounted to €89 million.

Financing transactions of the period represented an outflow of €172 million, taking account – in addition to dividends paid by the parent company and those paid to minority interests (which mainly relates to Cofiroute) for a total of €200 million – of an issue of new shares for €53 million resulting from the exercise of share subscription options and payments into the Group savings scheme, and a reduction of the capital stock amounting to €35 million, mainly as a result of the cancellation of 420,000 treasury shares.

Together, these transactions resulted in a net cash inflow of €198 million for the period (against a net outflow of €568 million in 2002) reducing the Group's net financial debt, before treasury stock, from €2.7 billion at 31 December 2002 to €2.4 billion at 31 December 2003.

Balance sheet

VINCI's net financial debt after treasury stock amounted to €2.3 billion at 31 December 2003, against €2.5 billion at the end of 2002. Net debt is therefore again at the level of the end of 2001, before the acquisition of the 20% holding in ASF for €1.2 billion. Net debt of Concessions, which represent more than the total amount of the Group's net debt, remained stable at €3 billion, the cash flow from operations generated by this business line's entities having covered the investments of the period.

The other business lines showed a positive net cash position of €2 billion, up 25% (by €389 million) compared with 2002. The holding companies and real estate companies increased their net debt by €79 million to €1.4 billion, which includes the impact of the increase in the holding in ASF.

(1) Cash flow from operations after net investments in operating assets, as defined in the cash flow statement on page 136.
(2) Free cash flow before investments in concession assets, as defined in the cash flow statement on page 136.

Net debt by business line

in millions of euros	2003	2002	2001	Change 2003/2002
Cofiroute	*(1,691.3)*	*(1,635.9)*	*(1,684.7)*	*(55.4)*
VINCI Park	*(479.1)*	*(517.7)*	*(507.3)*	*38.6*
VINCI Airports Services	*(304.6)*	*(336.8)*	*(356.5)*	*32.2*
*Other concessions and holding company**	*(534.2)*	*(442.4)*	*(359.0)*	*(91.8)*
Concessions and services (excl. ASF)	(3,009.2)	(2,932.8)	(2,907.5)	(76.4)
Energy, Roads and Construction	1,972.4	1,583.6	1,098.4	388.8
Investment in ASF	(1,229.0)	(1,044.8)	—	(184.2)
Property and holding companies	(181.6)	(286.7)	(618.9)	105.1
Net debt	**(2,447.5)**	**(2,680.6)**	**(2,427.9)**	**233.1**
Treasury stock	181.6	187.8	160.7**	(6.2)
Net debt after treasury stock	**(2,265.8)**	**(2,492.9)**	**(2,267.2)**	**227.1**

** After deducting indebtness of the VINCI Concessions holding company in connection with the acquisition of ASF shares, amounting to €40 million in 2002 and €224 million in 2003.*
*** After deducting treasury shares held at the end of 2001 and cancelled in December 2002 for an amount of €195.5 million.*

The Group's financial structure continued to strengthen in 2003, with equity including minority interest up from €3.1 billion to €3.5 billion and gearing (the net debt to equity ratio) of 65%, against 80% in 2002.

Provisions for liabilities and for employee benefits shown in the balance sheet increased by €43 million from €2,120 million at the end of 2002 to €2,163 million at 31 December 2003. Following the change of method made on 1 January 2003 (see Note B.2 to the consolidated financial statements on page 138), these now include a provision for long-service bonuses (€44 million at 31 December 2003).

Lastly, the working capital surplus has remained at the very high level reached in the previous year, of €1.1 billion.

Parent company financial statements

Net income of the parent company amounted to €2,066 million in 2003, compared with €338 million in 2002. 2003 was marked by the continuation of the restructuring of the Group's legal structure started in 2002 and intended to bring together all concession activities under the VINCI Concessions sub-holding, and by the reorganisation of the VINCI Airports business line which was completed at the end of 2003. The impact of these measures on VINCI's parent company net income was a gain of €1,709 million.

The net dividend proposed to the Shareholders Meeting is €2.36 per share (€3.54 per share including tax credit), up 31% from the €1.80 per share paid the previous year. Including the tax credit, the dividend gives a yield of 4.5% based on the share price on 25 March 2004. The dividend will be paid on 11 May 2004. The total dividend distribution to shareholders for 2003 is estimated at €189 million, up 33% on the 2002 figure of €142 million.

It is proposed to allocate net income as follows*:

in millions of euros	
Dividend paid to shareholders	189.1
To the legal reserve	0.9
To retained earnings	1,875.6
Parent company net income for the year	**2,065.6**

** Based on 80,116,101 shares qualifying for dividends on 2003 earnings as at 2 March 2004.*

Expenses referred to in Article 39.4 of the French Tax Code amounted to €70,000 in 2003.

Recent developments and outlook

Following a year marked by strong levels of business, especially in the second half, the trends observed in the beginning of 2004 remain favourable. Order books (other than in concession operations) are being satisfactorily replenished, and amounted to €12.3 billion at 31 January 2004 , up 5% against January 2003. This represents more than nine months of forecast business:

in millions of euros	31/01/2004	In months' activity	Change against 31/01/2003
Construction	7,633	11.9	+5%
Roads	3,430	7.7	+6%
Energy	1,254	4.8	(2%)
Total	**12,317**	**9.1**	**+5%**

Besides having a good degree of visibility, VINCI also benefits from being positioned in buoyant markets. The Group's range of expertise and networks of companies mean it is particularly well placed to benefit from the prospects for growth arising from European Union enlargement, from the generalisation of Public/Private Partnerships in the major European countries and from the trend to outsourcing maintenance and service activities, both in industry and in services and commerce.

While maintaining its policy of selectivity and control of risks, the Group is not setting itself an overall growth target for 2004 net sales, which should nevertheless continue to grow under the dual effect of internal growth in all its business lines, and the policy of targeted development, aimed in particular at extending its European network.

VINCI has set itself an objective of continued improvement of operating profitability for all its business lines; this is to be found in particular in better productivity on construction sites, in increased efforts to recruit and train young people, and in constantly seeking to improve safety.

VINCI will also continue to seek optimisation of cash-flow generation(1), in particular through rigorous management of capital expenditure and working capital requirement.

Lastly, VINCI's financial policy will remain to a great extent shareholder-oriented, continuing to ensure dividend growth and cancelling out the dilutive effects of stock suscription options by buying back shares on the market.

Value creation

In accordance with accepted practice, value creation is measured as the difference between the return on capital employed in operations (ROCE) and the weighted average cost of capital (WACC).
ROCE is measured by comparing net operating profit after tax (NOPAT) with the average capital employed during the year.
WACC is the average return on capital demanded by investors and lenders, given the financial structure and the degree of risk connected with VINCI's activities.

Return on capital employed (ROCE)

NOPAT and average capital employed were calculated as follows :

in millions of euros	**2003**	**2002**
Operating income	1,166.0	1,067.3
Theoretical tax charge*	(353.8)	(319.4)
Other**	55.5	14.0
NOPAT	**867.7**	**761.9**
of which Concessions and services	*450.5*	*394.4*
of which Energy, Roads, Construction	*401.5*	*365.8*
of which Property and holding companies	*15.7*	*1.7*

** Based on the effective tax rate for the year (excluding non-recurring tax income).*
*** Share of net earnings in companies accounted for by the equity method and financial items (excluding cost of financing, amortisation and depreciation, provisions, exchange gains and losses).*

in millions of euros	**2003 average***	**2002 average***
Net intangible, tangible and financial fixed assets**	8,102.3	7,597.0
Gross goodwill	1,540.2	1,519.7
Working capital requirement	(925.6)	(718.2)
Provisions for operating risks	(1,146.2)	(1,181.3)
Average capital employed	**7,570.7**	**7,217.2**
of which Concessions and services	*6,527.5*	*5,870.0*
of which Energy, Roads, Construction	*824.1*	*1,200.0*
of which Property and holding companies	*219.1*	*147.2*

** Average of 31 December of previous year, 30 June and 31 December of current year.*
*** After deduction of investment subsidies received.*

(1) Free cash flow before investments in concession assets, as defined in the cash flow statement on page 136.

ROCE (= the ratio of NOPAT to average capital employed) was 11.5% in 2003, while the estimated weighted average cost of capital was 7.3 % :

in millions of euros	2003	2002
ROCE	**11.5%**	**10.6%**
of which Concessions and services	*6.9%*	*6.7%*
of which Energy, Roads, Construction	*48.7%*	*30.5%*
Weighted average cost of capital	**7.3%**	**7.1%**

The very high level of ROCE in business lines other than Concessions (at nearly 49% in 2003) is due to the very low capital intensity of these activities, which results in a low (or even negative in the case of VINCI Construction) amount of capital employed. Its marked increase in 2003 reflects the strong improvement of operating performance of these business lines, as regards both income and cash generation.

For Concessions, ROCE should be considered taking account of the specific features of this type of business:

- there is long-term visibility over income generated by concession activities, as well as a characteristic strong leverage effect that allows a lower WACC to be applied to these businesses than the average for the Group;

- capital employed allocated to concessions under construction (such as the tunnels on the A86 motorway, the sections under construction of Cofiroute's interurban network or the Rion-Antirion bridge in Greece) or that have entered service recently (such as the Chillán-Collipulli motorway, which entered service fully in 2002) amounted to €1.3 billion at the end of 2003. At present, these concessions are making no, or only a very small, contribution to Group earnings. In general, income from infrastructure concessions tends to increase gradually in the years after entry into service. As a result, ROCE is not a very good indicator of concessions' profitability until they reach maturity. Moreover, to these concessions that are under construction or recently entered service should be added the investment of €1.2 billion in ASF whose contribution to the Concession business line's earnings – the company not being consolidated – is limited to the amount of the dividend received in 2003 (€19 million);

- lastly, as concessions' borrowings comprise to a great extent finance where no recourse against VINCI is possible, the Group's commitment in these concessions may be considered as being limited to the amount of own funds invested. Here, the concept of Return on Equity (ROE) is more relevant in assessing concessions' value creation for the Group, as it is also for VINCI's other businesses because of the low level of capital employed that characterises them.

Return on equity (ROE)

The Group's ROE was 20.8% in 2003. The ROE of the Concessions and services business decreased from 10.8% in 2002 to 6.1% in 2003. Restated for the net impact of the exceptional impairment charge against goodwill in WFS for €53 million, this becomes 8.1%. This reduction on the previous year reflects the impact of the increase in the capital stock of VINCI Concessions in December 2002 made to finance the acquisition from VINCI of the Group's shares in ASF.

in millions of euros	2003	2002
Net income for the year	541.4	477.8
Shareholders' equity at previous year end	2,597.4	2,372.7
ROE	**20.8%**	**20.1%**
of which Concessions and services	*6.1%*	*10.8%*
of which Energy, Roads, Construction	*27.9%*	*27.1%*

Preparation for the transition to International Financial Reporting Standards

Under European Regulation 1606/2002 published on 11 September 2002, VINCI will have to prepare its consolidated financial statements for periods commencing on or after 1 January 2005 in accordance with the International Financial Reporting Standards (IFRSs). Consolidated financial statements will also be prepared under these standards for 2004, after a new opening balance sheet at 1 January 2004 has been drawn up. In this context, VINCI took the initiative of starting preparation for the transition to the new accounting standards as early as in the second quarter of 2002.

State of progress

The first step was to determine the main points of divergence between VINCI's current accounting policies and the IFRSs. This phase took six months and enabled the IFRSs that need to be considered in priority to be identified, namely those that could have a material impact on the Group's financial statements or lead to major changes in its information systems.

On completion of this first stage, the project entered an active phase in March 2003 with the setting up of a dedicated organisation. A steering committee was formed in which the finance directors of the business lines (Construction, Roads, Energy and Concessions) joined members of the Group's finance department. The committee is charged with supervising project progress and deciding which methods to adopt where alternatives are proposed, on the basis of the conclusions of the various working groups set up to address the priority issues identified in the first phase. The steering committee has met monthly since the start of the project. Its conclusions are presented regularly to the Statutory Auditors and the Audit Committee.

Analysis of operational aspects and determination of the method of implementing the IFRSs are being finalised. Application instructions on these standards have been written and distributed to all subsidiaries. The project has now entered the deployment phase. This includes, in particular, adapting information systems and training the various teams involved in preparing consolidated financial statements, in both holding company and business lines. This phase should continue in 2004.

Preparatory work on drawing up the opening IFRS balance sheet at 1 January 2004 will start in the first half of 2004.

Main IFRS elections

VINCI has made certain assumptions that could still be altered depending on changes to certain standards being studied or to revisions by IASB that will be published in 2004. The same applies to the accounting standards applicable to concession arrangements; work on their interpretation is currently in progress at IFRIC (International Financial Reporting Interpretation Committee). We must therefore stress that the information provided below by VINCI has been prepared on the basis of its current knowledge and of progress of the IFRS transition project as described above.

■ Business combinations

In accordance with the option provided by IFRS 1, the Group has decided not to restate business combinations made before 1 January 2004 retrospectively in accordance with IAS 22 and ED3 (the future IFRS 3). In consequence, the alternative method provided by Article 215 of CRC Regulation 99-02 adopted in accounting for the merger with GTM in 2000 will continue to be applied in the consolidated financial statements.

■ Measurement of fixed assets at fair value

IFRS 1 allows fixed assets to be measured at the date of transition at their fair value and enterprises may elect to apply this method to individual assets; at present VINCI has no plans to adopt this method.
IAS 16 and IAS 38 also allow assets, or certain classes of assets, to be remeasured permanently, after the date of transition. VINCI has no plans at present to adopt this method and should therefore continue to apply the historic cost method.

■ Post-employment benefits: actuarial gains and losses relating to defined benefit plans

In accordance with generally accepted practice, VINCI does not recognise the full amount of actuarial gains and losses arising on the measurement of defined benefit plan commitments in the income statement as soon as they arise. VINCI has decided to adopt the optional method provided by IFRS 1 of eliminating previously unrecognised actuarial gains and losses against shareholders' equity.

In accordance with its current practice, VINCI will recognise any actuarial gains and losses arising after 1 January 2004 using the so-called "corridor" method, consisting in amortising any amount greater or less than 10% of the commitment over the estimated remaining service of employees who are members of the plan in question, without discounting.

■ Elimination of translation differences at the date of transition

Translation differences relating to accounting for foreign subsidiaries' financial statements are recognised against shareholders' equity as a component separate from reserves. IFRS 1 allows the transfer of these cumulative differences to reserves at the date of transition, and VINCI will do this.

Main points of divergence identified to date

VINCI already applies the preferred methods provided for under CRC Regulation 99-02, added to by the recent recommendations by the COB and the AMF financial market regulators of 28 October 2003 and 23 January 2004 respectively, aimed at convergence of current accounting methods with the IFRSs.

Application of the international accounting standards could nevertheless have a substantial effect on VINCI's balance sheet, income statement and cash flow statement:

- The application from 1 January 2005 of IAS 32 and IAS 39 on financial instruments should have various consequences. The value at the time of issue of conversion options included in Oceane bonds issued by VINCI in 2001 and 2002, which are currently included in the amounts of these bond loans shown in the balance sheet, will have to be reclassified under shareholders' equity at 1 January 2004. The costs incurred in making these issues, which are currently recognised as deferred expenses and allocated across the term of these loans, will have to be deducted from the amount of the borrowing at their nominal amount.

  Derivative financial instruments, which are currently reported as off balance sheet commitments, will have to be recognised in the balance sheet at their fair value. Similarly, certain financial assets will have to be shown in the balance sheet at their fair value.

  Lastly, the acquisition cost of treasury shares should be recognised as a reduction of shareholders' equity, whatever their intended use. The Company's own shares now shown under marketable securities will be reclassified as a reduction of shareholders' equity.

- Goodwill on acquisition will no longer be amortised but should be subjected to an annual impairment test (ED3). Any impairment of goodwill will then be reported under operating expenses.

- IFRS 2, published in February 2004, requires share subscription or purchase options granted to VINCI Group employees and company officers after 7 November 2002 to be measured at their fair value, as should, under certain conditions, benefits granted to employees under Group savings schemes. This value will be recognised in the periods in which benefits vest.

- In implementing IAS 37, VINCI will be obliged to discount its provisions for liabilities. Moreover, certain provisions for major repairs, which will no longer meet the IFRS definition of a liability, will have to be eliminated. At the same time, greater accuracy will be sought in determining assets' depreciation periods (through a component based approach).

- While awaiting the IFRIC interpretation, VINCI is studying the accounting treatments specific to concession operations that should be adopted. This relates to the treatment of assets that are to be returned by a Concession Operator to a Concession Provi-der (in particular those that have to be renewed during the cour-se of the contract), to the application of the component based approach to depreciation methods and periods, and to capitalized interest charges on assets under construction.

Relations between the parent company and subsidiaries

The VINCI holding company has no operational activities of its own. The Group's operational activities are carried out by a large number of subsidiaries (1,564 consolidated entities at 31 December 2003), which are grouped under four business line lead companies – VINCI Concessions, VINCI Energies, Eurovia and VINCI Construction – to which should be added property activities carried out through Sorif and Elige, which are owned directly by VINCI.

A simplified presentation of the Group's legal structure is given on page 213. The key financial data by business line are given in Notes 1 to 3 to the consolidated financial statements, on pages 143-148.

The role of the VINCI holding company as regards its subsidiaries

As part of its role of managing and supervising the Group's businesses, the VINCI holding company makes services available to assist all companies in which the Group has a significant interest.

The availability of such services within the Group helps build a common view, harmonise actions and create a dynamic that can only be offered by a single point of decision-making; it also avoids wasted effort, reduces costs and rationalises methods.

In addition, the size and reputation of VINCI give its subsidiaries a number of advantages that they would not have if they were independent or were part of another, smaller group.

The services and benefits provided by VINCI to its subsidiaries cover the following areas:

- participation of VINCI's General Management and specialist teams in the drawing up and execution of subsidiaries' strategies, in acquisitions and disposals, in the management of subsidiaries' relations with its outside partners at both national and international level, and in the study and implementation of industrial and commercial synergies between the various Group entities;

- assistance of holding company functional departments in administration, legal, human resources, finance and communication matters, in particular in relation to:
  - information on regulations, legislation and decisions in the legal, fiscal and employment fields;
  - assistance in drafting all types of contract;
  - the definition and supervision of a Group policy on insurance;
  - consulting and assistance on tax issues;
  - advice on employment legislation and general problems raised by labour relations;
  - human resources policy;
  - advice on continuous training;
  - the definition of a consolidated accounting and financial information system and a Group-wide management control system, and assistance with their operation;
  - relations with banks and financial institutions and assistance in managing cash and market risks (interest rates and foreign exchange), daily management of fund movements being governed by a specific agreement (see below);
  - advice on financial, accounting and management matters, in particular regarding the definition of accounting rules and procedures;
  - investment appraisal;
  - study of financial needs and resources;
  - collection and provision of statistical and economic information;
  - assistance with company secretarial services for Board and Shareholder meetings and in external relations;
  - advice and assistance regarding communication and relations with the press and financial analysts;
  - the organisation and implementation of IT and office automation systems;
  - commercial assistance, particularly with major Group accounts;

- specialised assistance from VINCI services and staff for specific assignments;

- the provision of benefits associated with membership of a major group with a worldwide reputation, such as, for example, access to internationally recognised partners to enter into commercial contracts, favourable conditions in negotiating credit facilities, facilitation of relations with public authorities and assistance in recruiting top-level personnel.

Movements of funds between the VINCI holding company and its subsidiaries

The main movements of funds between the VINCI holding company and its subsidiaries, other than the payment of dividends by subsidiaries to the holding company, are as follows:

■ Management fees

In return for assistance from the Group's General Management and functional departments, VINCI subsidiaries pay a fee on the basis of annual consolidated net sales or of particular services that may be rendered by the holding company. For 2003, management fees received by VINCI from its subsidiaries amounted to €54 million.

■ Centralised cash management

Net cash surpluses generated by the lead companies of business lines and by the main fully-owned subsidiaries are transferred to the holding company through a cash pooling system, and redistributed according to needs; cash surpluses are invested on, and funds are borrowed from, the market.

■ Loans to subsidiaries

At 31 December 2003, loans made by VINCI to its subsidiaries amounted to €278 million in total, including €239 million to VINCI Park and €15 million to Freyssinet.

■ Regulated agreements

Please refer to the Report of the Statutory Auditors on regulated agreements on pages 190-191.

Minority interest

The fully consolidated subsidiaries controlled by VINCI that have significant levels of minority shareholders are:

- Cofiroute, of which VINCI owns 65.34%; the other significant shareholders are Eiffage, with 16.99%, and Colas, a subsidiary of Bouygues, with 16.67%;

- CFE, a construction company based in Belgium, of which VINCI owns 45.38%, the balance being freely traded.

The main financial data relating to these companies for 2003 are shown below, on the basis of their contribution to the consolidated financial statements, except for dividends:

in millions of euros	Cofiroute	CFE	Other subsidiaries and holding companies	Total Group
Fixed assets	3,021.7	271.4	6,294.1	**9,587.2**
Debt	2,518.2	221.5	4,036.8	**6,776.5**
Cash and cash equivalents	826.9	71.4	3,328.9	**4,227.2**
Cash flow after net investments in operating assets	392.1	4.1	551.1	**947.3**
Dividends paid to the parent company	83.5	2.3	—	—

Risk management

Operating risk

■ New business

Over the past few years, VINCI has pursued a rigorous risk control policy combined with selective order taking. Strict procedures are applied before new business is accepted. Furthermore, the budgetary procedures and reporting and internal control systems in place (within each business line and at holding company level) enable regular, usually monthly, monitoring of key management indicators and a periodic review of each entity's results.

All these procedures are described in paragraph 4 of the Report of the Chairman on the work of the Board of Directors and on internal control procedures, on pages 128-132.

■ Major projects

VINCI's overall exposure to risk on major projects is slight, having regard to the size of the Group. Group subsidiaries' business in fact comprises a very large number of small contracts (around 250,000 a year excluding concessions), which are managed by about 2,500 profit centres. Risk is thus well spread between business lines, countries and customers. Furthermore, the strategy of VINCI Construction Grands Projets – the division concentrating on major projects – is to focus on projects with high technical value-added in countries that it knows well. These projects allow the Group to make the most of its expertise and to manage the risks it is exposed to. To further limit the Group's risk exposure, most major projects are carried out in consortium, involving several other companies. VINCI Construction Grands Projets now generates around €650 million in net sales, accounting for less than 9% of the Construction business line's net sales and less than 4% of VINCI's total net sales.

■ Concessions

Investments in concession infrastructure are systematically submitted for approval to the VINCI Risk Committee. Given their financial weight, and in order to share the risks better, such projects are generally carried out jointly with local partners, with companies having complementary know-how to VINCI's, and with the financial institutions taking part in the project financing.

■ Property

VINCI's property activities are extremely limited. Based in the Paris region and the other major French conurbations, this business accounts for less than 2% of VINCI's total net sales. VINCI may also participate in isolated property development operations in connection with its construction activities, mainly in France and Belgium. Such operations are subject to prior approval and appropriate monitoring.

■ Acquisitions

VINCI considers that an acquisition is more likely to be successful and the risks more easily reduced if it can introduce its own management principles into the company acquired. VINCI therefore always aims to acquire a majority interest and to have operational control. Any new proposed acquisition or disposal is submitted to the Risk Committee and the most significant are also submitted to the Board of Directors' Investment Committee.

Market risk (liquidity, interest rates, exchange rates and securities)

See Notes 28 and 29 to the consolidated financial statements, on pages 166-170.

Legal risks

Through its many subsidiaries, VINCI operates in a wide range of business fields. These include operation of infrastructure assets, such as car parks, motorways, bridges, tunnels and airports, the construction and maintenance of public- and private sector infrastructure assets, the manufacture of road-building materials, the installation and maintenance of electrical power and communication equipment, and the provision of a full range of related services.

The Group therefore operates within a complex regulatory environment governed by the place where the service is provided and the sector involved. Of particular importance are regulations relating to public sector contracts, public and private tenders for construction work, and civil liability, especially that of construction contractors, both in France and abroad.

Detailed information on the principal disputes in which the Group is involved can be found in Note 35 to the consolidated accounts on pages 176-177.

Insurance

1. General policy

VINCI's policy on insurance aims to define and implement, following identification and rigorous analysis of the risks relating to its various business lines, the optimum balance between the level and extent of the guarantees intended to meet the range of insurable risks, and cost (comprising premiums and uninsured losses), which should allow operational entities to remain competitive in their sector. In 2003, the cost of fire, accident and general insurance to the VINCI Group amounted to approximately €65 million, more or less the same as in 2002.
Given VINCI's decentralised organisation, this policy is defined at several levels of responsibility:

- VINCI's Executive Committee lays down the general framework and rules, and in particular the standards applicable to all subsidiaries;
- the Management of business lines, or of major subsidiaries, define the required type and amount of insurance cover at their own level, taking account of their business's specific needs. Subsidiaries' specific cover is in addition to that taken out by VINCI SA on behalf of all its subsidiaries together, in particular regarding:
  - – civil liability of company officers;
  - – disaster risks under civil liability;
  - – professional liability of engineering and design offices;
  - – liability for environmental damage.

With a view to optimising costs and cover, VINCI SA acts as the sole policyholder in France, including for subsidiaries' specific cover, other than in a few cases. Premiums, or a share of Group premiums, are re-charged to subsidiaries, which bear the level of uninsured losses that they have decided on, under the Group's policy of preventative action and self-insurance. In this context, VINCI Assurances, a service provision company, acts as VINCI Group broker, charged with co-ordinating the taking out of policies and harmonisation of cover. Its main task is to centralise knowledge of the risks related to the Group's areas of business, to analyse them with potential insurers and to obtain cover on the market. VINCI Assurances, as a simple intermediary, bears no financial risk as an insurer.

2. Loss prevention and claims record

Given the diverse nature of its activities and its decentralised organisation, the Group cannot be compared to an industrial group as regards risk concentration and the maximum possible loss. VINCI's services and construction activities are geographically dispersed and carried out in a range of territories, rarely result in the manufacture and sale of industrial goods and use only a limited number of fixed production sites. Apart from some concession operations, which are by their very nature more substantial, installations are both of a modest size, in comparison with the Group as a whole, and to a great extent mobile or temporary.

In order to limit ordinary claims, loss prevention arrangements are systematically adopted on construction sites and concession operating sites, as regards both safety of personnel and physical or consequential damage. In particular, this entails safety training and exercises. The adoption of specific risk prevention plans, designed with specialist assistance, has thus enabled a significant improvement in the automobile claims record (which covers the Group's 36,000 vehicles in France) in certain major construction subsidiaries (Eurovia and Sogea Construction) and concessions (Cofiroute). See also "Prevention, Safety and Security on pages 80-81.

The Group's claims record is characterised, on the basis of the available statistics for the last five years, by the absence of any major losses that could have a serious financial impact on the Group, by the annual number of average incidents – less than 15 per year – of between €75,000 and €500,000 (without prejudice to any actual responsibility in these cases), and lastly by the number of small, unpredictable incidents, relatively impossible to reduce, of less than €75,000 each, borne directly by subsidiaries as uninsured losses.

3. Insurance in the Construction, Roads and Energy business lines

3.1. Civil liability

The Group and its subsidiaries have a potential exposure arising from the activities of VINCI Construction, Eurovia and VINCI Energies in relation to their responsibility for bodily, physical or consequential damage caused to third parties, including customers and principals.

Civil liability insurance cover comprises several "lines":

- a first line comprises cover taken out at subsidiary level to meet the ordinary claims arising from the business in which the subsidiary operates;
- a second line, taken out by VINCI on behalf of all entities, has a ceiling that enables several civil liability claims of a significant size arising in several business lines to be met in the same year;
- the third line of cover, also taken out on behalf of all entities, is in addition to the two previous lines and is intended to meet a major claim that would be of such a nature as to affect the Group's earnings for a given period.

To date, no claims have been made under these last two lines.

In addition to this basic cover, specific insurance is taken out as a result of legal or contractual requirements or management decisions in the following areas:

- ten-year warranty (in France);
- automobile third-party cover;
- transport.

3.2. Damage insurance

Regarding VINCI's exposure to damage to its own property in construction businesses, a distinction should be made between sites in progress, permanent installations and plant and equipment:

- all risks insurance is generally taken out in respect of major construction sites, covering in particular physical damage arising from accidents or natural events up to the value of the project;
- office buildings (such as head offices and others) and fixed production facilities are covered for a contractual reconstruction value (either value as new or a contractual maximum amount corresponding to an estimate of the maximum insurable loss);
- depending on value, type or age, site equipment may be covered by machinery breakdown policies; subsidiaries have a great deal of discretion in this regard. Road vehicles in France are covered by a single fleet policy and are only exceptionally covered on a "comprehensive" basis.

4. Insurance in Concessions and services

These activities are covered by policies taken out by the parent company VINCI, which are in addition to any connected with each concession asset (or series of assets).
Regarding prevention and the claims record, greater stability in the composition of operating and maintenance teams makes it easier for preventative measures to be communicated within each entity and firmly established, with particularly positive effects on ordinary claims.

4.1. Damage insurance

Concession operation involves a potential exposure of the Group to damage to assets under concession, whether accidental or not, that could result in an obligation to re-build (bearing the related costs), financial consequences due to the interruption of operations, and obligations to providers of finance relating to debt servicing.

As a general rule, constructions presenting a concentration of risk, such as bridges, tunnels and car parks, are insured from their entry into service for their cost of reconstruction in the event of accidental destruction. This is not however the case for constructions of a "linear" nature, such as motorways, where complete destruction is not envisaged.

4.2. Civil liability

Assets made available to VINCI subsidiaries in France and other countries under concessions are also covered by specific civil liability insurance arrangements, co-ordinated with cover at Group level. These arrangements are designed to specifically meet local legal requirements and those laid down in the concession agreement. Concession operations in which VINCI is a minority shareholder do not automatically benefit from the Group's "second and third line" civil liability cover.

Airport activities are covered by a separate "aviation civil liability" policy, applicable to all relevant operations (assistance services and airport management).

4.3. Business interruption insurance

Business interruption insurance is intended to allow concession operators to restore an income stream interrupted by an accidental event affecting the normal operation of an asset, thus enabling the operator to meet any financial commitments towards lenders and ordinary operating overheads during the reconstruction period.

Such losses are covered subject to various levels of uninsured loss, which may be expressed as an amount or as a number of days of interruption. Operations that have a low exposure to this risk, in particular motorways, are not insured against such losses, an extended or complete halting of operations not being considered in these cases. Uninsured amounts are determined on a case-by-case basis to ensure that the concession's earnings are not materially affected by an accidental interruption in traffic. To date, no claims have been made under such policies.

Industrial and environmental risk

By the nature of its activities, VINCI's exposure to industrial and environmental risk is low. Only some of Eurovia's activities display characteristics similar to those of industry and can therefore be exposed to these risks. As they are particularly regulated, these activities involve limited, well-identified risks:

- binding material plants and coating stations: risks relate to the production or use of materials that are potentially dangerous for the environment. Sites are monitored permanently and internal assessments are made by Eurovia's quality-safety-environment managers. Moreover, regarding coating stations, Eurovia introduced a systematic policy more than five years ago to comply with applicable legislation. This policy is almost complete, with 90% of sites now complying with requirements. Additional external checks, either regular or unplanned, involving in particular analysis of materials and measurement of quantities stored, enable site compliance to be verified;
- quarries : risks relate to noise, vibrations and dust emission. External audits of quarries are made annually by certified organisations. In particular, an annual return is made to the French environmental authorities on the monitoring of dust emission levels, which is undertaken by an external organisation applying the relevant standards.

As these various risks are limited, no particular monitoring is made of the costs and investments connected with actions for prevention or to achieve compliance with applicable regulation. However, all identified risks are analysed on a case-by-case basis and any required provisions are taken. At 31 December 2003, provisions taken by Eurovia, where most of these risks are to be found, amounted to €4 million.

Technological risks

As no VINCI company has a designated installation of a type provided for under paragraph IV of Article L.515-8 of the Environment Code (likely to lead to major risks to the safety of the neighbouring population or the environment from explosion or noxious emission), they are not directly concerned by technological risks. Nevertheless, they may be indirectly exposed in the following cases:

- certain of the Group's activities may be carried out, on either a one-off or permanent basis, close to installations classified as presenting technological risk. In such cases, the companies concerned comply with the law in force; in particular, they develop no activity that could result in an increase in the number of people working close to the site in question;
- certain activities of VINCI Energies companies are undertaken within such installations. The management of these installations have a number of obligations and must take all necessary initiatives, in particular regarding evacuation of persons on site.

Dependence on customers, suppliers and sub-contractors

Given the nature of VINCI's business lines and the way it is organised, deriving from the essentially local character of the markets in which it operates, the Group considers that overall it is not dependent on a small number of customers, suppliers or sub-contractors.

In fact, the Group's activities are carried out through a large number of contracts (estimated at about 250,000 excluding concessions) executed as part of a huge range of activities and spread very widely geographically. In 2003, no customer represented more than 5% of consolidated net sales. Moreover, within the Group there is no sub-contracting of a structural or permanent nature, Group companies using sub-contractors occasionally depending on their workloads.

Finally, the operational organisation of the Group, based on about 2,500 profit centres in more than 80 countries, is marked by a high degree of decentralisation. This entails, in general, a great delegation of decision-making authority to local managers, particularly in order-taking and purchasing policy.

Investment policy and research and development

Investment policy

In respect of investment in operating assets, the policy of the Construction, Roads and Energy business lines is initially decided on the basis of the equipment needs of projects to be carried out, on the basis of business forecasts. These needs are updated during the year, in particular at the time of budget updates. Investment decisions take account of the costs of maintaining existing equipment owned by Group companies and possible opportunities on the leasing market or available under Group purchasing contracts. In addition, certain activities, mainly within Eurovia, operate fixed industrial facilities (such as quarries, coating stations and binder plants) that require recurring investments in maintenance. Capital expenditure policies are implemented under the authority of business line management, under the powers delegated to them, within budgets approved by the Group's General Management.

Investments in concessions, whether for new construction, replacements or major repairs, are generally covered by precise contracts entered into with the concession providing authorities.

In the area of development, whether relating to new concession projects or external growth, possible investments are submitted to the VINCI holding company's Risk Committee (see Risk management on pages 123-124 and the Report of the Chairman on the work of the Board of Directors and on internal control procedures on pages 130-131) and choices are made by the General Management. In particular, investments in new concession projects are covered by specific legal and financial arrangements that seek to limit the Group's exposure and the capital tied up.

Research and development

To ensure its sustainable growth, VINCI must be permanently innovative to be able to offer new products and services. Innovation is involved in many projects in all business lines. Individual actions are often on a limited scale and are therefore not necessarily part of the overall research and development programmes. As an indication, expenses booked under research and development as such by French subsidiaries amounted, on average, to 0.1% of their net sales in 2003.

See also "Innovation and Development", pages 104-106.

Human resources indicators

See pages 83-88.

Additional information

Remuneration of VINCI company officers in 2003

Total remuneration and benefits in kind paid by VINCI to company officers in 2003, as well as remuneration and benefits in kind paid to them by companies controlled by VINCI, as defined by Article L. 233-16 of the French Code of Commerce, are listed in Note 34 to the consolidated financial statements (on pages 175-176), which is considered to form part of this Report of the Board of Directors.

Positions held by VINCI company officers at 31 December 2003

The list of the main positions held by VINCI company officers in all companies at 31 December 2003 is provided in section 7 of "General information about the Company" (on pages 226-229), which is considered to form part of this Report of the Board of Directors.

Regulated agreements

Details of agreements entered into with VINCI company officers, with companies having common company officers with VINCI, and with VINCI shareholders holding over 5% of voting rights, being agreements to which Article L. 225-38 of the French Code of Commerce applies, are provided in the Statutory Auditors' Special Report on pages 190-191.

Employee profit-sharing

In accordance with Article L.225-102 of the French Code of Commerce, employees of VINCI and of related companies, as defined by Article L.225-180 of the French Code of Commerce, owned 7,687,654 shares at 31 December 2003, or 9.2% of capital stock, through the Group savings schemes created according to the provisions of Articles L.443-1 to L.443-9 of the French Labour Code.

See also section 6 of "General information about the Company" (page 225) on the Group savings schemes.

The sections entitled "Corporate governance" (pages 12-13), "Report of the Chairman on the work of the Board of Directors and on internal control procedures" (pages 129-132), "Share performance and Shareholder base" (pages 16-17), "A responsible Group" (pages 68-109), and "Resolutions submitted for approval to the Shareholders Meeting" (pages 206-211) form an integral part of the Report of the Board of Directors.

Report of the Chairman on the work of the Board of Directors and on internal control procedures, as required by the Financial Security Law

A - Introduction

Article L225-37 of the French Code of Commerce (modified by Article 117 of the French Financial Security Law) requires the Chairman of the Board of Directors of VINCI to report on:
– how the Board of Directors' work is prepared and organised;
– the internal control procedures put in place by the Group.

B - Preparation and organisation of the Board of Directors' work

1. The Board of Directors' work

The Board of Directors' internal rules require that the Board examines and gives prior approval to any significant transactions undertaken by the Company and in particular the determination of its strategic decisions, acquisitions and disposals of equity holdings and assets of a material amount that are likely to alter the structure of the Company's balance sheet and, in any case, all acquisitions and disposals of equity holdings and assets of €500 million or more, as well as any transactions that fall outside the Company's announced strategy.
In 2003, the Board of Directors discussed all major issues relating to the Group's activities, in particular its important strategic choices. The Board met four times in 2003 and the average attendance rate at its meetings was 75 %.

In 2003, the Board:
– approved the financial statements for 2002 and for the first half of 2003 and examined the various budget updates;
– discussed the main acquisition projects: the Group's strategy in the motorway sector and in particular the management of and changes to its holdings of shares in Autoroutes du Sud de la France;
– decided to issue new shares reserved for employees under the Group savings schemes and implemented a new share subscription option plan;
– approved the objectives of the share buy-back programme and decided to cancel the Company's own shares held by reducing the capital stock in order to cancel out the dilutive effect of the exercise of share subscription options;
– undertook a regular examination of the Group's financial situation and changes in its borrowing;
– set the distribution policy to be proposed to shareholders;
– adopted its internal rules, which form a charter of Directors' obligations and duties;
– co-opted a new Director (Quentin Davies);
– named the Director charged with the permanent assessment of the Board's work (Patrick Faure);
– completed the membership of the Audit Committee (Quentin Davies) and the Investment Committee (with François David);
– examined the Group's position with regard to internal control and studied the work undertaken in connection with the Financial Security Law;
– reviewed the situation of the work undertaken by the Finance Department in preparation for the transition to the new IFRS accounting standards.

2. The Board Committees' work

2.1. The Audit Committee

This Committee has the following duties:
– in respect of the **financial statements:** to examine the Group's annual and half-yearly, consolidated and parent company financial statements before they are submitted to the Board; to satisfy themselves that the accounting policies and methods are appropriate and consistently applied from one period to the next; to prevent any non-compliance with these rules; to monitor the quality of the information given to shareholders; and to examine the budgets and budget updates throughout the period, before they are presented to the Board;
– in respect of the Company's **external audit:** to assess proposals on the appointment of the Company's Statutory Auditors and their remuneration and to examine with the Statutory Auditors their work programmes, conclusions and recommendations, as well as actions taken as a result;
– in respect of the Company's **internal audit:** to assess the Group's internal control systems with the managers of the internal audit function and to examine with them the internal audit work programmes and actions, their conclusions and recommendations arising, and the actions taken as a result;
– in respect of **risks:** to satisfy themselves that these are appropriately assessed by the Company, in particular by way of regular review of the schedules of provisions for liabilities and charges and off balance sheet commitments.

This Committee is chaired by Dominique Bazy and its other members in 2003 were Henri Saint Olive and Quentin Davies, none of whom is a member of the Group's General Management. The Committee met three times in 2003 and in particular examined, other than the financial statements:

– the provisions;
– the new information system installed for the production of the consolidated financial statements;
– the organisation set up to prepare for the transition to the adoption of IFRSs;
– the organisation and procedures implemented by VINCI in connection with its internal control, in particular in the context of the Financial Security Law.

2.2. The Investment Committee

This Committee is charged with examining any external growth or divestment projects that are likely to have a material impact on VINCI's business, results or stock market valuation, before they are submitted to the Board.
The Committee is chaired by Dominique Ferrero and its other members are Willy Stricker, Yves-Thibault de Silguy and François David. It met once in 2003.

2.3. The Remuneration Committee

This Committee has the following duties:

regarding remuneration:

– to make recommendations to the Chairman concerning the remuneration, pension and health and death benefit plans, benefits in kind and miscellaneous pecuniary rights, including any options granted to the Chairman, the Co-Chief Operating Officers and main executives of the Group to subscribe to or purchase the Company's shares;
– to propose to the Board an aggregate amount of Directors' fees and the manner of their allocation;

regarding appointments:

– to examine all proposed appointments to Directorships and to provide the Board with an opinion, a recommendation or both;
– to prepare recommendations at the appropriate time regarding succession to the posts of Chairman of the Board, Chief Executive Officer and Co-Chief Operating Officers.

The Committee is chaired by Serge Michel and its other members are Patrick Faure and Alain Minc. It met twice in 2003.

C - Internal control procedures

1. Principles governing conduct and behaviour

The businesses in which VINCI operates require its teams to be geographically close to customers in order to provide them promptly with solutions suited to their needs. In order to facilitate this high degree of responsiveness, each of the four business lines (Construction, Roads, Energy and Concessions) has a decentralised organisation to enable each profit centre manager to take the required operational decisions rapidly.
This organisation entails delegation of authority and responsibility to operational staff at all levels of the Group.

This responsibility is carried out in compliance with the following principles of conduct and behaviour to which VINCI has resolved to make a strong commitment:

– rigorous compliance with the rules common to the whole Group, in particular in respect of delegation (see paragraph 3.3), acceptance of business (see paragraph 4.1) and financial and accounting information (see paragraph 4.2). These common rules, which take account of the high degree of decentralisation and the strong autonomy of operational managers – deliberately restricted in number, given the range of the Group's activities – must be strictly applied by the staff concerned;
– transparency and loyalty of staff towards their line management superiors and towards functional departments. In particular, all managers must inform their superiors of any difficulties encountered in the performance of their duties (e.g.: with respect to carrying out work on sites, relations with customers and government departments, internal relationships, etc). An integral part of operational managers' duties is to take decisions alone on matters falling within their area of competence but to handle these difficulties with the assistance, if necessary, of their line management superiors or the VINCI functional departments;
– compliance with the laws and regulations in force in the countries where the Group operates;
– responsibility of operational executive managers to communicate these principles by appropriate means (orally, in writing or both) and to set an example. This responsibility cannot be delegated to functional departments.
– safety of personnel;
– a culture of financial performance.

Operational managers, at all levels including the highest, regularly carry out visits in the field in order, in particular, to satisfy themselves that these principles are applied effectively.

2. The objectives of internal control

2.1. Definition

The Group has adopted the definition given by the "Committee of Sponsoring Organisations" (COSO), which is the most commonly accepted definition internationally:
"Internal control is a process, effected by an entity's board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

– effectiveness and efficiency of operations;
– reliability of financial reporting;
– compliance with applicable laws and regulations."

2.2. Limits of internal control

One of the objectives of internal control is the prevention and control of risks arising from an enterprise's activities and the risks of error and fraud, in particular in the areas of accounting and finance.
Like any control system, internal control – however well designed and implemented – cannot provide an absolute guarantee that these risks have been completely eliminated.

3. General organisation and environment of internal control

3.1. The Board of Directors and the Audit Committee

The VINCI Board of Directors represents all the shareholders collectively and is obliged to act in all circumstances in the enterprise's corporate interest. It considers all major matters affecting the Group's business, in particular its major strategic choices.
The Board of Directors has delegated the following duties to the Audit Committee regarding internal control and risks:
– the assessment of the Group's internal control systems, with the managers of the internal audit function;
– the examination, with the same people, of the internal audit work programmes and actions, the conclusions and recommendations arising, and the actions taken as a result;
– the regular review of the main financial risks faced by the Group.

3.2. The Executive Committee

The Executive Committee, comprising the Chairman, the Co-Chief Operating Officers, the Chairmen of the Concessions, Construction, Energy and Roads business lines, the Chief Financial Officer and the Vice-President, Corporate Communication, HR and Synergies of VINCI, decides on the Group's strategy and its policies on acquisitions and on risk taking.

3.3. Directives

The Chairmen of the companies heading business lines (VINCI Concessions, VINCI Construction, VINCI Energies and Eurovia) exercise the powers given to them by law. Under the Group's internal organisation, they are also required to comply with the directives issued by VINCI's Chairman.
These directives apply to the following areas:
– taking new business, replies to tenders and offers of services and for projects, studies, service provision, concessions and project organisation;
– real estate investments;
– financial investments and divestments;
– employment matters;
– financial and banking relations, tax, insurance;
– guarantees, collateral and security:
– external and internal communication;
– major risks.
These directives define the thresholds above which authorisation has to be obtained or prior information submitted to the Chairman and CEO or certain VINCI functional departments or both.

3.4. Internal audit

There has been an internal audit department at holding company level since the merger of VINCI and GTM. The Chief Audit Officer's role is currently to organise meetings of the VINCI Risk Committee and to undertake specific assignments requested either by General Management or the Group's Financial Management or both, or by the Management of the various business lines. The Chief Audit Officer uses the staff business of lines' internal audit departments, where these exist, personnel seconded for this purpose by the operational department concerned or personnel from certain of the holding company's functional departments.

3.5. The role of the holding company in relation to the business lines

The Group's strongly decentralised structure means that the holding company has a deliberately small staff, of some 130 people. The main task of the various functional departments is to ensure that the Group's rules and General Management's decisions are applied. Secondarily, and depending on needs expressed, these departments advise business lines on technical matters, without interfering in the taking of operational decisions, which remain the business lines' responsibility.

4. The main internal control procedures

The main procedures below are common to all companies in the Group. There are also specific procedures within each business line, in particular for the monitoring of projects and forecasting of results, especially in connection with contracts spanning several years.

4.1. Procedures for authorisation of new business: the Risk Committee

Strict procedures for taking on new business are applied. All replies to tenders must be approved on the basis of pre-established thresholds set out in directives given to operational management by the Group Chairman, the General Management of each business line or the VINCI Risk Committee.
The VINCI Risk Committee has to assess:
– the terms and conditions of submitting offers and in particular the related technical, legal and financial commitments;
– all transactions relating to project organisation, property development, concessions or related activities, including the associated financing.

This procedure covers all public or private-sector business, whatever the manner in which the enterprise is contacted (e.g.: directly or through a traditional invitation to tender, project organisation or concession), both in France and foreign countries.
It applies to all projects of an amount exceeding a threshold set in business line Managements' Directives; this amount relates to the operation as a whole, taking all lots together, whatever the share obtained by Group entities.
Other thresholds, lower than those necessitating consideration by the Committee, trigger submission of prior information to VINCI General Management by way of an alert sheet. Lastly, under the system of delegation and sub-delegation of authority and responsibility put in place, other thresholds trigger a requirement for a formal agreement from the business line's General Management, under the procedure specific to each business line. The Committee's objective is to examine business which, particularly because of its size, financial structure, location or specific nature, may be considered as bearing a special risk; other factors may be adopted as criteria for examination, in particular regarding tenders that include a large technical risk.
Submission to the Risk Committee constitutes formalisation of the

commitment made by the manager of the entity concerned as to the expected level of profit on the project presented.
The Committee is composed of the Chairman, the Co-Chief Operating Officer, the Chief Financial Officer, the Chief Audit Officer, the Manager of the business line concerned and representatives from the operational staff (the general manager, project manager, engineer, etc.) and functional departments (legal, insurance, finance, etc.) of the company presenting the project.
Submission to the Risk Committee is obligatory whenever the thresholds determined on the basis of the business line and the nature of the business are exceeded.

4.2. Internal control with respect to financial and accounting information

The Budget and Consolidation Department, part of the Finance Department, has a special responsibility with respect to the reliability of the financial information distributed inside and outside the Group. In particular the Department is in charge of:

– preparing and agreeing the Group's half-year and annual financial statements and forecasts (consolidation of budgets, budget updates and three year forecasts applying the same procedures as for the preparation of the consolidated financial statements);
– establishing and monitoring the Group's accounting policies and procedures, with the objective of transition to the IFRSs for 2005;
– co-ordination of the "Vision" Group information system, which incorporates the consolidation process and which is used to unify the various VINCI reporting systems (accounting and financial information, human resources information, monthly monitoring of commercial data, and monthly monitoring of borrowing).

The budget procedure is common to all Group business lines and their subsidiaries. It is built around five key dates in the year: the budget for the next year in November followed by four updates in March, May, September and November. For each budget update, management committees are formed to examine the position of each business line and its forecast results, in the presence of the Group Chairman.

The monthly report on business on a consolidated basis, new orders taken, the Group's order book and the cash situation is prepared by the Finance Department at the end of every month for the previous month, on the basis of detailed information provided by the business lines. Key data and events as reported by business line management are included in a monthly information letter.

Annual and half-year accounts closures.
The Budget and Consolidation Department lays down a timetable and instructions for the preparation of the accounts. These instructions, sent to the business line Finance Departments, are presented to the staff in charge of consolidating sub-groups at a meeting held before the closure date.
Each business line prepares its consolidation pack using the "Vision" information system. The line items in the consolidation pack are defined by the Budget and Consolidation Department. Accounting rules and methods are also laid down in the form of procedures. Provisions for liabilities and charges, deferred tax and off balance sheet commitments are the subject of specific monitoring.
Business lines submit a dossier with analysis and comments on the consolidated data to the Budget and Consolidation Department.
The Statutory Auditors present their observations to the Audit Committee at meetings held to examine the half-year and annual accounts before they are presented to the Board of Directors. The Statutory Auditors also report to the Audit Committee on their work at holding company level and within the main sub-groups, on completion of their work on the half-year and annual accounts.
Before signing their reports, the Statutory Auditors request letters of representation from Group management and business line management. In these declarations, Group management and business line managements confirm that they consider that the effects of any irregularities noted by the Statutory Auditors but not corrected are not, either individually or in aggregate, material with regard to the financial statements taken as a whole.
The Group Finance Department presents the accounting treatment it intends using for any complex transactions to the Statutory Auditors in order to receive their prior opinion.

Business lines have management accounting systems tailored to their own business. Specific budgetary control tools have been installed in the Construction, Roads and Energy business lines and allow regular monitoring of the progress of projects.

5. Action plan to strengthen internal control

5.1. Launch of the project

VINCI has initiated an active approach by launching an action plan intended to enhance the quality of an internal control system which is tailored to the management system in force in the Group, which combines an entrepreneurial culture, the autonomy of operational staff, transparency and loyalty, and network-based operations.

At the initiative of the Chairman of VINCI, the Co-Chief Operating Officer has asked the Chief Financial Officer to set up a team dedicated to implementation of this project. A Steering Committee has therefore been formed comprising the Chief Financial Officer, the Chief Legal Officer, the Head of the Budget and Consolidation Department, the Chief Audit Officer and the Financial Officers of the Group's main entities.

This project comprises several steps of which the first, now completed, covered the work described below. The initial task is to identify the main risks and the associated controls for the main entities and processes. In a second stage, the quality of the internal control will be assessed.

5.2. Work carried out

Having determined the main entities where initial identification should be made of the main processes, risks and associated controls (namely the lead companies of business lines and their main subsidiaries), the following work was carried out:

Understanding of the internal control: The objective was to obtain an initial view of the Group's internal control arrangements. Self-assessment questionnaires on the internal control environment were prepared by the Steering Committee, reviewed by the Executive Committee, and sent to the Chairmen of the business lines and the main entities. The answers to these questionnaires were analysed and a list was drawn up of the main procedures in existence;

Listing of the risks and associated controls : The objective of this phase was, starting from the conclusions drawn from the self-assessment questionnaires and interviews with the VINCI General Management, the Management of the main business lines and the VINCI functional managers, to list the risks and controls at Group level and by business line (Construction, Roads, Energy and Concessions). The main risks inherent in the Group's activities are analysed in the "Risk Management" section of the annual report;

Determination of the entities and processes where internal control should be assessed.

The method for designating the entities and processes where internal control should be assessed has been decided by the Steering Committee. The Finance Departments of the business lines, in liaison with the Group Finance Department, will undertake the studies needed to determine the list of entities and processes concerned in order for an assessment to be made of the quality of the various lines' internal control.

5.3. Matters considered

In recent years, VINCI has grown significantly in foreign countries in its various fields of business. The Group's declared aim of increasing and developing its international network, in particular in Europe, requires that the principles of conduct and behaviour, and VINCI's rules, are distributed effectively to newly acquired companies. The Group's international development must be accompanied by the upholding of the same level of demands for quality regarding its principles and operating rules.

The Group intends maintaining light command structures at both holding company and business line level, while ensuring that VINCI's principles of conduct, which are grounded in the autonomy of operational entities, are distributed and complied with throughout the Group, in particular to:

– ensure the correct application of the Group's rules and procedures;
– monitor changes in regulatory requirements;
– maintain effective management of the main risks;
– guarantee the quality of financial information.

Consolidated financial statements

The last three years

in millions of euros	2003	2002	2001 pro forma*
Consolidated net sales	**18,110.8**	**17,553.8**	**17,172.4**
Of which net sales outside France	7,111.9	7,236.2	6,570.5
% of net sales	*39.3%*	*41.2%*	*38.3%*
Gross operating surplus	1,777.9	1,664.0	1,536.4
% of net sales	*9.8%*	*9.5%*	*8.9%*
Operating income	1,166.0	1,067.3	979.8
% of net sales	*6.4%*	*6.1%*	*5.7%*
Operating income after net financial income /(expense)	**1,042.0**	**875.1**	**850.1**
Net income	**541.4**	**477.8**	**453.5**
Earnings per share (undiluted) (in euros)	6.49	5.62	5.65
Dividend per share, excluding tax credit (in euros)	2.36**	1.80	1.70
Shareholders' equity	2,936.9	2,597.4	2,372.7
Provisions for liabilities	1,619.4	1,627.9	1,662.2
Net financial (debt)/surplus (excluding treasury stock)	(2,447.5)	(2,680.6)	(2,427.9)
Net financial (debt)/surplus (including treasury stock)	(2,265.8)	(2,492.9)	(2,071.7)
Cash flow from operations	**1,376.7**	**1,219.2**	**1,075.7**
Net investments in operating assets	(429.4)	(454.6)	(472.8)
Investment in concessions	(525.8)	(406.8)	(636.9)
Net financial investments	(168.9)	(1,188.4)	(283.9)
Number of employees	**127,513**	**127,380**	**129,499**

** Data presented in compliance with note B3 "Method for preparing pro forma accounts".*
*** Subject to approval by the Shareholders Meeting.*

Consolidated statement of income

in millions of euros	Notes	2003	2002	2001 pro forma*	2001
Net sales	*1-2-3*	**18,110.8**	**17,553.8**	**17,172.4**	**17,172.4**
Other revenue		765.2	890.1	1,019.6	1,019.6
Operating income		**18,875.9**	**18,443.9**	**18,192.0**	**18,192.0**
Operating expense	*5*	(17,098.0)	(16,779.9)	(16,655.5)	(16,635.1)
Gross operating surplus	*2-3*	**1,777.9**	**1,664.0**	**1,536.4**	**1,556.9**
Amortisation, depreciation and provisions		(611.9)	(596.8)	(556.6)	(498.5)
Operating income	*2-3-5*	**1,166.0**	**1,067.3**	**979.8**	**1,058.4**
Financial income/(expense)		(72.9)	(152.9)	(125.6)	(125.6)
Depreciation and provisions		(51.1)	(39.2)	(4.1)	(82.7)
Net financial income/(expense)	*6*	**(124.0)**	**(192.1)**	**(129.7)**	**(208.3)**
Operating income after net financial income/(expense)		**1,042.0**	**875.1**	**850.1**	**850.1**
Exceptional items		(15.8)	(87.4)	(54.9)	(54.9)
Amortisation, depreciation and provisions		29.3	94.6	47.9	47.9
Net exceptionnal financial income/(expense)	*7*	**13.5**	**7.1**	**(6.9)**	**(6.9)**
Income tax	*8*	(234.0)	(223.1)	(182.2)	(182.2)
Amortisation of goodwill	*12*	(184.3)	(102.3)	(122.3)	(122.3)
Net income of consolidated entities		**637.3**	**556.8**	**538.6**	**538.6**
Share in net earnings of companies accounted for by the equity method	*16*	8.7	0.8	1.5	1.5
Minority interest	*23*	(104.5)	(79.8)	(86.6)	(86.6)
Net income		**541.4**	**477.8**	**453.5**	**453.5**
Earnings per share (in euros)	*9*	6.49	5.62	5.65	5.65
Diluted earnings per share (in euros)	*9*	5.93	5.21	5.39	5.39

** In accordance with the changes in presentation described in Note B3, the special concession amortisation expenses recognised by Cofiroute, previously shown in the income statement under financial expenses, have been shown since 1 January 2002 under operating depreciation expenses (€78.6 million in 2001). In addition, site installation costs, previously recorded as deferred expenses, have been accounted for as operating expenses since 1 January 2002 (€20.5 million in 2001).*

Consolidated balance sheet

Assets *in millions of euros*	Notes	2003	2002	2001 pro forma*	2001
Intangible assets other than goodwill	*11*	176.9	192.3	223.7	223.7
Goodwill	*12*	719.7	921.6	900.2	900.2
Concession fixed assets	*2-3-4-13*	5,023.6	4,706.4	4,421.8	5,484.9
Tangible assets	*2-3-4-14*	1,938.5	1,926.7	1,921.8	1,921.8
Financial assets					
Investments in subsidiaries and affiliates	*15*	*1,458.0*	*1,302.1*	*312.8*	*312.8*
Investments accounted for by the equity method	*16*	*101.3*	*107.3*	*135.4*	*135.4*
Other financial assets	*17*	*120.8*	*126.4*	*245.0*	*245.0*
		1,680.2	**1,535.8**	**693.2**	**693.2**
Deferred charges	*18*	48.3	51.4	53.7	74.5
Total fixed assets		**9,587.2**	**9,334.2**	**8,214.5**	**9,298.4**
Inventories and work in progress	*19*	473.7	423.7	405.1	405.1
Trade and other operating receivables	*19*	7,150.6	6,998.3	7,270.8	7,250.0
Financial receivables	*20-28*	283.5	262.3	296.4	296.4
Marketable securities	*21*	3,569.0	2,205.7	2,163.2	2,163.2
Cash	*28*	658.2	898.0	746.0	746.0
Total current assets		**12,135.0**	**10,788.0**	**10,881.6**	**10,860.8**
Deferred tax	*8*	121.2	159.5	143.5	143.5
Total assets		**21,843.4**	**20,281.6**	**19,239.6**	**20,302.7**

Equity and liabilities *in millions of euros*	Notes	2003	2002	2001 pro forma*	2001
Shareholders' equity					
Capital stock		*838.0*	*828.7*	*828.8*	*828.8*
Consolidated reserves		*1,644.0*	*1,322.2*	*1,041.8*	*1,041.8*
Currency translation reserves		*(86.4)*	*(31.2)*	*48.5*	*48.5*
Net income for the year		*541.4*	*477.8*	*453.5*	*453.5*
		2,936.9	**2,597.4**	**2,372.7**	**2,372.7**
Minority interest	*23*	551.3	511.9	511.4	511.4
Investment subsidies	*24*	512.2	472.5	425.5	425.5
Provisions for employee benefits	*25-26*	543.2	491.8	472.5	472.5
Provisions for liabilities	*2-3-27*	1,619.4	1,627.9	1,662.2	1,662.2
Special concession amortisation		—	—	—	1,063.1
Debt					
Subordinated debt, bonds and debentures		*4,781.7*	*4,126.6*	*2,942.3*	*2,942.3*
Other long-term debt		*1,390.6*	*1,134.2*	*1,060.4*	*1,060.4*
Short-term debt (less than 1 year)		*604.2*	*598.0*	*1,274.7*	*1,274.7*
	28	**6,776.5**	**5,858.8**	**5,277.4**	**5,277.4**
Other long-term liabilities		63.2	59.5	50.5	50.5
Trade and other operating payables	*19*	8,725.3	8,500.9	8,353.9	8,353.9
Deferred tax	*8*	115.5	160.9	113.7	113.7
Total equity and liabilities		**21,843.4**	**20,281.6**	**19,239.6**	**20,302.7**

** In accordance with the changes in presentation described in Note B3, the special concession amortisation recognised by Cofiroute,previously shown under liabilities, has been shown since 1 January 2002 as a deduction from the concession's fixed assets (€1,063.1 million at 31 December 2001). Site installation expenses (€20.8 million at 31 December 2001), previously shown as deferred expenses, have been included under other operating receivables since 1 January 2002.*

Consolidated cash flow statement

in millions of euros	Notes	2003	2002	2001 pro forma*	2001
Operating activities					
Gross operating surplus		1,777.9	1,664.0	1,536.4	1,556.9
Financial and exceptional transactions		(167.0)	(259.7)	(284.0)	(284.0)
Tax for the year		(234.2)	(185.1)	(176.7)	(176.7)
Cash flow from operations	*2-3-10*	**1,376.7**	**1,219.2**	**1,075.7**	**1,096.2**
Net investments in operating assets					
Investments in operating assets	*2-3*	(526.1)	(557.5)	(548.1)	(548.1)
Disposals of operating assets		96.7	102.9	75.3	75.3
		(429.4)	**(454.6)**	**(472.8)**	**(472.8)**
Cash flow from operations after net investments in operating assets	*2-3*	**947.3**	**764.6**	**602.9**	**623.4**
Change in working capital requirement	*2-3-19*	113.0	353.4	174.9	154.5
Free cash flow *before investment in concessions*	*2-3*	**1,060.3**	**1,117.9**	**777.8**	**777.8**
Investment in concessions *nets of subsidies*	*2-3*	**(525.8)**	**(406.8)**	**(636.9)**	**(636.9)**
Free cash flow *after investments in concessions* **(I)**		**534.5**	**711.1**	**141.0**	**141.0**
Net financial investments					
Acquisition of investments and securities	*2-3*	(222.2)	(1,218.4)	(418.8)	(418.8)
VINCI shares		(36.0)	(26.2)	(81.9)	(81.9)
Proceeds from the disposal of non operating securities and property		89.3	56.2	216.9	216.9
		(168.9)	**(1,188.4)**	**(283.9)**	**(283.9)**
Net change in other financial fixed assets		4.7	132.8	32.4	32.4
(II)		**(164.2)**	**(1,055.7)**	**(251.5)**	**(251.5)**
Financing activities					
VINCI stock issues		53.1	147.7	160.0	160.0
Reductions in VINCI capital stock		(34.8)	(195.5)	—	—
Minority interest in capital increases of subsidiaries		0.2	2.2	5.6	5.6
Dividends paid by VINCI		(142.0)	(131.3)	(119.5)	(119.5)
Dividends paid to minority interest in subsidiaries		(57.6)	(50.8)	(45.7)	(45.7)
Dividends received from companies accounted for by the equity method		4.0	4.9	5.0	5.0
Other long-term liabilities		5.2	(1.1)	10.0	10.0
(III)		**(171.9)**	**(223.8)**	**15.4**	**15.4**
Cash flows for the period (I + II + III)		**198.4**	**(568.4)**	**(95.1)**	**(95.1)**
Net financial (debt)/surplus at 1 January *(excluding treasury shares)*		**(2,680.6)**	**(2,427.9)**	**(2,129.7)**	**(2,129.7)**
Impact of exchange rates, scope of consolidation and other		34.8	315.6	(203.1)	(203.1)
Net financial (debt)/surplus at 31 December *(excluding treasury shares)*		**(2,447.5)**	**(2,680.6)**	**(2,427.9)**	**(2,427.9)**

** In accordance with the change in presentation described in Note B3, site installation expenses, previously shown under deferred expenses, have been included since 1 January 2002 in the gross operating surplus (€20.5 million in 2001).*

Changes in consolidated shareholders' equity

in millions of euros	Notes	Capital Stock	Reserves	Currency translation reserves	Net income	Total
At 31 December 2001		**828.8**	**1,041.8**	**48.5**	**453.5**	**2,372.7**
Reduction of capital through cancellation of shares		(30.8)	(164.6)	—	—	(195.5)
Capital increases		30.8	117.0	—	—	147.7
Allocation of net income and dividend payment		—	322.3	—	(453.5)	(131.3)
Restatements resulting from the application of the derogatory method		—	(11.1)	—	—	(11.1)
Change in method and miscellaneous		—	16.8	(4.8)	—	12.0
Currency differences		—	—	(74.9)	—	(74.9)
Net income for the year after minority interest		—	—	—	477.8	477.8
At 31 December 2002		**828.7**	**1,322.2**	**(31.2)**	**477.8**	**2,597.4**
Reduction of capital through cancellation of shares	*22*	(4.2)	(22.7)	—	—	(26.9)
Capital increases	*22*	13.4	39.7	—	—	53.1
Treasury stock taken as a reduction of shareholders' equity	*21*	—	(8.0)	—	—	(8.0)
Allocation of net income and dividend payment		—	335.8	—	(477.8)	(142.0)
Change in method	*22*	—	(23.0)	(0.5)	—	(23.6)
Currency differences		—	—	(54.7)	—	(54.7)
Net income for the year after minority interest		—	—	—	541.4	541.4
At 31 December 2003	***22***	**838.0**	**1,644.0**	**(86.4)**	**541.4**	**2,936.9**

In accordance with Article 215 of Regulation 99-02, the goodwill that would have been recognised on the takeover of GTM, following the share exchange offer and subsequent merger, corresponds to the difference between the capital increases (€2,172.8 million) and GTM's consolidated shareholders' equity on 1 July 2000 (€966.7 million).

Goodwill allocated to shareholders' equity in 1997 on the contribution by Générale des Eaux of GTIE to Santerne, represents an annual theoretical amortisation of €5.2 million.

Notes to the consolidated financial statements

A. Key events

Further acquisition of ASF shares

When Autoroutes du Sud de la France (ASF) was first listed on the stock market in April 2002, VINCI acquired 39.1 million shares, representing 16.9 % of the capital stock of ASF. This shareholding was transferred to VINCI Concessions in December 2002. In 2003, VINCI Concessions acquired a further 7.1 million shares, taking its shareholding to 46.2 million shares, representing 20.0% of ASF's capital stock. The Group's total investment in this company amounts to €1,229 million (€26.60 per share), and is shown under "Investments in subsidiaries and affiliates".

Reorganisation of legal structure

■ VINCI Concessions

The reorganisation of the Concessions business line that was started at the end of 2002 continued with the contribution in February 2003 by VINCI to VINCI Concessions of its holdings in Cofiroute, VINCI Park, VINCI Infrastructures and VINCI Airports.
In consideration for these contributions, VINCI Concessions issued 236,203,700 new shares allocated to VINCI, representing a total, share premiums included, of €3,620.9 million. The amount of this issue was set on the basis of the actual value of the shares contributed, except for the shares in VINCI Park, which were contributed for their net book value in VINCI.

■ VINCI Energies

In the first half of 2003, VINCI Energies undertook a legal restructuring intended to bring its French activities closer to their markets. Now that this has been completed, the subsidiaries of VINCI Energies in France, which were previously grouped into five geographic areas, are grouped into fourteen areas.

Issues of bonds

On 7 May 2003, VINCI made a bond issue of €150 million, fungible with the initial €600 million bond issue made in July 2002, of which a first complementary tranche of €250 million was issued in November 2002. The total amount of this loan has thus been taken to €1 billion. The three tranches have a coupon rate of 5.875% and mature on 22 July 2009.
On 30 April 2003, Cofiroute made a bond issue of €600 million maturing on 30 April 2018. The issue price was 99.31% of par value and the interest rate is 5.25%.

B. Accounting policies and valuation methods

1. General principles

VINCI's consolidated financial statements are prepared in accordance with the consolidation rules introduced by Regulation 99-02 of the French Accounting Regulation Committee (the CRC).

Application of new CRC regulations

The French Accounting Regulation Committee (CRC) adopted Regulation 2002-10 on amortisation, depreciation and impairment of assets. This new Regulation will be applicable for financial years commencing on or after 1 January 2005 but earlier adoption is permitted, for financial years commencing on or after 1 January 2002. VINCI has not elected for early adoption of this new Regulation in its financial statements at 31 December 2003 as its impact is still being assessed.

2. Change of method: long-service bonuses

In accordance with CNC Recommendation 2003-R.01 of 1 April 2003 and COB Recommendation of 28 October 2003 relating to preparation of the 2003 financial statements, VINCI has recognised a provision for its commitments in respect of long-service bonuses in its 2003 financial statements. The net effect after tax of this change in method has been recognised against shareholders' equity in the opening balance sheet for €23.6 million.

3. Consolidation methods

Consolidation scope

Companies over which VINCI exercises majority control are fully consolidated. Those in which VINCI's interest represents less than 50%, but over which it exercises management control in substance, are also fully consolidated. Those over which VINCI exercises significant influence are accounted for using the equity method. Proportionate consolidation is used for jointly controlled entities, regardless of the percentage of ownership. This applies in particular to the Consortium Stade de France, in which VINCI has a 66.67% holding.

The consolidated financial statements include the financial statements of all companies with net sales greater than €2 million, and those of subsidiaries whose net sales are below this figure but whose impact on VINCI's financial statements is material. In accordance with standard practice in the sector, coating stations, generally jointly owned with other major road construction companies, are not consolidated.

Joint ventures created for specific construction projects, and which manage over €45 million in net sales (on a 100% basis), are consolidated proportionately.

Other joint ventures are consolidated according to a semi-proportionate method that involves recording only VINCI's share of net sales and expenses in the income statement, but the full current accounts of associates in the balance sheet.

At 31 December 2003, VINCI's scope of consolidation included 1,564 companies (compared with 1,468 a year earlier). The breakdown by method of consolidation is as follows:

	31/12/2003			31/12/2002		
	Total	France	Foreign	**Total**	France	Foreign
Full consolidation	**1,239**	832	407	**1,179**	787	392
Proportionate consolidation	**287**	137	150	**261**	117	144
Equity method	**38**	14	24	**28**	14	14
	1,564	**983**	**581**	**1,468**	**918**	**550**

The main companies consolidated for the first time in 2003 are Gestipark in Canada, in the VINCI Park division, and Spark Iberica in Spain, in the VINCI Energies division.
The other changes in scope of consolidation result in particular from the reorganisation of the legal structure of VINCI Energies in France (cf. Note A. Key events).

Translation of the financial statements of foreign subsidiaries

The financial statements of consolidated foreign companies are translated at year-end exchange rates for the balance sheet and at average exchange rates for the statement of income.
Gains or losses arising from foreign currency translation are recorded in consolidated reserves. The foreign currency translation gains or losses of companies in euro zone countries have been retained in consolidated shareholders' equity in accordance with applicable rules. When the decline in value of a given currency is considered irreversible, the impact of the devaluation is recorded in the statement of income.

Method for preparing pro forma accounts

To ensure comparison between the financial statements, pro forma financial statements have been prepared for 2002 and 2001. These take account of:

- the effect on segmental information of the changes made in 2003 in the definition of the geographical areas on the one hand and the internal reorganisation effected at 1 January 2002 made between the various business lines on the other;
- the effect of changes in presentation, made in 2002, on the accounting treatment of special concession amortisation and site installation expenses.

These changes in presentation have no impact on the Group's net income or shareholders' equity.

4. Valuation rules and principles

Intangible fixed assets

Intangible fixed assets consist mainly of commercial goodwill and software. Commercial goodwill is recorded at acquisition cost and amortised according to the best estimates of useful life, between 10 and 20 years. Software is depreciated over its useful life. In some cases, the acquisition of companies can result in the recognition of non-amortisable intangible assets, such as market share, when these assets can be valued separately and when it is possible to monitor their value over time. Purchased intangible fixed assets are recorded in the balance sheet at acquisition cost.

Goodwill

Goodwill represents the difference, recorded at the date a company is first consolidated, between the cost of acquiring the shares in that company and the fair value, on the date of acquisition, of the assets and liabilities acquired.
Goodwill is recognised under assets in the balance sheet under "Goodwill" and amortised over a period not exceeding 20 years, with the following exceptions:

- goodwill arising on the acquisition of quarry operating companies is amortised over the expected operating life of the quarry, with a maximum of 40 years;
- goodwill arising on the acquisition of companies that operate parking facilities is amortised over the average remaining period of the relevant contracts.

The fair value of goodwill is reviewed whenever events or circumstances occur that are likely to impair its value. Such events or circumstances include significant unfavourable changes of a lasting nature that affect the economic environment or the assumptions and objectives taken into account at the time of the acquisition. The need to record an impairment is assessed with reference to fair value, based on future discounted cash flows calculated according to reasonable, documented assumptions, representing management's best estimate of prevailing economic conditions throughout the asset's useful life.
Whenever an asset's value is impaired, the difference between book value and fair value is recorded in the income statement.

Concession fixed assets

Infrastructure operated through public service delegation or concession contracts is included under a specific heading under balance sheet assets. It is depreciated from the date of entry into service until the contract expires. Depreciation is calculated on the basis of the cost of works less any investment grants and less any compensation to be received when the asset is returned to the body awarding the concession contract. Financial costs incurred during the construction period are included in the cost of works until the infrastructure is put into service.
The depreciation method employed depends on the specific characteristics of each individual concession and on how close to completion it is; depreciation is usually on a straight-line basis for concessions that have reached maturity, but the diminishing balance method can be used in the early period.

Whenever the useful life of the asset exceeds the duration of the concession, special concession amortisation is recorded over a shorter period. Since 1 January 2002, the special concession amortisation charges have been recognised in full under operating expenses.
At 1 January 2003, Cofiroute changed its method of calculating special concession amortisation in order to adopt the methods used by other concession operating companies in the sector. The positive impact of this change on the consolidated operating income for 2003 amounts to €10.1 million.

Capitalized financial expenses

Capitalized financial expenses are borrowing costs capitalised during the period of construction of an asset. They are deducted from financial expenses and are included in the cost of construction until the date of entry into service and capitalised in the balance sheet. Borrowing costs included in the cost of assets are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred on that borrowing during the period less any investment income arising from the temporary investment of those borrowings;
- to the extent that funds are borrowed generally and used for the purpose of constructing several assets, the amount of borrowing costs eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditures incurred during the construction phase. This capitalisation rate is the weighted average of the enterprise's borrowing cost during the period, excluding the costs of any borrowing contracted specifically in connection with the construction of a specific asset;
- the amount of borrowing costs capitalised in this way during a period may not exceed the total amount of borrowing costs incurred during the period.

As from 1 January 2003, Cofiroute has changed its method of calculating capitalized financial expenses relating to assets under construction in order to adopt the above rules. The positive impact of this change on the consolidated financial expense for 2003 amounts to €24.1 million.

Tangible fixed assets

Land, buildings and plant and equipment are generally valued at their acquisition or production cost. For investment property, borrowing costs associated with the construction period are capitalised.

Depreciation is generally calculated on a straight line basis; the declining balance method may however be used when it appears more appropriate to the conditions under which the asset is used:

Buildings	15 to 40 years
Plant and equipment	2 to 10 years
Vehicles	3 to 5 years
Fixtures and fittings	8 to 10 years
Office equipment and furniture	3 to 10 years

Impairment of fixed assets (excluding goodwill)

Tangible and intangible fixed assets (excluding goodwill) are written down whenever it appears likely that their fair value has been permanently reduced to less than book value as a result of unfavourable events or circumstances during the year.
Fair value is based on the asset's estimated future discounted cash flow based on economic assumptions and management's projections of operating conditions, or on the cost of replacement less wear and tear, or on the market price of comparable goods in recent transactions, if any.
Whenever an asset's value is impaired, the difference between book value and fair value is recorded in the income statement.

Capital leases and operating leases

Fixed assets financed through leasing arrangements are recorded as capital expenditure whenever the terms of the contract are those of a capital lease. A capital lease is an arrangement under which the lessor conveys to the lessee in return for payment or a series of payments the right to use an asset for an agreed period of time, and under which the lessor transfers substantially all risks and rewards incident to ownership of the asset to the lessee.
Such fixed assets are included in assets at their historical cost and depreciated over the same periods as assets owned outright by or made fully available to the company.

Leases that do not meet the definition of a capital lease are recognised as operating leases and only the rental payments are accounted for as expenses. (See Note 32.2 for information concerning the obligations and commitments relating to these contracts.)

Investments in operating assets

Investments in operating assets comprise all investments in intangible and tangible assets other than those in concessions.

Financial fixed assets

Shares in non-consolidated companies and other financial fixed assets are recorded in the balance sheet at net acquisition cost less any provision for impairment when applicable.
A provision is made against shares in non-consolidated companies whenever their fair value falls below book value.
Fair value is determined on the basis of the proportion of capital stock held, adjusted if necessary to take into account the market value of the shares, their strategic importance for VINCI and the growth and earnings prospects of the company concerned.

Inventories and work in progress

Inventories and work in progress is valued at the lower of cost and net realisable value.

Trade and other operating receivables

Accounts receivable and other operating receivables are valued at nominal value less provisions, taking account of the probability of recovery.

Marketable securities

Marketable securities are recorded at acquisition cost and valued at the lower of book value and market value.

Share subscription and purchase options

Share subscription options granted to Group employees are not recognised at their grant date. Capital stock is increased by the number of shares subscribed to, at the date when beneficiaries exercise these options.
VINCI shares acquired for allocation to employees under share purchase plans are recorded under marketable securities using the same valuation and impairment methods as for other marketable securities.

Provisions for employee benefits

- **Provisions for retirement commitments**

Commitments for both lump-sum payments on retirement and supplementary pension benefits are measured using a prospective actuarial method (the projected unit credit method) and are covered by balance sheet provisions, for both current and retired employees.

Actuarial differences that exceed 10% of commitments or of the market value of investments are amortised over the average expected duration of the residual working life of employees covered by the pension provisions.

In the case of defined benefit plans, the actuarial expense recognised under operating expenses comprises the cost of services rendered during the period, the change in the present value of benefits, the expected return on plan assets, past service cost and the amortisation of any actuarial gains or losses.
However, commitments relating to lump-sum payments on retirement for manual construction workers are met by contributions to an outside insurance scheme and are recognised as an expense as and when contributions are payable.

- **Provisions for other employee benefits**

Provisions have been taken in respect of commitments for long-service bonuses since 1 January 2003 (see Note B.2 above). This provision is calculated on the basis of employees in service within the Group at the year end. It is measured using the projected unit credit method applied to all types of potential bonus.

Provisions for liabilities

Provisions for liabilities are those of which the maturity or amount cannot be accurately assessed. Provisions for liabilities are measured at the best estimate of the outflow of resources required to settle the obligation.

Provisions for after-sales service cover the statutory commitments of VINCI businesses in respect of completed projects, in particular under ten-year warranties in the construction sector. They are estimated statistically on the basis of observations of expenses for previous years or individually on the basis of identified defects.

Provisions for completion losses on contracts and construction project liabilities are made mainly when end-of-contract projections, based on the most likely estimated outcome, point to a loss, and when work needs to be carried out on completed projects under completion warranties.

Provisions for major repairs are calculated at the end of each year based on a work plan covering several years drawn up by the company's engineering services and revised annually to take account of changes in costs and corresponding spending plans.

Provisions for disputes mainly relate to disputes with customers, sub-contractors, joint contractors or suppliers, and to provisions for disputes taken to employment courts.

Provisions for other operating liabilities mainly comprise provisions for late delivery penalties, for individual dismissals and for other risks related to operations.

Restructuring provisions include the cost of plans and measures whenever these have been announced before the year end.

Provisions for other exceptional liabilities are intended to cover liabilities of a non-recurring nature.

Bond issue costs and redemption premiums

Bond issue costs and redemption premiums are amortised on a straight-line basis over the life of the issue.

Oceane bond redemption premiums

A provision is taken to cover the redemption premiums on Oceane bond issues at the end of the year, in proportion to the number of years remaining to maturity, whenever the VINCI share price falls below the bond's redemption value.

Translation of foreign currency items

Consolidated balance sheet items denominated in foreign currencies are translated at year-end exchange rates or at the hedged rate, if any. Any resulting unrealised foreign currency translation gains or losses are recorded in financial income or expense of the year in which they occur.

Interest and exchange rate hedging instruments

VINCI uses derivative financial instruments in connection with the management of exchange rate risks on commercial transactions and of interest rate risks on borrowing. These financial instruments include forward purchases and sales of foreign currencies, currency swaps, purchases of foreign exchange options, interest rate swaps, caps and floors.

Whenever exchange or interest rate transactions are carried out for hedging purposes, gains and losses on hedging contracts are recognised symmetrically to gains and losses arising on the hedged transactions.

Otherwise, when the market value of the derivative is lower than its initial value, the unrealised capital loss is recorded as a provision for a liability or as a provision for impairment or both.

Net sales

Consolidated net sales is the total revenue from work, goods and services provided by the companies consolidated, in their main line of business, including work carried out by the Group on behalf of concession awarding bodies on concession infrastructure recorded in VINCI's balance sheet.

The total includes the net sales, after elimination of intercompany transactions, of:

- fully consolidated companies;
- jointly controlled companies, which are consolidated proportionately, on the basis of VINCI's share in the company; and
- joint venture companies, based on VINCI's share in the company.

In the concessions sector, net sales comprises tolls for the use of motorways and infrastructures operated under concessions, sales booked by car parks and airport service concessions, and ancillary income such as fees for the use of commercial installations, rental of optical fibre telecommunication networks, and advertising space.

Other operating revenue

Other operating revenue comprises:

- services provided to joint venture entities;
- miscellaneous fees and income collected on behalf of third parties;
- rental income from property, and from plant and equipment.

Long-term contracts

VINCI recognises income from long-term contracts using the percentage of completion method, in accordance with CRC Opinion 99-08 of the French Accounting Regulation Committee.

For construction projects in which VINCI's share is less than €10 million, it is considered that the net income recognised is in line with that determined on a percentage of completion basis, other than in exceptional cases.

If the estimate of the ultimate out-turn of a contract indicates a loss, a provision is made for the loss on completion based on the most probable estimates of income, including, where applicable, rights to additional revenue or claims, based on a reasonable assessment.

Operating income after net financial income/(expense)

This comprises the profit or loss from operations of VINCI entities, the cost of financing those activities, and the costs related to incentive schemes and statutory employee profit-sharing.

It does not include items of a non-recurring nature nor those not directly related to operations, such as the costs and provisions associated with the disposal of non-operating assets, the costs of closing companies or industrial sites, restructuring costs, and debt forgiveness of a financial nature.

Deferred taxes

Deferred taxes are recorded on all temporary differences between the value of consolidated assets and liabilities for tax and accounting purposes, and are calculated by the liability method. The impact of changes in the tax rate is recorded in net income for the year in which the change is decided.

Deferred tax assets resulting from these temporary differences, tax losses and carryforward tax credits are recognised only if they are likely to be recovered in the future.
This likelihood is assessed at the year end, based on the projected earnings of the tax entities in question.

In accordance with the rules in force, no deferred tax is recognised on the elimination of intragroup disposal gains or losses or on provisions recognised within the Group in respect of shares in consolidated subsidiaries.

Earnings per share

Earnings per share corresponds to net income after minority interest, divided by the average number of shares outstanding during the year.

Diluted earnings per share is calculated on the basis of the average number of shares outstanding, adjusted for financial instruments, such as convertible bonds or share subscription options, issued by VINCI and that could increase the number of shares outstanding.

C. Information by business line

Information relating to 2002 and 2001 in the tables below is based on pro forma data drawn up according to the principles described in Note B.3, "Method for preparing pro forma accounts". The tables below present financial information by business line and by geographical area.

- Concessions and services: management under concessions, tenancy agreements or service provision agreements of motorways and major infrastructures such as bridges and tunnels, car parks, and airports, and provision of airport support services.
- Energy: electrical works and engineering, information and communication technology, climate engineering, insulation.
- Roads: building of new roads, road maintenance, production of road-building materials, environmental work, demolition, and recycling.
- Construction: design and construction in the building, civil engineering, and hydraulic sectors, and multi-technical maintenance.

Information by business line is based on the same accounting methods as those used in preparing aggregate financial statements.

1. Net sales

1.1. Breakdown of net sales by business line

			Change 2003/2002			
in millions of euros	2003	2002	actual	like-for-like*	Constant exchange rate	Pro forma 2001
Concessions and services	1,895.0	1,850.7	2.4%	3.0%	6.4%	1,462.1
Energy	3,115.0	3,043.9	2.3%	0.6%	2.6%	2,851.9
Roads	5,338.0	5,209.2	2.5%	4.6%	5.1%	5,498.4
Construction	7,715.6	7,350.2	5.0%	6.6%	7.5%	7,198.5
Property & eliminations	47.2	99.8	—	—	—	161.5
	18,110.8	**17,553.8**	**3.2%**	**4.3%**	**5.5%**	**17,172.4**

* *At constant consolidation scope and exchange rates.*

The above data includes each business line's total activities, before elimination of transactions with other business lines.

1.2. Breakdown of net sales by geographical area

1.2.1. Breakdown of net sales by recipient country

in millions of euros	2003	%	Pro forma 2002	%	Pro forma 2001	%
France	**10,998.9**	**61%**	**10,317.6**	**59%**	**10,601.9**	**62%**
Germany	1,457.3	8%	1,506.7	9%	1,475.8	9%
UK	1,447.9	8%	1,404.3	8%	1,116.6	7%
Benelux	803.0	4%	820,6	5%	744.5	4%
Spain	336.0	2%	327.4	2%	193.3	1%
Other European Union*	1,162.2	6%	1,034.1	6%	1,149.8	7%
Other European countries	154.7	1%	177.6	1%		
Europe excluding France**	**5,361.1**	**29%**	**5 270,7**	**30%**	**4 680,0**	**27%**
North America	934.7	5%	1,005.5	6%	834.5	5%
Rest of the world	816.1	5%	960.0	5%	1,056.0	6%
Total	**18,110.8**	**100%**	**17,553.8**	**100%**	**17,172.4**	**100%**

** Of which countries joining in 2004: €912 million in 2003, €796 million in 2002 and €733 million in 2001.*
***Includes the euro zone for €2,768 million in 2003, €2,807 million in 2002 and €2,542 million in 2001.*

Net sales made outside of France amounted to €7.1 billion. In 2003, these suffered the unfavourable effects of exchange rates (mainly in respect to sterling and the US dollar), which resulted in a loss of net sales of €379 million, the equivalent of 2% growth.

1.2.2. Breakdown of net sales by country of origination

in millions of euros	2003	%	Pro forma 2002	%	Pro forma 2001	%
France	**11,192.3**	**62%**	**10,636,1**	**61%**	**11,073.1**	**64%**
Germany	1,459.7	8%	1,505.2	9%	1,531.4	9%
UK	1,463.3	8%	1,368.5	8%	1,117.5	7%
Benelux	1,022.7	6%	1,048.0	6%	1,077.3	6%
Spain	312.1	2%	270.1	2%	185.0	1%
Other European Union*	1,188.2	7%	1,045.8	6%	848.0	5%
Other European countries	85.3	0%	101.4	0%		
Europe excluding France**	**5,531.2**	**30%**	**5,339.0**	**30%**	**4,759.2**	**28%**
North America	907.1	5%	1,075.8	6%	847.2	5%
Rest of the world	480.2	3%	502.9	3%	493.0	3%
Total	**18,110.8**	**100%**	**17,553.8**	**100%**	**17,172.4**	**100%**

** Of which countries joining in 2004: €869 million in 2003, €729 million in 2002 and €658 million in 2001.*
*** Includes the euro zone for €3,038 million in 2003, €3,060 million in 2002 and €2,822 million in 2001.*

2. Other information by business line

in millions of euros	Concessions and services	Energy	Roads	Construction	Property, holding co. & eliminations	Total
2003						
Statement of income						
Net sales	1,895.0	3,115.0	5,338.0	7,715.6	47.2	18,110.8
Gross operating surplus	782.5	195.7	363.7	449.1	(13.0)	1,777.9
as a percentage of net sales	*41.3%*	*6.3%*	*6.8%*	*5.8%*	*n/s*	*9.8%*
Operating income	599.8	129.2	200.8	221.9	14.2	1,166.0
as a percentage of net sales	*31.7%*	*4.1%*	*3.8%*	*2.9%*	*n/s*	*6.4%*
Net income	163.9	53.3	125.5	177.5	21.2	541.4
as a percentage of net sales	*8.7%*	*1.7%*	*2.4%*	*2.3%*	*n/s*	*3.0%*
Cash flow statement						
Cash flow from operations	536.1	137.4	268.7	333.4	101.1	1,376.7
Investments						
Operating	*77.5*	*71.5*	*144.9*	*210.6*	*21.5*	*526.1*
Concession	*522.0*	*—*	*—*	*3.8*	*—*	*525.8*
Financial	*204.5*	*2.5*	*4.7*	*9.8*	*0.8*	*222.2*
Cash flow from operations after net investments in operating assets (a)	471.3	86.2	158.2	147.7	84.1	947.3
Change in working capital requirement (b)	69.2	(102.0)	183.9	10.7	(48.9)	113.0
Free cash flow before concession investments (a-b)	540.4	(15.9)	342.1	158.4	35.2	1,060.3
Balance sheet						
Concession fixed assets	5,017.3	—	0.4	5.9	—	5,023.6
Net tangible fixed assets	299.7	236.4	599.7	730.9	71.8	1,938.5
Provisions for liabilities	136.9	191.7	271.2	775.7	243.9	1,619.4
Operating	*79.1*	*156.4*	*223.8*	*647.8*	*39.8*	*1,147.0*
Financial	*10.0*	*0.1*	*0.7*	*6.8*	*78.2*	*95.7*
Exceptional	*47.8*	*35.3*	*46.7*	*121.1*	*125.9*	*376.7*
Working capital requirement	(137.5)	(184.7)	(168.9)	(616.0)	6.1	(1,101.0)
Capital employed less investment subsidies received	6,764.6	171.6	566.9	(174.6)	268.0	7,596.5
Net debt (excluding treasury stock)	(3,233.4)	359.6	476.5	1,136.3	(1,186.4)	(2,447.5)
Employees	**21,873**	**25,933**	**35,072**	**44,207**	**428**	**127,513**

in millions of euros	**Concessions and services**	**Energy**	**Roads**	**Construction**	**Property, holding co & eliminations**	**Total**
2002						
Statement of income						
Net sales	1,850.7	3,043.9	5,209.2	7,350.2	99.8	17,553.8
Gross operating surplus	776.9	174.8	321.9	394.8	(4.4)	1,664.0
as a percentage of net sales	*42.0%*	*5.7%*	*6.2%*	*5.4%*	*n/s*	*9.5%*
Operating income	566.6	117.8	165.7	212.3	4.9	1,067.3
as a percentage of net sales	*30.6%*	*3.9%*	*3.2%*	*2.9%*	*n/s*	*6.1%*
Net income	169.9	75.1	96.3	150.4	(13.9)	477.8
as a percentage of net sales	*9.2%*	*2.5%*	*1.8%*	*2.0%*	*n/s*	*2.7%*
Cash flow statement						
Cash flow from operations	473.6	137.8	237.8	325.9	44.0	1,219.2
Investments						
Operating	*49.6*	*93.6*	*150.8*	*260.6*	*3.0*	*557.5*
Concession	*406.8*	—	—	—	—	*406.8*
Financial	*69.9*	*23.9*	*28.5*	*30.1*	*1,066.0*	*1,218.4*
Cash flow from operations after net investments in operating assets (a)	430.4	57.0	123.3	112.8	41.0	764.6
Change in working capital requirement (b)	42.6	9.9	21.8	242.8	36.2	353.4
Free cash flow before concession investments (a-b)	473.1	67.0	145.3	355.6	77.0	1,117.9
Balance sheet						
Net tangible fixed assets	281.1	*235.7*	607.2	746.0	(56.7)	1,926.7
Concession fixed assets	4,703.5	—	0.3	2.6	—	4,706.4
Provisions for liabilities	105.1	203.5	265.2	782.3	271.9	1,627.9
Operating	*96.0*	*161.9*	*218.0*	*646.1*	*45.7*	*1,167.6*
Financial	—	*0.1*	*0.4*	*12.2*	*37.1*	*49.8*
Exceptional	*9.1*	*41.5*	*46.8*	*124.0*	*189.1*	*410.5*
Working capital requirement	(155.1)	(293.5)	(3.5)	(573.2)	(53.6)	(1,078.9)
Capital employed less investment subsidies received	6,348.0	68.1	763.6	(93.9)	187.0	7,272.8
Net debt (excluding treasury stock)	(2,972.7)	391.5	197.6	994.5	(1,291.5)	(2,680.6)
Employees	**21,104**	**26,041**	**34,085**	**45,691**	**459**	**127,380**

3. Information relating specifically to the concessions and services business line

in millions of euros	Cofiroute	VINCI Park	VINCI Infra-structures	VINCI Airports	VINCI Airports Services	VINCI Concessions holding	Total
2003							
Statement of income							
Net sales	837.3	490.7	80.6	15.3	471.0	—	1,895.0
Gross operating suplus	577.0	165.0	32.4	1.6	19.4	(12.9)	782.5
as a percentage of net sales	*68.9%*	*33.6%*	*40.1%*	*10.4%*	*4.1%*	*n/s*	*41.3%*
Operating income	475.2	117.3	16.4	(1.7)	5.6	(12.9)	599.8
as a percentage of net sales	*56.7%*	*23.9%*	*20.3%*	*(10.8%)*	*1.2%*	*n/s*	*31.7%*
Net income	150.9	46.9	5.3	2.9	(48.9)	6.8	163.9
as a percentage of net sales	*18.0%*	*9.6%*	*6.6%*	*18.9%*	*(10.4%)*	*n/s*	*8.7%*
Cash flow statement							
Cash flow from operations	395.7	113.5	11.2	2.4	9.2	4.0	536.1
Investments							
Operating	*4.6*	*25.5*	*0.3*	*0.7*	*46.2*	*0.1*	*77.5*
Concession	*313.0*	*26.7*	*179.6*	*2.8*	*—*	*—*	*522.0*
Financial	*12.7*	*6.6*	*—*	*—*	*0.2*	*185.0*	*204.5*
Cash flow from operations after net investments in operating assets (a)	392.1	89.2	11.0	1.7	(26.7)	4.0	471.3
Change in working capital requirement (b)	3.4	13.0	56.4	(4.9)	(8.4)	9.8	69.2
Free cash flow before concession investments (a-b)	395.5	102.2	67.4	(3.3)	(35.2)	13.8	540.4
Balance sheet							
Concession fixed assets	2,995.9	789.4	1,198.6	33.0	0.3	—	5,017.3
Net tangible fixed assets	16.6	208.9	1.9	0.8	71.3	0.4	299.7
Provisions for liabilities	90.8	20.7	9.0	—	14.3	2.0	136.9
Working capital requirement	(38.2)	(101.6)	(10.3)	(0.3)	22.7	(9.8)	(137.5)
Capital employed less investment subsidies received	2,886.4*	1,347.8	787.6**	106.6	416.6	1,219.6	6,764.6
Net debt	(1,691.3)	(479.1)	(598.9)	32.6	(304.6)	(192.1)	(3,233.4)
Employees	**2,048**	**6,162**	**343**	**44**	**13,276**	**—**	**21,873**

** Including €713.1 million in respect of sections under construction (mainly tunnel VL1 on the A86 and new sections of the A85 and A28 motorways).*

*** Including €360.4 million for the Rion-Antirion bridge under construction and €211.5 million for the Chillán-Collipulli motorway, which entered service progressively in 2001 and 2002.*

in millions of euros	**Cofiroute**	**VINCI Park**	**VINCI Infra-structures**	**VINCI Airports**	**VINCI Airports Services**	**VINCI Concessions holding**	**Total**
2002							
Statement of income							
Net sales	787.1	484.0	76.1	17.9	485.6	—	1,850.7
Gross operating surplus	537.0	176.3	36.2	5.8	24.4	(2.8)	776.9
as a percentage of net sales	*68.2%*	*36.4%*	*47.6%*	*32.4%*	*5.0%*	*n/s*	*42.0%*
Operating income	424.4	113.6	19.6	2.8	9.0	(2.8)	566.6
as a percentage of net sales	*53.9%*	*23.5%*	*25.8%*	*15.6%*	*1.9%*	*n/s*	*30.6%*
Net income	141.4	48.0	(6.1)	3.4	(14.0)	(2.8)	169.9
as a percentage of net sales	*18.0%*	*9.9%*	*(8.0%)*	*19.0%*	*(2.9%)*	*n/s*	*9.2%*
Cash flow statement							
Cash flow from operations	341.5	119.4	4.9	(29.0)	37.0	—	473.6
Investments							
Operating	*4.6*	*23.6*	*1.5*	*3.3*	*16.6*	—	*49.6*
Concession	*232.6*	*41.9*	*119.4*	*13.0*	—	*(0.2)*	*406.8*
Financial	*0.1*	*50.0*	—	*19.7*	*0.1*	—	*69.9*
Cash flow from operations after net investments in operating assets (a)	337.3	101.5	3.4	(32.4)	20.6	—	430.4
Change in working capital requirement (b)	55.3	3.9	(9.5)	(3.5)	(3.6)	—	42.6
Free cash flow before concession investments (a-b)	392.6	105.5	(6.1)	(35.9)	17.0	—	473.1
Balance sheet							
Concession fixed assets	2,865.9	804.8	994.1	38.6	—	—	4,703.5
Net tangible fixed assets	17.9	207.2	2.6	0.8	52.6	—	281.1
Provisions for liabilities	67.0	25.3	7.8	1.4	3.6	—	105.1
Working capital requirement	(112.6)	(90.9)	47.3	(8.8)	9.9	—	(155.1)
Capital employed less investment subsidies received	2,677.9	1,388.6	680.0	117.9	438.7	1,044.9	6,348.0
Net debt	(1,635.9)	(517.7)	(477.0)	34.1	(336.8)	(39.5)	(2,972.7)
Employees	**1,963**	**5,581**	**165**	**31**	**13,364**	—	**21,104**

4. Other segmental information by geographical area

in millions of euros	France	Germany	UK	Benelux	Spain	Other European Union*	Other European countries	North America	Rest of the world	Total
2003										
Concession fixed assets	3,914.7	—	46.8	10.3	48.0	689.8	7.8	86.7	219.5	5,023.6
Gross tangible fixed assets	2,616.0	308.7	146.2	657.4	83.1	307.1	70.0	246.8	168.3	4 ,603.6
Depreciation	(1,557.4)	(217.6)	(54.2)	(376.4)	(36.5)	(172.3)	(30.5)	(130.2)	(90.1)	(2,665.2)
Net tangible fixed assets	1,058.6	91.1	92.0	281.0	46.6	134.8	39.5	116.6	78.2	1,938.4
Employees	71,648	9,154	7,172	4,640	2,133	8,699	214	14,424	9,429	127,513
2002 pro forma										
Concession fixed assets	3,806.7	—	13.5	7.0	45.6	506.3	8.2	87.8	231.3	4,706.4
Gross tangible fixed assets	2,504.0	318.9	196.5	646.1	71.4	283.8	56.8	299.6	153.8	4,530.9
Depreciation	(1,512.3)	(219.0)	(57.5)	(371.3)	(32.3)	(155.5)	(27.5)	(142.9)	(85.9)	(2,604.2)
Net tangible fixed assets	991.7	99.9	139.0	274.8	39.1	128.3	29.3	156.7	67.9	1,926.7
Employees	70,557	9,523	7,249	4,769	1,327	8,521	318	14,914	10,202	127,380

** including countries joining in 2004.*

D. Notes to the statement of income

5. Operating income

5.1. Breakdown of operating expenses by nature

in millions of euros	2003	2002	2001
Purchases consumed	4,556.6	4,573.4	4,799.8
Outside services	7,422.7	7,196.1	6,641.7
Wages, salaries and social benefit charges	4,737.9	4,644.2	4,375.4
Employee profit-sharing	48.1	40.1	34.9
Other expenses	332.7	326.1	783.3
	17,098.0	**16,779.9**	**16,635.1**

5.2. Amortisation, depreciation and provisions

in millions of euros	2003	2002	2001
Amortisation and depreciation			
Intangible assets other than goodwill	21.4	20.8	19.7
Concession fixed assets*	161.3	170.0	73.9
Tangible fixed assets	419.9	417.8	385.3
Deferred expenses	—	—	21.8
	602.6	**608.6**	**500.8**
Provision charges/(reversals)			
Asset impairment charges	(15.4)	2.4	24.7
Operating liabilities and charges	24.7	(14.2)	(27.1)
	9.3	**(11.8)**	**(2.4)**

** In accordance with the changes in presentation described in Note B3 above, the special concession amortisation expenses recognised by Cofiroute, previously shown in the income statement under financial expenses, have been shown since 1 January 2002 under operating depreciation expenses.*

6. Net financial income/(expense)

in millions of euros	2003	2002	2001
Net financial income/(expense) excluding capitalized financial expenses*	(222.9)	(220.2)	(186.1)
Capitalized financial expenses	69.9	31.9	33.1
Net financial expenses	*(153.0)*	*(188.3)*	*(153.0)*
Special concession amortisation	—	—	(78.6)
Dividends received	33.6	15.7	14.5
Financial amortisation, provisions and reversals	(24.3)	(5.9)	4.6
Foreign currency translation and other gains/(losses)	19.8	(13.6)	4.3
Total	**(124.0)**	**(192.1)**	**(208.3)**
Reclassification of special concession amortisation**	—	—	78.6
Total pro forma	**(124.0)**	**(192.1)**	**(129.7)**

** Including provisions for redemption premiums in respect of Oceane bonds issued in 2001 and 2002 for €31.7 million in 2003, €27.5 million in 2002 and €8.6 million in 2001.*
*** See Note 5.2.*

Net financial expenses for the period arise mainly from concessions, which accounted for €100.1 million (of which €55.3 million relates to Cofiroute) against €141.2 million in 2002 and €134.4 million in 2001.

The change made by Cofiroute in 2003 in the method of calculating capitalized financial expenses, described in Note B.4, resulted in a gain of €24.1 million in respect of financial income and expenses for 2003. The impact of this change in calculation method on consolidated net income was €10.2 million.

Provision charges and reversals of a financial nature include the im-pairment charge of €12.5 million against the Toll Collect shares held by Cofiroute. (See Note 35 on Ligitation and arbitration).

7. Net exceptional income/(expense)

in millions of euros	2003	2002	2001
Net gains from asset disposals	64.5	24.4	56.9
Restructuring costs (net of provisions)	(48.1)	(65.3)	(17.8)
Other exceptional income and expenses (net of provisions)	(2.9)	48.0	(46.0)
	13.5	**7.1**	**(6.9)**

2003

Net gains from asset disposals comprises gains of €39 million arising on the sale of property (€11 million relating to the former head office of Entreprise Jean Lefebvre and €16 million relating to that of CFE in Brussels) and gains of €26 million on the sale of shares in subsidiaries and affiliates.

Other income and expenses includes:

- a loss of €56.3 million to cover Cofiroute's financial commitments in respect of the Toll Collect project. This expense has been recognised in addition to the provision of €12.5 million for impairment of the shares, included under financial expenses, and the provision of €1.2 million for impairment of receivables, shown under operating income, and brings Cofiroute's loss on this project to a total of €70 million, with an impact on consolidated net income of €33 million;
- reversals of provisions in particular in connection with positive progress towards the resolution of old disputes.

2002

The restructuring costs mainly related to VINCI Construction and the reorganisation of G+H Montage in Germany.

Other exceptional income included a prior year tax credit arising from tax consolidation in the UK (€35.1 million) and reversals of provisions following the favourable resolution of several long-standing disputes of an exceptional nature.

8. Income tax

8.1. Analysis of net tax expense

in millions of euros	2003	2002	2001
Current tax	(236.9)	(205.0)	(176.7)
Deferred tax	2.9	(18.1)	(5.5)
	(234.0)	**(223.1)**	**(182.2)**

Net tax expense for the period comprises:

- the tax paid by the Group's French subsidiaries, amounting to €207 million (including €111 million by Cofiroute – identical to 2002), and €60 million (against €10 million in 2002) by VINCI S.A., the lead company in the tax consolidation group that includes 556 companies in France; and
- the tax paid by foreign subsidiaries, amounting to €27 million.

The accounts of the parent company and its subsidiaries are periodically subject to tax inspection by the tax authorities.

8.2. Effective tax rate

The differences recognised in the last three years between the theoretical tax rate in force in France and the effective tax rate for the period are as follows:

in millions of euros	2003	2002	2001
Net income before tax and amortisation of goodwill	1,055.5	882.2	843.1
Theoretical tax rate in France	35.43%	35.43%	36.42%
Expected theoretical tax charge	**373.9**	**312.6**	**307.1**
Impact of taxes due on revenues subject to a lower tax rate	6.6	(21.0)	(11.0)
Impact of tax loss carryforwards and other unrecognised temporary differences or previously capped differences	1.9	(22.4)	(48.0)
Tax rate differences (foreign countries)	(6.2)	(24.1)	(26.2)
Permanent and miscellaneous differences	(142.3)	(22.0)	(39.6)
Tax charge recognised	**(234.0)**	**223.1**	**182.3**
Effective tax rate	**22.17%**	**25.29%**	**21.61%**

Permanent and miscellaneous differences includes in particular the tax effects of the Group's internal legal restructuring.

8.3. Analysis of deferred tax assets and liabilities at 31 December 2003

in millions of euros	Assets	Liabilities	Net
From tax loss carryforwards	14.8	—	**14.8**
From temporary differences	106.5	(115.5)	**(9.0)**
Net deferred taxes recognised	**121.2**	**(115.5)**	**5.7**

8.4. Unrecognised deferred tax assets

At 31 December 2003, deferred tax assets that are unrecognised on the grounds that their recovery is not certain amounted to approximately €300 million and mainly related to the German subsidiaries (of which €100 million related to their carryforward tax losses).

9. Earnings per share

Earnings per share is calculated on the basis of the weighted number of shares outstanding over the year, including treasury stock recorded under marketable securities and held by the company mainly for sale to employees under share purchase option schemes.
Diluted earnings per share is based on the weighted average number over the year of dilutive equivalent shares. In addition, net income is restated for financial savings, net of tax, that would result from the conversion of convertible bonds into shares.
Dilution resulting from the exercise of share subscription options is determined, in accordance with rules currently in force, according to the treasury stock method as defined by international standards.

The following tables compare earnings per share and diluted earnings per share:

2003	Net income*	Number of shares	Earnings per share**
Earnings per share	**541.4**	**83,443,736**	**6.49**
Stock subscription options	—	1,763,413	—
Convertible bonds	31.3	11,308,334	—
Diluted earnings per share	**572.7**	**96,515,483**	**5.93**

2002	Net income*	Number of shares	Earnings per share**
Earnings per share	**477.8**	**85,019,698**	**5.62**
Stock subscription options	—	2,176,980	—
Convertible bonds	26.6	9,579,075	—
Diluted earnings per share	**504.4**	**96,775,753**	**5.21**

2001	Net income*	Number of shares	Earnings per share**
Earnings per share	**453.5**	**80,299,357**	**5.65**
Stock subscription options	—	2,609,075	—
Convertible bonds	7.4	2,555,556	—
Diluted earnings per share	**460.9**	**85,463,988**	**5.39**

* *In millions of euros.*
** *In euros.*

10. Cash flow from operations

The reconciliation of net income of consolidated companies to cash flow from operations is as follows:

in millions of euros	2003	2002	2001
Net income of consolidated companies	**637.3**	**556.8**	**538.6**
Deferred taxes	(2.9)	18.1	5.5
Net amortisation and depreciation charges	791.8	720.5	632.9
Net allocations to provisions	36.7	(54.7)	(19.0)
Gross cash flow from operations	**1,462.8**	**1,240.7**	**1,158.0**
Net gains from asset disposals	(86.1)	(21.5)	(61.9)
Cash flow from operations	**1,376.6**	**1,219.2**	**1,096.2**

Net amortisation and depreciation charges for the period include exceptional goodwill impairment charges of €134 million (see Note 12), against €37 million at 31 December 2002.

E. Notes to the balance sheet

11. Intangible assets other than goodwill

Changes in 2002 and 2003 were as follows:

in millions of euros	Gross book value	Amortisation	Net book value
At 31 December 2001	**353.9**	**(130.3)**	**223.7**
Changes in consolidation scope	20.4	(26.0)	**(5.6)**
Increases during the year	23.2	(25.4)	**(2.2)**
Decreases during the year	(9.1)	7.1	**(2.0)**
Translation differences	(24.7)	3.1	**(21.6)**
At 31 December 2002	**363.7**	**(171.5)**	**192.3**
Changes in consolidation scope	10.4	(0.4)	**10.0**
Increases during the year	20.4	(23.2)	**(2.8)**
Decreases during the year	(13.8)	10.8	**(3.0)**
Translation differences	(23.0)	3.3	**(19.7)**
At 31 December 2003	**357.8**	**(181.0)**	**176.9**

Intangible assets at 31 December 2003 include US$100 million net (€79.4 million) corresponding to the estimated value of market share of the cargo assistance business of WFS, a company acquired in 2001.

Other intangible assets mainly relate to commercial goodwill (€35.3 million) and software (€23 million).

12. Goodwill

Changes in 2002 and 2003 were as follows:

in millions of euros	Gross book value	Amortisation	Net book value
At 31 December 2001	**1,478.5**	**(578.3)**	**900.2**
Goodwill acquired during the year	140.6	—	**140.6**
Amortisation and provisions	—	(102.3)	**(102.3)**
Translation differences	(41.8)	15.6	**(26.2)**
Entities no longer consolidated	(0.8)	10.1	**9.3**
At 31 December 2002	**1,576.5**	**(654.9)**	**921.6**
Goodwill acquired during the year	7.4	—	**7.4**
Amortisation and provisions	—	(184.3)	**(184.3)**
Translation differences	(42.3)	26.6	**(15.7)**
Entities no longer consolidated	(52.5)	43.2	**(9.3)**
At 31 December 2003	**1,489.0**	**(769.3)**	**719.6**

Goodwill on acquisition recognised for the first time in the period mainly relates to acquisitions by VINCI Park (€2.3 million) and VINCI Energies (€3.2 million).

The main items of goodwill on acquisition at 31 December 2003 are as follows:

	Remaining amortisation period	31/12/2003			31/12/2002
in millions of euros	at 31/12/2003	Gross book value	Amortisation	Net book value	Net book value
VINCI Park (formerly Sogeparc and Finec)	26 years	412.9	(69.8)	343.1	357.7
VINCI Airports US (WFS/ACAC)	18 years	136.8	(126.2)	10.5	118.5
Norwest Holst	4 years	103.1	(82.2)	20.8	28.2
Teerbau GmbH	8 years	82.8	(44.1)	38.7	44.2
Entreprise Jean Lefebvre	10 years	74.4	(35.0)	39.3	42.9
TMS	—	49.1	(49.1)	—	38.6
Emil Lundgren AB	16 years	26.2	(5.3)	21.0	22.3
SEN	18 years	21.6	(2.6)	19.0	20.0
Carrière de Luché	—	—	—	—	16.6
Other goodwill under €10 million*	—	582.1	(354.9)	227.2	232.5
	—	**1,489.0**	**(769.3)**	**719.6**	**921.6**

** On the basis of the net value for individual entities, in each of the two periods.*

A study has been made to identify the most material potential impairment of goodwill on acquisition. The tests performed have led to the Group recognising an exceptional impairment charge of €134 million in the 2003 financial statements, including €93 million relating to VINCI Airports US and €37 million to TMS.

The value in use retained for these two entities was determined by discounting forecast operating cash flows (gross operating surplus less standard tax less investments in operating fixed assets) at the rates shown below. The forecasts were prepared for the period 2004-2005 from the Group's internal budgetary forecasts and for subsequent years on the basis of the growth rates shown below.

	Discount rate after tax	Growth rate* on forecasts 2006-2008	Growth rate** on final value
VINCI Airports US (WFS)	8.2%	3.0%	2.0%
TMS	7.8%	3.0%	0.0%

** Applied to net sales.*
*** Applied to operating cash flow as defined above.*

13. Concession fixed assets

Concession fixed assets comprise both investments by VINCI under commitments in connection with concession contracts and the fixed value of assets under concession.

13.1. Movements in 2002 and 2003

in millions of euros	Gross book value	Amortisation	Net book value
At 31 December 2001	**6,137.0**	**(652.1)**	**5,484.9**
Changes in consolidation scope and other reclassifications	119.1	(32.9)	**86.2**
Special concession amortisation*	—	(1,063.0)	**(1,063.0)**
Acquisitions	460.4	—	**460.4**
Disposals and decreases	(41.1)	30.1	**(11.0)**
Amortisation, depreciation and provisions	—	(175.2)	**(175.2)**
Translation differences	(80.4)	4.5	**(75.9)**
At 31 December 2002	**6,595.0**	**(1,888.6)**	**4,706.4**
Changes in consolidation scope and other reclassifications	(75.8)	(1.8)	**(77.6)**
Acquisitions	577.3	—	**577.3**
Disposals and decreases	(64.9)	56.5	**(8.4)**
Amortisation, depreciation and provisions	—	(165.0)	**(165.0)**
Translation differences	(11.2)	2.2	**(9.0)**
At 31 December 2003	**7,020.4**	**(1,996.8)**	**5,023.6**

** In accordance with the changes in presentation described in Note B.3 above, the special concession amortisation recognised by Cofiroute, previously shown under liabilities, has been shown since 1 January 2002 as a deduction from the concession's fixed assets.*

The investments for the period relate mainly to Cofiroute (€317.9 million, mainly new sections of the A85 and A28 motorways and tunnels on the A86), the Rion-Antirion bridge (€183.4 million) and VINCI Park (€32.8 million).

Investment subsidies of €43.9 million were received in respect of these investments (€4.5 million for Cofiroute and €39.4 million for the Rion-Antirion bridge).

13.2. Breakdown by activity

	31/12/2003			31/12/2002	31/12/2001
in millions of euros	Gross book value	Amortisation	Net book value	Net book value	Net book value
VINCI Park	1,218.5	(429.1)	**789.4**	**804.9**	**723.4**
Cofiroute	4,494.1	(1,498.2)	**2,995.9**	**2,865.9**	**3,817.3***
Other concessions	1,307.8	(69.5)	**1,238.3**	**1,035.5**	**944.2**
	7,020.4	**(1,996.8)**	**5,023.6**	**4,706.4**	**5,484.9**

** Before reclassification of Cofiroute's special concession amortisation as a deduction from concession fixed assets (€1,063 million).*

14. Tangible fixed assets

14.1. Movements in 2002 and 2003

in millions of euros	Gross book value	Depreciation	Net book value
At 31 December 2001	**4,471.6**	**(2,549.8)**	**1,921.8**
Changes in consolidation scope and other reclassifications	10.4	4.3	**14.7**
Acquisitions	559.7	—	**559.7**
Disposals	(417.5)	316.4	**(101.1)**
Depreciation and provisions	—	(421.2)	**(421.2)**
Translation differences	(93.3)	46.1	**(47.2)**
At 31 December 2002	**4,530.9**	**(2,604.1)**	**1,926.7**
Changes in consolidation scope and other reclassifications	15.1	22.9	**38.0**
Acquisitions	568.9	—	**568.9**
Disposals	(442.0)	304.8	**(137.2)**
Depreciation and provisions	—	(424.4)	**(424.4)**
Translation differences	(69.2)	35.8	**(33.4)**
At 31 December 2003	**4,603.7**	**(2,665.0)**	**1,938.6**

14.2. Breakdown by type of asset

	31/12/2003			31/12/2002	31/12/2001
in millions of euros	Gross book value	Depreciation	Net book value	Net book value	Net book value
Land	282.9	(47.6)	**253.3**	**208.2**	**215.0**
Buildings	899.3	(344.2)	**555.1**	**548.1**	**475.8**
Plant and equipment	2,442.5	(1,651.5)	**791.0**	**818.5**	**814.9**
Fixtures and fittings, office equipment	921.6	(620.9)	**300.7**	**313.5**	**379.6**
Assets under construction	57.4	(0.8)	**56.6**	**38.4**	**36.5**
	4,603.7	**(2,665.0)**	**1,938.7**	**1,926.7**	**1,921.8**

15. Investments held as fixed assets

At 31 December 2003, investments in subsidiaries and affiliates broke down as follows:

in millions of euros	% held	Net book value	Stock market value	Share price
Shares in listed subsidiaries and affiliates (ASF)	20.0%	1,229.0	1,229.2	26.60 euros
Long-term investment securities (TBI)	14.9%	76.8	79.8	67.50 pence
Other shares, in unlisted subsidiaries and affiliates	—	152.2	—	—
Total	—	**1,458.0**	—	—

The further investment made in ASF in 2003 amounted to €184.2 million (See A. Key events).

The shares in TBI and ASF are reported at their value in use. An exceptional impairment provision of €34 million was taken at 31 December 2001 against the holding of TBI shares to reduce their carrying amount in the Group financial statements to their value in use of £0.65 per share, as calculated using the discounted cash flow method.

16. Investments accounted for by the equity method

16.1. Movements in 2002 and 2003

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Value at the beginning of the year	**107.3**	**135.4**	**117.4**
Change in consolidation method	(1.1)	(5.5)	(5.4)
Increase in capital stock of equity accounted companies	0.2	—	—
Group share of net income for the period *of which concessions and services*	8.6 *4.3*	0.8 *(2.5)*	1.5 *1.6*
Dividends paid	(4.0)	(4.9)	(5.0)
Changes in consolidation scope and translation differences	(9.7)	(18.5)	26.8
Value at the end of the year	**101.3**	**107.3**	**135.4**
of which concessions and services	*79.7*	*86.1*	*105.2*

16.2. Financial information on investments accounted for by the equity method

Investments accounted for by the equity method at 31 December 2003 are mainly in companies in which the Group exercises significant influence and that operate infrastructure and airport concessions:
- infrastructure concessions: the Prado-Carénage tunnel at Marseilles (SMTPC), bridges over the Tagus in Portugal (Lusoponte) and bridges over the Severn River in the UK (Severn River Crossing);
- airport concessions: Mexican airports managed by Asur (ITA) and GACN (SETA), ADP Management, which owns 10% of Beijing airport and 25% of Liège airport, in which the Group has a 34% holding.

The key figures for these companies for 2003 are as follows (on a 100% basis):

in millions of euros	SMTPC	Lusoponte	Severn River Crossing	ITA (Asur)	Seta (GACN)	ADPM
% held	**31.34%**	**30.85%**	**35.00%**	**24.50%**	**37.25%**	**34.00%**
Net sales *Group share*	25.6 *8.0*	69.3 *21.4*	93.1 *32.6*	4.0 *1.0*	2.7 *1.0*	2.2 *0.7*
Gross operating surplus	20.4	59.3	77.9	1.7	2.2	(0.4)
Operating income	14.0	32.6	48.4	0.9	0.4	(0.5)
Operating income after net financial income/(expense)	7.4	(4.1)	(6.5)	2.8	(7.6)	3.3
Net income	7.1	4.0	—	5.3	(4.3)	3.4
Group share of net income/(loss)	**2.2**	**1.2**	**—**	**1.3**	**(1.6)**	**1.2**
Shareholders' equity at 31 December 2003	10.0	12.4	—	70.5	26.6	134.0
Group share of shareholders' equity	**3.1**	**3.8**	**—**	**17.3**	**9.9**	**45.6**
Net debt at 31 December 2003	(113.7)	(374.9)	(646.7)	0.6	(40.8)	11.8
Shareholder advances and interest-bearing loans (VINCI share)	—	17.4	4.7	—	12.1	—
Value of equity accounted affiliates in parent company accounts	5.7	20.2	—	22.3	14.5	43.9

17. Other financial fixed assets

This item includes:

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Deposits, guarantees and long-term receivables	98.9	104.7	221.6
Other net fixed asset securities	21.9	21.7	23.4
	120.8	**126.4**	**245.0**

Deposits, guarantees and long-term receivables includes in particular guarantee deposits made under concession agreements and loans to employees.

Other fixed asset securities comprise subordinated convertible notes issued by SMTPC, for €8.5 million at 31 december 2003.

18. Deferred charges

Deferred charges booked as fixed assets in the balance sheet mainly relate to bond issue costs and redemption premiums.

19. Working capital requirement

				Change in 2003/2002	
in millions of euros	31/12/2003	31/12/2002	31/12/2001	operations	other
Inventories and work in progress (net)	473.7	423.7	405.1	49.6	0.4
Trade and other operating receivables	7,579.6	7,431.8	7,676.1	106.2	41.6
Provisions against operating receivables	(429.0)	(433.5)	(426.1)	(0.1)	4.6
Inventories and operating receivables (I)	**7,624.3**	**7,422.0**	**7,655.1**	**155.7**	**46.6**
Operating payables (II)	**8,725.3**	**8,500.9**	**8,353.9**	**268.7**	**(44.3)**
Working capital requirement (I-II)	**(1,101.0)**	**(1,078.9)**	**(698.7)**	**(113.0)**	**90.9**

The improvement in the operating working capital requirement mainly relates to Eurovia.
The other changes in the period comprise the impact of changes in consolidation scope, foreign exchange rate fluctuations and miscellaneous reclassifications.

Breakdown of component parts of the working capital requirement is the following:

		Maturity		
in millions of euros	31/12/2003	within 1 year	after 1 and within 5 years	more than 5 years
Inventories and work in progress (net)	473.7	463.7	8.4	1.6
Trade and other operating receivables (net)	7,150.6	7,054.4	68.7	27.5
Inventories and operating receivables (I)	**7,624.3**	**7,518.1**	**77.1**	**29.1**
Operating payables (II)	**8,725.3**	**8,589.5**	**79.6**	**56.2**
Working capital requirement (I-II)	**(1,101.0)**	**(1,071.4)**	**(2.5)**	**(27.1)**

20. Financial receivables

Financial receivables include in particular loans and advances to unconsolidated entities and accrued interest on interest rate swaps.

21. Marketable securities

Changes in marketable securities are as follows:

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Treasury shares	181.6	187.8	356.2*
Other marketable securities	3,387.4	2,017.9	1,807.1
	3,569.0	**2,205.7**	**2,163.2**

** Including €195.5 million cancelled in 2002.*

At 31 December 2003, treasury shares allocated to cover share purchase option schemes granted to Group executives comprised 4,001,772 shares, acquired for an average price of €45.52, representing 4.77% of the capital stock.

The Group also owned 120,500 unallocated shares recognised as a deduction from consolidated shareholders' equity at 31 December 2003 for €8 million.

560,000 shares were acquired in 2003 for €36 million, at an average price of €64.33, of which 420,000 were cancelled (see Note 22).

Other marketable securities consist primarily of negotiable debt instruments and cash instruments (mutual funds or Sicav).

22. Change in shareholders' equity

At 31 December 2003, total share capital was represented by 83,795,032 shares with a nominal value of €10.
On 16 December, the Board of Directors of VINCI decided to reduce VINCI's capital stock by cancelling 420,000 of its own shares held. This transaction reduced shareholders' equity by €26.9 million, (breaking down to €4.2 million capital stock and €22.7 million other paid-in capital). The capital increases in the period correspond to the issue of shares under the Group savings scheme (for €41.3 million) and the exercise of share subscription options (for €11.8 million).
The change in method relating to the recognition of long-service bonuses described in Note B.2 above resulted in a reduction of opening shareholders' equity of €23.6 million.

23. Minority interest

In 2002 and 2003, movements in minority interest were as follows:

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Value at the beginning of the year	**511.9**	**511.4**	**482.4**
Changes in consolidation scope	(7.7)	(30.7)	(17.3)
Issues of new shares subscribed to by third parties	0.2	2.2	5.6
Minority interest in net income for the period	104.5	79.8	86.6
Dividends paid	(57.6)	(50.8)	(45.9)
Value at the end of the year	**551.3**	**511.9**	**511.4**

At 31 December 2003, minority interest in Cofiroute (representing 34.66% of the capital stock) amounted to €368.1 million (against €335.7 million at 31 December 2002) and in CFE (54.62%) to €90.4 million (against €86 million at 31 December 2002).

24. Investment subsidies

This item consists of investment subsidies for infrastructure concession contracts, including, at 31 December 2003, €331.2 million for the Rion-Antirion bridge in Greece, €127.4 million for Consortium Stade de France and €50.3 million for Cofiroute.
The increase in this item in 2003 relates to the Rion-Antirion bridge for €39.4 million and Cofiroute for €4.5 million.

25. Provisions for retirement commitments

The Group takes provisions in respect of lump-sums payable on retirement and supplementary pension benefits in accordance with the preferential accounting methods introduced by CRC Regulation R99-02. VINCI's obligations in respect of supplementary retirement benefits relating to defined benefit plans fall into three categories:

- obligations borne directly by VINCI or its subsidiaries, covered by provisions recognised in the consolidated balance sheet:
  – for French subsidiaries, these are generally closed plans, such as Auxad (formerly Compagnie Générale d'Électricité), RTG (formerly Saint-Gobain) or other in-house plans of which the beneficiaries are today mainly in retirement;
  – for German subsidiaries, there are three plans within the Group, of which two are now closed, namely the Fürsorge plan for former employees of G+H Montage (closed in 2001) and that of the subsidiaries of Eurovia GmbH (closed in 1999). The only remaining so-called "direct promises" plan is that for employees coming from G+H Montage and Nickel;
- obligations covered by insurance policies. These mainly relate to a policy taken out with Cardif of which certain Group executives (either retired or in service) are beneficiaries;
- obligations borne through external pension funds. For the most part, these relate to the four UK subsidiaries: VINCI plc (Norwest Holst), Freyssinet UK, Ringway and VINCI Energies UK.

The Group's retirement commitments that are covered by provisions mainly relate to France and Germany. For these two countries, the provisions are calculated on the basis of the following assumptions:

	2003	2002
Discount rate	4.75%	5.0% – 5.5%
Inflation rate	2.0%	1.5% – 2.0%
Rate of salary increases	2% – 3%	2% – 3%
Rate of pension increases	1.5% – 2.5%	1.5% – 2.0%
Average remaining working life of employees	10 – 15 years	10 – 15 years

For the other countries, actuarial assumptions are selected on the basis of current local conditions. They are adjusted to reflect interest rate and mortality trends. For the UK, the discounting and inflation rates used by VINCI at 31 December 2003 were respectively 5.50% and 2.0%, and the return on plan assets assumed was 7.35%.

Pension liabilities (before tax effects) break down as follows:

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Commitments in France			
Lump-sum payments on retirement	153.6	124.8	113.3
Pensions and other retirement commitments	91.6	80.4	74.5
of which – staff in service	*57.3*	*45.3*	*40.4*
– retired	*34.3*	*35.0*	*34.1*
Total	**245.2**	**205.2**	**187.8**
of which – covered by provisions	*167.1*	*161.3*	*151.9*
– covered by insurance	*55.2*	*33,3*	*35.9*
Commitments outside France			
Pensions and other retirement commitments	630.5	561.7	523.4
of which – staff in service	*318.1*	*277.4*	*251.7*
– retired	*312.5*	*284.3*	*271.6*
Total	**630.5**	**561.7**	**523.4**
of which – covered by provisions	*332.5*	*330.5*	*320.6*
– covered by pension funds	*213.9*	*167.9*	*202.7*
Total commitments	**875.7**	**766.9**	**711.2**
of which – covered by provisions	*499.6*	*491.8*	*472.5*
– covered by insurance	*55.2*	*33.3*	*35.9*
– covered by pension funds	*213.9*	*167.9*	*202.7*

Actuarial gains and losses (the difference between the present value of commitments or plan assets, and the amounts recognised in the accounts) amounted to €122 million at 31 December 2003, of which €68 million related to UK pension funds.
These actuarial gains and losses are amortised over the remaining working life of employees in service, which is approximately 15 years on average, representing an expense of €8.2 million in 2003.

In 2002 and 2003, movements in provisions for retirement commitments were as follows:

in millions of euros	31/12/2003	31/12/2002
Value at the beginning of the year	**491.8**	**472.5**
Expense for the year	63.2	45.4
Contributions	(22.9)	(8.2)
Benefits paid	(21.9)	(25.6)
Changes in consolidation scope, translation differences and miscellaneous	(10.6)	7.8
Value at the end of the year	**499.6**	**491.8**

For the last three years, retirement costs (before tax effects) recognised under operating expenses break down as follows:

in millions of euros	2003	2002	2001
Cost of services rendered	(25.1)	(21.3)	(16.9)
Change in present value of obligation	(39.7)	(39.5)	(37.2)
Return on plan assets	13.9	17.4	18.8
Amortisation of actuarial gains and losses	(8.2)	(2.1)	(49.9)
Other	(4.1)	0.1	(6.8)
Net cost over the year (before tax effects)	**(63.2)**	**(45.4)**	**(91.9)**

In application of Opinion 2004 – A adopted by the CNC Urgent Issues Committee on 21 January 2004, the impact of Act 2003 775 of 21 July 2003 (the Fillon Act) relating to lump-sums payable on retirement will be amortised through the income statement over the average remaining working life of beneficiaries, which is approximately 15 years.
The effect of this change was a reduction of the Group's commitment of €10.7 million at 31 December 2003, which represents income per year over 15 years of €0.7 million.

26. Provisions for other employee benefits

As stated in Note B.2, commitments relating to long-service bonuses are covered by a provision as from 1 January 2003.

At 31 December 2003, this provision amounted to €43.6 million and the amount net of tax of €23.6 million has been recognised against shareholders' equity. These provisions mainly relate to France and Germany.

They have been calculated using the following assumptions:

	2003
Discount rate	4.75%
Inflation rate	2.0%
Rate of salary increases	2% - 3%

27. Provisions for liabilities

Movements in provisions for liabilities over the year were as follows:

in millions of euros	31/12/2002	Charges	Used	Other reversals	Changes in consolidation scope and miscellaneous	31/12/2003
After-sales service	246.6	67.8	(53.5)	(23.8)	(6.5)	230.6
Losses on completion and construction project liabilities	312.7	253.3	(204.7)	(17.7)	3.1	346.7
Major repairs	148.6	42.1	(51.4)	(2.8)	0.2	136.7
Disputes	261.7	92.0	(64.5)	(25.0)	0.8	265.0
Other operating liabilities	198.1	122.8	(117.3)	(7.7)	(28.1)	167.9
Operating liabilities	**1,167.7**	**578.0**	**(491.3)**	**(77.0)**	**(30.5)**	**1,146.9**
Financial liabilities	**49.8**	**46.6**	**(4.7)**	**(5.7)**	**9.7**	**95.7**
Restructuring	71.6	32.7	(33.8)	(8.8)	(0,6)	61,0
Other exceptional liabilities	338.9	147.9	(73.8)	(98.6)	1,2	315,7
Exceptional liabilities	**410.5**	**180.6**	**(107.6)**	**(107.4)**	**0.6**	**376.7**
	1,628.0	**805.2**	**(603.6)**	**(190.1)**	**(20.2)**	**1,619.3**

Other reversals of provisions mainly relate to the favourable outcome of several disputes in foreign countries.
Under "Other exceptional liabilities", provisions for disputes amounted to approximately €80 million at 31 December 2003.This amount includes in particular the impact of the disputes described in Note 35 "Ligitation and arbitration".

28. Net debt

28.1. Analysis of net debt by nature

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Subordinated debt with indefinite maturity	(10.1)	(15.6)	(19.2)
Bond issues	(4,781.7)	(4,126.6)	(2,942.3)
of which, convertible bond issues (Oceane)	*(1,017.8)*	*(1,017.8)*	*(517.5)*
Other long-term debt	(1,380.5)	(1,118.6)	(1,041.2)
I - Total long-term debt	**(6,172.3)**	**(5,260.8)**	**(4,002.7)**
Bank overdrafts and other short-term borrowings	(604.2)	(598.0)	(1,274.7)
II - Gross debt	**(6,776.5)**	**(5,858.8)**	**(5,277.4)**
Financial receivables	283.5	262.3	296.4
Marketable securities excluding treasury stock	3,387.4	2,017.9	1,807.1
Cash	658.2	898.0	746.0
III - Net financial debt	**(2,447.5)**	**(2,680.6)**	**(2,427.9)**
Treasury stock	181.6	187.8	356.2*
IV - Net financial debt after treasury stock	**(2,265.8)**	**(2,492.9)**	**(2,071.7)**

** Including €195.5 million cancelled in 2002.*

28.2. Detail of long-term debt

A. Bond issues

in millions of euros	Currency	Nominal at 31/12 2003	2002	2001	Maturity	Rate before hedging	Hedging at 31/12/2003 % of nominal hedged	Type of rate after hedging
VINCI SA - Oceane								
Oceane bond issue, July 2001	*EUR*	517.5	517.5	517.5	Jan. 2007	1%	100%	floating
Oceane bond issue, April 2002	*EUR*	500.3	500.3	—	Jan. 2018	2%	—	fixed
VINCI SA - other bond issues								
Loan July 2002	*EUR*	1,000.0	850.0	—	July 2009	5.875%	55%	floating/fixed
Loan ex-GTM 1998	*EUR*	137.2	137.2	137.2	June 2005	5.20%	100%	floating
Cofiroute								
Bond March 1993	*EUR*	152.4	152.4	152.4	Sept. 2005	8.20%	—	fixed
Bond December 1995	*EUR*	243.9	243.9	243.9	Dec. 2006	7.50%	—	fixed
Bond July 1996	*EUR*	304.9	304.9	304.9	July 2007	6.80%	—	fixed
Bond November 1997	*EUR*	350.6	350.6	350.6	Nov. 2008	5.90%	—	fixed
Bond November 1999	*EUR*	300.0	300.0	300.0	Nov. 2009	6.00%	100%	floating
Bond October 2001	*EUR*	300.0	300.0	300.0	Oct. 2016	5.875%	50%	floating/fixed
Bond April 2003	*EUR*	600.0	—	—	Apr. 2018	5.25%	100%	floating
Other	*EUR*	19.1	72.6	143.1	—	—	—	—
VINCI Infrastructures								
SCDI - 1998*	*CAD*	100.0	98.4	116.0	Sept. 2031	6.17%	—	fixed
Autopista Del Bosque - 2001	*UF*	175.8	175.9	219.8	March 2021	7.405%	—	fixed
Other loans and accrued interest	—	**80.1**	**122.9**	**156.9**	—	—	—	—
Total bond issues	—	**4,781.7**	**4,126.6**	**2,942.3**	—	—	—	—

* *VINCI's share (49.9% proportionate consolidation).*

■ Issues of Oceane bonds (bonds convertible into and/or exchangeable for new and/or existing shares)

The details of the two VINCI Oceane bond issues are as follows:

	Oceane bond, July 2001	Oceane bond, April 2002
Amount	€517,500,000	€500,250,060
Number of bonds	5,750,000	5,558,334
Nominal	€90	€90
Maturity	1 January 2007	1 January 2018
Annual coupon	1%	2%
Gross yield to maturity	4.35%	3.875%
Conversion date and rate	at any time; one share for one bond	at any time ; one share for one bond
Redemption price at maturity	€108.12; premium 20.13%	€125.46; premium 39.4%
Early redemption at VINCI's discretion	from 1 January 2005, if the stock price exceeds 130% of the anticipated redemption price, ensuring that bondholders receive the equivalent of the actuarial yield they would have received at maturity, i.e. 4.35%	from 1 January 2006, if the stock price exceeds 125% of the anticipated redemption price, ensuring that bondholders receive the equivalent of the actuarial yield they would have received at maturity, i.e. 3.875%
Early redemption at holders' discretion	—	on 2 May 2006, 2 May 2010, 2 May 2014 at the early redemption price
Bonds converted at 31 December 2003	—	—

■ Bond issues in 2003

On 7 May 2003, VINCI made a further issue of bonds of €150 million, fungible with the €600 million issue made on 22 July 2002, of which a first supplementary issue of €250 million was made on 27 November 2002. The issue comprising these three tranches has the following terms:

- amount: €1 billion;
- maturity: 22 July 2009;
- annual interest: 5.875%;
- rating: identical to that of VINCI, namely BBB+ /stable (Standard & Poor's) and Baa1 /stable (Moody's);
- issue price: 99.58% for the first tranche issued in July 2002; 102.554% for the supplementary tranche issued in November 2002; and 106.156% for the supplementary tranche issued in May 2003.

On 30 April 2003, Cofiroute made a bond issue of €600 million maturing on 30 April 2018. The bonds were issued at 99.31% of the nominal value, with a 5.25% coupon. This issue has the same rating as Cofiroute, namely A+ /stable (Standard & Poor's).

B. Other long-term debt

Other long-term debt mainly comprises syndicated loans and loans granted by various financial establishments (in particular the European Investment Bank) as part of concession infrastructure projects.
Details of loans of a nominal amount greater than €50 million are as follows:

in millions of euros	Currency	Nominal at 31/12 2003	2002	2001	Maturity	Rate before hedging	Hedging at 31/12/2003 % of nominal hedged	Type of rate after hedging
VINCI SA								
Syndicated loan April 2000	*EUR*	22.0	22.0	22.0	April 2005	floating	100%	fixed
Syndicated loan April 2000	*EUR*	37.8	37.8	37.8	April 2005	5.60%	—	fixed
Syndicated loan April 2000	*EUR*	47.3	47.3	47.3	April 2005	floating	—	floating
Cofiroute								
EIB March 2002	*EUR*	75.0	75.0	—	March 2027	floating	—	floating
EIB December 2002	*EUR*	50.0	50.0	—	June 2027	floating	—	floating
EIB March 2003	*EUR*	75.0	—	—	March 2018	4.92%	—	fixed
VINCI Infrastructures								
Gefyra - EIB 2001	*EUR*	320.0	220.0	120.0	Dec. 2025 to Nov. 2028	floating	100%	fixed
Stade de France 1998*	*EUR*	60.8	65.3	69.6	July 2013	5.28%	—	fixed
Other and accrued interest**	—	**692.8**	**601.3**	**744.6**	—	—	—	—
Total other long-term debt	—	**1,380.5**	**1,118.6**	**1,041.2**	—	—	—	—

** VINCI's share (66.67% proportionate consolidation).*
*** Individual amounts of less than €50 million. At 31 December 2003, this item includes debt relating to capital leases for €142 million and VINCI Park bank loans for €197 million.*

C. Breakdown of long-term debt by currency

in millions of euros	31/12/2003		31/12/2002		31/12/2001	
Euro	5,714.3	92.6%	4,758.6	90.5%	3,381.8	84.5%
Chilean peso	194.0	3.1%	186.4	3.5%	231.6	5.8%
Canadian dollar	115.0	1.9%	118.4	2.3%	146.2	3.7%
Sterling	100.9	1.6%	86.6	1.6%	95.2	2.4%
US dollar	25.3	0.4%	85.7	1.6%	131.8	3.3%
Other	22.8	0.4%	25.1	0.5%	16.1	0.4%
Total	**6,172.3**	**100.0%**	**5,260.8**	**100.0%**	**4,002.7**	**100.0%**

The debt in Chilean pesos corresponds mainly to the bond issue by the concession operator Autopista Del Bosque (€176 million at 31 December 2003). This loan is indexed to the local inflation rate. The impact of this indexing in the period was €1.7 million.

28.3. Liquidity analysis

A. Financial debt by maturity

in millions of euros	31/12/2003			31/12/2002	31/12/2001
	Concessions	Other business lines	Total		
Short-term debt	**20.6**	**583.6**	**604.2**	**598.0**	**1,274.7**
Long-term debt	**3,481.5**	**2,690.8**	**6,172.3**	**5,260.8**	**4,002.7**
Maturing in less than one year	152.2	151.2	303.5	217.7	172.4
Maturing in more than 1 year and less than 2 years	111.5	292.9	404.4	201.4	123.4
Maturing in more than 2 years and less than 5 years	1,014.4	596.6	1,611.0	1,622.6	1,331.4
Maturing in more than 5 years and less than 10 years	565.2	1,052.5	1,617.7	1,752.7	1,355.9
Maturing in more than 10 years	1,636.9	525.0*	2,161.9	1,424.5*	737.9
Indefinite maturities	1.4	72.5	73.9	41.8	281.7
Gross debt	**3,502.2**	**3,274.4**	**6,776.5**	**5,858.8**	**5,277.4**

** Includes €500.3 million relating to the Oceane 2018, issued in April 2002, for which subscribers have an early redemption option exercisable in 2006, 2010 and 2014.*

At 31 December 2003, the average maturity of the Group's long-term debt was 8.5 years. The average in the Concessions business line was 10 years.

At 31 December 2003, debt relating to capital leases amounted to €142 million, of which €28 million maturing in less than a year, €65 million in one to five years and €49 million in over five years.

B. Cash surpluses

Net cash surpluses generated by the lead companies of business lines and by fully-owned subsidiaries are transferred to the holding company through a cash pooling system, and redistributed according to needs; cash surpluses are invested on, and funds are borrowed from, the market.

Such centralised management makes it possible to optimise financial resources and closely monitor cash generated by the various Group entities. Cash surpluses are managed so as to generate a return equivalent to the money market rate, while avoiding risk to capital.

At 31 December 2003, cash surpluses invested in marketable securities amounted to €3,387 million in total, of which €2,249 million related to the holding company, the balance comprising investments by French and foreign subsidiaries not included in the cash pooling system. Of this, €816 million related to Cofiroute.

C. Commercial paper issuance programme and unused credit facilities

VINCI can issue €700 million in commercial paper to cover its short-term financing needs. The programme is rated A2 by Standard & Poor's and P2 by Moody's. At 31 December 2003, €19 million had been issued.
Cofiroute has its own €300 million programme, rated A-1. This had not been used at 31 December 2003.

VINCI also has confirmed credit facilities of some €1.5 billion at 31 December 2003, of which none was used at that date. Cofiroute had unused confirmed credit facilities of €252 million at 31 December 2003.

The maturities of these confirmed credit facilities are as follows:

in millions of euros	31/12/2003	Maturity: within 1 year	after 1 year and within 2 years	after 2 years and within 5 years
VINCI	1,454	403	605	446
Cofiroute	252	107	145	—

Some of VINCI's facilities, for €1,179 million at 31 December 2003, are subject to the usual covenants applying to this type of finance, relating to the Group respecting certain ratios (the minimum amount of shareholders' equity, the ratio of net debt to gross operating surplus, and of gross operating surplus to financial expenses).

At 31 December 2003, all these ratios were complied with. There are however no conditions in connection with VINCI's ratings. There are no conditions relating to either financial ratios or the company's ratings attached to Cofiroute's confirmed facilities.

D. Risk of the existence of covenants resulting in early repayment of debt

As a general rule, and except as regards the credit facilities described above, contracts for bond or bank loans taken out by Group entities contain no conditions regarding financial ratios that would constitute grounds for demanding early repayment if not met or that could determine the applicable spreads.
At 31 December 2003, the sums due under contracts that are an exception to this general rule amounted to approximately €185 million and related to bank loans made to VINCI SA and CFE, a 45% owned subsidiary of VINCI Construction. At 31 December 2003, all the ratios relating to these loans were complied with.

Moreover, the Group's bond issues and bank loans contain no conditions regarding VINCI's, or the borrowing subsidiary's, rating that would constitute grounds for demanding early repayment if not met, or that could determine the applicable spreads.

29. Management of market risk

Operating divisions manage market risk within VINCI with the help of the holding company's specialised support functions, which are responsible for implementing and executing risk management.

In the particular case of Cofiroute, a 65% -owned subsidiary that has its own resources, the respective finance departments co-ordinate their management policies.
To cover its exposure to market risks, the Group mainly uses derivatives, principally of a traditional nature of which the risks are well understood.

29.1. Interest rate risk

VINCI has relied mainly on bond markets for the long-term financing of its concession operations. In consequence, a majority of its long-term debt (83% at 31 December 2003) was at fixed rates before hedging.

The Group applies a prudent interest rate hedging policy, suited to the long-term nature of its concession activities, while seeking to optimise its debt structure through hedging transactions as described in paragraph B. below.

A. Breakdown of long-term debt between fixed and floating rate borrowing

Long-term debt can be broken down between fixed and floating rates, before and after the effects of hedging, as follows:

in millions of euros	31/12/2003			31/12/2002		
	Total due	**%**	**Rate**	**Total due**	**%**	**Rate**
Fixed rate	5,121.6	83%	5.66%	4,402.8	84%	5.63%
Floating rate	1,050.7	17%	3.06%	858.0	16%	3.65%
Total before hedging	**6,172.3**	**100%**	**5.22%**	**5,260.8**	**100%**	**5.30%**

in millions of euros	31/12/2003			31/12/2002		
	Total due	**%**	**Rate**	**Total due**	**%**	**Rate**
Fixed rate	3,267.7	53%	5.86%	3,385.3	64%	5.79%
Floating rate	2,904.6	47%	2.96%	1,875.5	36%	3.10%
Total after hedging	**6,172.3**	**100%**	**4.50%**	**5,260.8**	**100%**	**4.83%**

By increasing the proportion of borrowing at floating rates after hedging to 47% against 36% at the end of 2002, VINCI has been able to benefit in part from the fall in interest rates in 2003. It was thus possible to reduce the average annual interest rate applicable to borrowing at 31 December 2003 from 5.22% before hedging to 4.50%, which allowed the negative impact of lower interest rates on the Group's income from investments to be reduced.

B. Detail of interest rate derivatives

At 31 December 2003, the various interest rate hedging transactions were as follows, ignoring any offsetting of symmetrical risks:

in millions of euros	31/12/2003	Maturity within 1 year	Maturity after 1 and within 5 years	Maturity after 5 years
Swaps of floating borrowing rates	**3,474.9**	3.8	1,571.1	1,900.0
Swaps of fixed borrowing rates	**2,640.3**	440.1	1,373.6	826.6
Caps – purchases	**311.0**	—	311.0	—
Caps – sales	**30.5**	—	30.5	—
Floors – sales	**125.0**	—	125.0	—
Collars	**28.7**	5.3	23.4	—
Total	**6,610.4**	**449.2**	**3,434.6**	**2,726.6**

The loans to which the main hedging transactions apply are described in paragraphs A and B of Note 28.2.

C. Sensitivity of financial expenses to interest rate trends

At 31 December 2003, the Group's floating rate borrowings amounted to €3.5 billion after hedging and can be broken down as follows:

in millions of euros	31/12/2003
Long-term floating rate borrowings after hedging	2,904.6
Bank overdrafts and other short-term borrowing	604.2
Total floating rate borrowings after hedging	**3,508.8**

Based on this situation, a 1% increase in interest rates would generate extra financial expenses of €35 million. It should however be noted that such an increase in interest rates would conversely also result in greater income from the Group's cash surpluses, which amounted to €4,329 million at 31 December 2003.

29.2. Currency risk

A. Nature of the Group's risk exposure

VINCI carries out business throughout the world through subsidiaries that operate mainly in their domestic market. Generally, contracts invoiced in foreign currency give rise to expenses denominated in the same currency.
This applies particularly to construction sites abroad, for which subcontracting and supply costs in the local currency greatly exceed costs in euros. It should also be pointed out that approximately 75% of VINCI's business is generated in the euro zone. Consequently, VINCI's exposure to exchange rate risk on commercial transactions is limited.

VINCI can also find itself exposed to exchange rate risk through financing provided by the parent company to certain foreign subsidiaries.

B. Detail of exchange rate derivatives

Transactions to hedge currency risk are designed to cover commercial and financial transactions and break down as follows:

in millions of euros	Notional amounts 31/12/2003	Notional amounts 31/12/2002
Currency forward contracts		
US Dollar	25.2	25.9
Sterling	88.3	89.0
Other currencies	36.0	14.1
Total currency forward contracts	**149.5**	**129.0**
of which - forward purchases	*6.0*	*24.9*
- forward sales	*143.5*	*104.1*
Currency options	**74.3**	**32.6**
Currency swaps	**46.5**	**121.0**
Total exchange rate hedging instruments	**270.3**	**282.5**

29.3. Securities risk

The Group's exposure to equity markets is of two types:

- in connection with its growth strategy, VINCI has acquired holdings in listed companies that are not consolidated, namely TBI and ASF, in which VINCI has holdings of 14.9% and 20.0% respectively.
- in connection with stock options granted to Group employees and company officers, VINCI held 4.1 million of its own shares at 31 December 2003.

A. Growth-related transactions

■ Balance sheet position

The exposure relating to shares in TBI and ASF is as follows:

		Net book value		Market value		
31/12/2003	**Number of shares**	**per share**	**aggregate (in €m)**	**Closing price 31/12/2003**	**Market value (in €m)**	**Sensitivity to a fall of 10% from the closing price* (in €m)**
TBI	83,250,000	£0.65	76.8	£0.675	79.8	(5.0)
ASF	46,211,250	€26.60	1,229.0	€26.60	1,229.2	(122.7)

** Difference between the net book value and market value less 10%, at 31 December 2003.*

It should be recalled that the Group does not consider the market value of the ASF and TBI shares to be fully representative of their value in use. For this reason, the sensitivities shown above are given purely as an indication and do not represent the potential impact on the Group's financial statements of such a change.

■ Equity derivatives

In order to hedge against a rise in the price of the ASF share, and in the context of a possible future increase in its holding, on 2 September 2003 VINCI entered into an equity swap with the ASF share as the underlying asset. Of a notional amount of €260 million (approximately equivalent to 9.8 million ASF shares), this contract expires at the latest on 2 September 2005 and excludes any physical delivery of ASF shares to VINCI.

VINCI pays or receives changes in the ASF share price from a contractual reference price of €26.64 at the successive settlement dates. In parallel, VINCI receives any dividends calculated on the equivalent number of shares and pays interest at Euribor 1 month compound. On the basis of the ASF share price at 31 December 2003, the value of this swap shows a loss of €8.5 million at that date, entirely covered by provisions taken in the period.

The Group has also sold a put option (an option to sell) regarding ASF shares, for a notional amount of 250,000 shares at a strike price of €26. This option represents a potential purchase commitment regarding ASF shares of €6.5 million, with a February 2004 maturity.

The exposure relating to these two instruments is summarised below:

at 31/12/2003	Number of underlying ASF shares	Reference price of the commitment	Notional (in €m)	Closing price 31/12/2003	Market value (in €m)	Sensitivity to a fall of 10% from the closing price (in €m)
Equity swap	9,822,296	€26.64	260.0	€26.41*	(8.5)	(33.7)
Put	250,000	€26.00	6.5	€26.60	0.1	(0.4)

** In this contract, the reference closing price is the weighted average price of the trading session.*

B. Transactions on treasury shares

Under stock options granted to management, VINCI held 4,122,272 of its own shares at 31 December 2003.
Of these shares, 4,001,772 are to cover share purchase options. A 10% decrease in the price of the VINCI share from the closing price at 31 December 2003 would have no impact on the Group's earnings, given the value of these shares in the balance sheet.
The remaining 120,500 treasury shares, not allocated to stock option plans, have been recorded as a reduction of shareholders' equity, for €8 million. A fall in the price of the VINCI share would in this connection therefore have no impact on the Group's earnings.

29.4. Counterparty risk

VINCI's policy is to diversify counterparties (banks and financial institutions) so as to avoid a concentration of risk. The company thus controls credit risk associated with financial instruments by setting investment limits based on counterparty ratings.

The Group's cash surpluses invested in marketable securities amounted to €3,387 million at 31 December 2003. Of this, the amount managed directly by the holding company amounted to €2,249 million.
VINCI's policy is to invest cash surpluses in monetary instruments negotiated with leading counterparties and previously authorised by the financial departments of the Company. The same applies to off balance sheet derivatives.

30. Market value of financial instruments

30.1. Market value

VINCI holds the following instruments with the estimated market values shown:

Assets *in millions of euros*	**31/12/2003** **Balance sheet value**	**31/12/2003** **Market value***
Shares in listed subsidiaries and affiliates (ASF)	1,229.0	1,229.2
Long-term investment securities (TBI)	76.8	79.8
Investments in unlisted subsidiaries and affiliates	152.2	152.2
Investments in subsidiaries and affiliates (I)	**1,458.0**	**1,461.2**
Short-term investments (Sicavs, negotiable debt instruments, etc.)	3,387.4	3,388.5
Treasury stock	181.6	262.7
Marketable securities (II)	**3,569.0**	**3,651.2**
Total securities portfolio (I)+(II)	**5,027.0**	**5,112.4**
Financial receivables	283.5	283.5
Cash	658.2	658.2
Total assets	**5,968.7**	**6,054.1**

** Value includes coupons outstanding recorded in the balance sheet.*

Liabilities *in millions of euros*	**31/12/2003** **Balance sheet value**	**31/12/2003** **Market value***
Subordinated debt of indefinite maturity	10.1	10.1
Bond issues	4,781.7	4,938.2
Other long-term debt	1,380.5	1,387.7
Long-term debt	**6,172.3**	**6,336.0**
Bank overdrafts and other short-term borrowing	604.2	604.2
Total liabilities	**6,776.5**	**6,940.2**

** Value includes coupons outstanding recorded in the balance sheet.*

Off balance sheet *in millions of euros*	**31/12/2003** **Balance sheet value***	**31/12/2003** **Market value****
Interest rate swaps	90.9	113.2
Interest rate options (caps, floors and collars)	(0.8)	(1.7)
Currency forward contracts	—	12.4
Currency swaps	—	(4.2)
Currency options	—	(1.5)
Equity options	0.1	0.1
Equity swap	(8.5)	(8.5)
Total off balance sheet	**81.7**	**109.7**

** Asset: (+);Liability: (–).*
*** Value includes amounts recorded in the balance sheet.*

30.2. Valuation assumptions and methods

Estimated market value is based either on valuation information supplied by bank counterparties or on information available on financial markets, using specific valuation methods appropriate for the instrument concerned.

However, the methods and assumptions used are by their nature theoretical. Other assumptions and/or valuation methods could yield very different results.
Market value is based on information available on regulated or OTC markets at the end of the trading day on 31 December 2003.

The main valuation assumptions and methods are as follows:

■ **Marketable securities and equity investments:**

The market value of listed equity investments and marketable securities has been determined on the basis of the closing prices on 31 December 2003.
The market value of unlisted equity investments has been estimated at the value in use represented by their book value.

■ **Financial receivables**

The market value is the same as the nominal value.

■ **Cash and cash equivalents**

The value recorded in the balance sheet is considered equivalent to market value, given their short-term and liquid nature.

■ **Bonds and other financial debt**

The market value of listed loans is the listed price of the bond at the year-end date. The market value of unlisted bonds and fixed rate debt is based on discounted future flows, using the interest rates at 31 December 2003, taking account of credit risk. The market value of floating rate debt is the same as its nominal value.
The market value of short-term debt and capital remaining due of less than €1 million at 31 December 2003 is represented by book value.

■ **Interest rate, foreign currency and equity financial instruments**

The market value of interest rate, foreign exchange and equity financial instruments (interest rate and foreign exchange swaps, interest rate options, forward sales and purchases of foreign exchange, option on ASF shares) has been estimated on the basis of valuations provided by banking counterparties or derived from financial models commonly used on financial markets, on the basis of market data at 31 December 2003.

■ **Equity swap**

The market value of the ASF equity swap has been determined on the basis of the weighted average of the ASF share price at 31 December 2003, an estimate of the dividend that will be paid by ASF with respect to 2003 earnings and the yield curve at 31 December 2003. The market value of the swap has been modelled on the basis of prudent assumptions.

31. Transactions with related parties

Transactions with related parties are mainly transactions with the equity accounted affiliates described in Note 16.

32. Off balance sheet commitments, maturity of contractual obligations and other commitments

VINCI has defined and implemented procedures to list off balance sheet commitments and identify their nature and purpose.

As part of these procedures, consolidated subsidiaries provide VINCI with information on the following commitments:
- personal sureties (securities, guarantees and other);
- collateral security (mortgages, pledges and other securities);
- joint and several guarantees covering unconsolidated partnerships;
- other commitments.

The commitments described in this Note include all the off balance sheet commitments identified by the Group as material, or likely to become material, with the exception of the commitments on financial instruments described in Note 29 and actuarial gains and losses relating to retirement commitments described in Note 25.

32.1. Commitments given (excluding operating leases and purchase and capital investment commitments)

These break down as follows:

in millions of euros	31/12/2003	31/12/2002	31/12/2001
Personal sureties	4,179.7	4,133.4	4,020.8
Collateral security	783.6	606.2	539.0
Joint and several guarantees covering unconsolidated partnerships	262.5	95.2	272.2
Other commitments	120.1	146.8	115.3
	5,345.9	**4,981.6**	**4,947.3**

Breakdown of commitments by business line at 31 December 2003

in millions of euros	Personal sureties	Collateral security	Joint and several guarantees covering unconsolidated partnerships	Other commitments	Total
Concessions and services	94.1	651.6	—	12.2	**757.9**
Energy	264.3	6.5	0.7	3.7	**275.2**
Roads	977.1	26.4	242.4	8.6	**1,254.5**
Construction	2,235.2	99.1	19.4	35.3	**2,389.0**
Property and holding companies	609.0	—	—	60.3	**669.3**
	4,179.7	**783.6**	**262.5**	**120.1**	**5,345.9**

Personal sureties (securities, guarantees and other)

These break down as follows:

in millions of euros	31/12/2003	31/12/2002
Performance guarantees	1,461.2	1,977.6
Retentions	1,251.2	1,043.2
Deferred payments to subcontractors	483.8	534.9
Deferred payments to suppliers	8.8	78.2
Tender bonds	51.9	64.2
Long-term debt	—	28.1
Overdrafts	6.2	22.5
Other	916.6	384.7
Total personal sureties	**4,179.7**	**4,133.4**

Personal guarantees given are mainly issued to guarantee construction work in progress. Whenever events such as late completion or disputes concerning the execution of a contract make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of that liability.

In general, any risk of loss in connection with performance under a commitment given by VINCI or its subsidiaries results in a provision being recognised in the Group's financial statements, under the rules in force. VINCI therefore considers that these commitments are unlikely to have a significant impact on Group assets.

It should be reminded that, opposite the commitments given, the Group has an order book of firm orders accepted by customers which are thus under an obligation to pay for work as it is carried out, in accordance with contractual terms.

VINCI also grants two-year and ten-year warranties, in its normal course of business. These warranties are covered by provisions that are estimated on a statistical basis having regard to past experience, or on an individual basis in the case of any major problems identified. These commitments are therefore not included in the above table.

Collateral security (mortgages and collateral pledged in exchange for finance)

Charges on property guaranteeing finance obtained amount to €783.6 million, of which €643.6 million for loans recorded in the balance sheets of infrastructure concession companies and €76.6 million for CFE's dredging activities (DEME).

Mortgages and pledges by the Concession business line break down as follows:

in millions of euros	Start date	End date	Amount
Gefyra (Rion-Antirion bridge - Greece)	April 2001	December 2004	320.0
SCDI (Confederation bridge - Canada)	June 1998	September 2031	99.9
Autopista Del Bosque (Chillán-Collipulli motorway - Chile)	March 2001	April 2021	176.7
Morgan VINCI Ltd (Newport bypass - Wales)	March 2002	March 2042	31.8
Other			15.2
			643.6

Joint and several guarantees covering unconsolidated partnerships (SNCs, Economic Interest Groupings, etc.)

Part of VINCI's business in the Construction and Roads business lines is conducted through joint venture entities, in line with industry practice. In such a partnership, the partners are jointly and severally liable for debt to third parties, without limit. In order to contain their risks, VINCI usually makes a study of its partners' solvency when a partnership is entered into, which may result in the setting up of crossed counter guarantees between partners.

Whenever VINCI becomes aware of a risk in connection with a partnership's activities, a provision is recorded in the partnership accounts if the entity is consolidated or in the parent company accounts if the entity is not consolidated.

The amount recorded under off balance sheet commitments corresponds to 100% of the partnership's liabilities, less the equity and financial debts (loans and current accounts) in the names of the partners.
However, given in particular the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is slight.

Other commitments

These include all commitments other than those described above, such as return to financial health clauses and guarantees in respect of liabilities as part of business divestments.

32.2. Operating leases and purchase and capital investment commitments

Under concession contracts, certain Group entities have entered into commitments to build infrastructure assets in order to operate them.

These commitments mainly comprise those of Cofiroute, estimated at €2,922 million for the next five years, of Gefyra in connection with the construction of the Rion-Antirion bridge in Greece (€58.4 million) and those in connection with the Newport bypass in Wales (€9.2 million). Sorif has also undertaken, in connection with property development operations, to acquire land for an amount of €101.6 million.

Commitments under operating leases relate to the rental of property for €293.8 million, of which €51.3 million at less than one year.

		Payment due by period		
in millions of euros	Total	within 1 year	after 1 and within 5 years	after 5 years
Purchase and capital expenditure obligations	3,098.3	656.2	2,442.1	—
Operating leases	409.7	104.7	199.6	105.4
Total	**3,508.0**	**760.9**	**2,641.7**	**105.4**

32.3. Complex financial commitments

On 2 September 2003,VINCI concluded a swap of which the underlying asset is the ASF share.The characteristics of this swap are described in Note 29.3.

32.4. Commitments received

The commitments received by the Group break down as follows:

in millions of euros	31/12/2003	31/12/2002
Personal sureties	494.9	437.9
Collateral security	8.4	25.9
Other commitments	46.2	218.0
	549.5	**681.8**

Breakdown of commitments received by business line at 31 December 2003

in millions of euros	Personal sureties	Collateral security	Other commitments	Total
Concessions and services	46.6	—	16.2	**62.8**
Energy	41.2	—	0.4	**41.6**
Roads	41.7	0.8	5.0	**47.5**
Construction	365.2	0.2	24.6	**390.0**
Property and holding companies	0.3	7.3	—	**7.6**
	495.0	**8.3**	**46.2**	**549.5**

33. Number of employees

The number of employees of the consolidated companies breaks down as follows:

	2003	2002	2001
Engineers and managers	15,433	15,278	14,121
Monthly and hourly paid staff	112,080	112,102	115,378
	127,513	**127,380**	**129,499**

34. Remuneration of company officers

The remuneration of senior VINCI management is determined by the Board of Directors on proposal by the Remuneration Committee. (See pages 128-132:"Report of the chairman on the work of the Board of Directors and on internal control procedures as requested by the Financial Security Law".) Remuneration of senior management comprises a fixed salary and bonuses based on VINCI's results, the performance of the VINCI share and on individual performance.

Total remuneration paid to the members of the VINCI Executive Committee (eight people in 2003) amounted to €6.7 million in 2003. Directors' fees paid by VINCI to members of the Board of Directors totalled €405,000 in 2003.

Total remuneration, including benefits in kind, paid by VINCI to company officers in 2003 broke down as follows:

in euros Company officer	Gross fixed salary	Gross bonus	Net total (1) after tax and social charges	Directors' fees	Benefits in kind
Antoine Zacharias, Chairman and CEO	1,263,284	1,676,940	1,234,894	80,000	Company car
Bernard Huvelin, Director and Co-Chief Operating Officer	416,292	457,350	366,930	20,000	Company car
Xavier Huillard, Co-Chief Operating Officer	325,677	344,566	281,502	—	Company car
Roger Martin, Co-Chief Operating Officer	336,918	389,170	304,957	—	Company car
Directors chairing a committee (3 people)	—	—	—	40,000(2)	—
Other Directors (12 people)	—	—	—	20,000(2)(3)	—

(1) Net remuneration equals gross remuneration less social charges and taxes calculated according to the formula of the French association of private enterprises (Afep).
(2) The amount indicated is paid to each Director in that category in office throughout the year.
(3) Directors' fees paid in respect of Mr Jaclot (€10,000), Mr Brongniart (€15,000) and Mr de Silguy (€20,000) were paid to Suez.

Some VINCI Directors also received Directors' fees in 2003 from companies controlled by VINCI:

in euros Company officer	Directors' fees
Antoine Zacharias, Chairman and CEO	13,051
Bernard Huvelin, Director and Co-Chief Operating Officer	16,101
Serge Michel, Director	3,050
Xavier Huillard, Co-Chief Operating Officer	16,948
Roger Martin, Co-Chief Operating Officer	12,480

35. Litigation and arbitration

To the Company's knowledge, there is no exceptional event or litigation likely to affect substantially the business, financial performance, net assets or financial situation of the Group or the Company. Provisions have been taken that the Company considers sufficient in respect of the cases described below, where necessary.

- Cofiroute has a 10% share in the Toll Collect consortium, of which Deutsche Telekom and DaimlerChrysler Services are also members. This consortium holds a contract to develop and operate a system for automated collection of tolls from heavy goods vehicles on the German motorway network. Development of this system is proving more complicated and is taking longer than expected, which has led the German Government to make various claims against the Consortium, in particular for payment of late delivery penalties. VINCI considers that, given the contractual arrangements applicable to relations both with the German Government and within the Consortium, this project will not have a material impact on VINCI's financial situation, as sufficient provisions have been taken in Cofiroute's accounts to cover any possible negative outcome.

- At the end of 1998, the Grenoble Administrative Court ordered VINCI to bear the consequences, jointly and severally with an Italian building contractor (now in liquidation), of the collapse of the roof of a building belonging to NERSA. EDF, implicated by VINCI, was ordered to guarantee VINCI for 40% of the consequences of this event, which reduced VINCI's liability to €13.6 million in principal and interest. Given the circumstances of the case, VINCI lodged an appeal against this decision at the beginning of 1999. Pro-ceedings are still under way at the Lyon Administrative Appeal Court. Meanwhile, actions and procedures undertaken with regard to insurers and financial institutions have enabled the financial consequences for VINCI of this case to be significantly reduced, through a settlement received of €13.3 million.

- In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering enterprises, of which several are VINCI Group companies, with a view to obtaining financial compensation for the prejudice it claims to have suffered between 1987 and 1990 during the award of tender for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnections).

  This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Court of Appeal upheld overall (making a second ruling after its 1997 decision was overturned). VINCI considers that SNCF suffered no financial prejudice on the award of these tenders to its subsidiaries involved. This administrative procedure is currently the subject of an expert review of the two tenders concerned (the other petitions are still being studied by the Court).

- A dispute between VINCI and the US company Global Industries was taken to the Paris Commercial Court, regarding the consequences of the failure of the sale of ETPM by GTM to Global Industries, each party claiming compensation from the other for damages resulting from the breakdown of their discussions. On 19 November 2003, the Court ordered Global Industries to pay compensation to VINCI of US $25 million plus interest for the period from 25 November 1999 together with an amount covering any exchange loss arising from fluctuations in the euro/dollar exchange rate. This ruling has to be complied with pending any appeal. Global has lodged an appeal against this ruling. VINCI does not expect this dispute to have a material effect on its financial situation.

- In a dispute between VINCI and Bouygues Bâtiment as co-shareholders of Consortium Stade de France (CSDF), Bouygues Bâtiment is claiming a right of first refusal for the acquisition – at their nominal value – of half of the shares in this company previously held by GTM and acquired by VINCI after the merger with GTM on 19 December 2000. In its ruling on 14 September 2002, the Paris Commercial Court found that Bouygues Bâtiment and VINCI should each hold an equal share of CSDF and appointed an expert to provide the information required to value the consortium's shares. The expert's report submitted at the end of December 2003 attributed a median value of €92 million to the shares as a whole, their nominal value being €29.7 million (for 100% of the capital stock).
  As VINCI had lodged an appeal against this ruling, the Paris Appeal Court, which should give its ruling in the second half of 2004, will first have to rule on whether the claim made by Bouygues Bâtiment is well-founded. If this claim is rejected, as demanded by VINCI, CSDF's shareholder structure will remain unaltered. If this is not the case, VINCI could be required to sell 16.66% of CSDF to Bouygues Bâtiment for consideration to be decided by the Court. VINCI does not expect this dispute to have a material effect on its financial situation.

- Sogea Nord-Ouest, a subsidiary of Sogea Construction, was ordered on 10 October 2000 by the Lyons Commercial Court to pay €9 million to HIL, a principal, in respect of penalties for late delivery due to delays in delivering a hotel building because of a fire caused by a subcontractor. Sogea Nord-Ouest appealed against this ruling and on 15 January 2004 the Lyon Appeal Court reduced the sum due by Sogea Nord-Ouest to €3 million. The other party has until 3 April 2004 to ask for the Appeal Court's decision to be overturned by the Court of Cassation, at which date the decision will be considered final. Sogea Nord-Ouest will also sue the sub-contractors responsible and insurers.

- CBC has been brought before the Mexican courts in several cases. One of the shareholders of Prodipe Inc. and a Mexican state organisation allege that CBC did not fulfil the terms of its contract concerning a tourist site development in Baja California, the financing of which was guaranteed up to US $7.2 million by Coface, which was in turn counter-guaranteed by the Mexican state organisation in question.
  Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.

- CBC built a hotel in Bratislava (Slovakia) for Intertour, part of whose equity it held. This transaction was financed through promissory notes issued by Intertour and discounted on a non-recourse basis by CBC with a French bank, which had counter-guarantees from foreign financial institutions. Following the payment default by Intertour, these financial institutions have initiated various legal proceedings, including one before the Paris Commercial Court, in which CBC was called as guarantor of the principal amount of €41 million.
  CBC has also been sued in December 2003 in the Paris Commercial Court by the same French bank, which is claiming €24 million on the basis of alleged responsibility in connection with the invalidity of the guarantees issued by the foreign financial institutions in the French bank's favour. Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.

- Lastly, several VINCI Group companies are being investigated under competition law, and certain employees of VINCI Group subsidiaries are subject, on a personal basis, to judicial enquiry procedures that aim to determine whether they have participated in practices restricting competition or made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. VINCI does not expect these procedures to have a material impact on its financial situation in the event of an unfavourable outcome.

Main consolidated companies at 31 December 2003

	Consolidation method	VINCI Group holding
1. Concessions and services		
VINCI Concessions SA	FC	100.00%
VINCI Park	FC	100.00%
Sogeparc France	FC	99.99%
Sogeparc CGST	FC	100.00%
Sepadef (Société d'exploitation des parcs de la Défense)	FC	100.00%
VINCI Park Services Ltd (UK)	FC	100.00%
VINCI Park Belgium (Belgium)	FC	100.00%
VINCI Park España (Spain)	FC	100.00%
Gestipark (Canada)	PC	50.00%
Zeson Management Ltd (Hong Kong)	FC	100.00%
Cofiroute	FC	65.34%
Cofiroute Participations	FC	65.34%
Cofiroute Corporation (USA)	FC	65.34%
Cofiroute UK (UK)	FC	65.34%
Toll Management Collect (UK)	FC	74.00%
VINCI Infrastructures	FC	100.00%
Stade de France	PC	66.67%
SMTPC (Prado-Carénage tunnel)	EM	31.34%
Lusoponte (Bridges over the Tagus river, Portugal)	EM	30.85%
Severn River Crossing (Bridges over the River Severn, UK)	EM	35.00%
Strait Crossing Development Inc (Confederation Bridge, Canada)	PC	49.90%
Gefyra (Rion-Antirion bridge, Greece)	FC	53.00%
Autopista Del Bosque (Chillán-Collipulli motorway, Chile)	FC	82.95%
Operadora Autopista Del Bosque (Chile)	FC	86.14%
Morgan VINCI Ltd (Newport bypass, Wales, UK)	PC	50.00%
VINCI Airports	FC	100.00%
Société Concessionnaire de l'Aéroport de Pochentong - SCA (Cambodia)	PC	70.00%
Inversiones Técnicas Aeroportuarias - ITA (Mexico)	EM	24.50%
Servicios de Tecnologia Aeroportuaria - SETA (Mexico)	EM	37.25%
ADP Management	EM	34.00%
VINCI Airports UK	FC	100.00%
VINCI Airports Services	FC	100.00%
VINCI Airports US (WFS)	FC	100.00%
SEN	FC	100.00%
SPA TRANS	FC	100.00%

FC: full consolidation ; PC: proportionate consolidation ; EM: equity method.

	Consolidation method	VINCI Group holding

2. Energy

VINCI Energies	FC	100.00%
SDEL Tertiaire	FC	100.00%
Garczynski Traploir	FC	100.00%
Santerne Exploitation	FC	100.00%
VINCI Energies Île-de-France	FC	100.00%
Tunzini	FC	100.00%
Tunzini Protection Incendie	FC	100.00%
Fournié-Grospaud	FC	100.00%
Graniou Île-de-France	FC	100.00%
Lefort Francheteau	FC	100.00%
Saga Entreprises	FC	100.00%
Phibor Entreprises	FC	100.00%
TMS (Austria)	FC	100.00%
VINCI Energies Deutschland and subsidiaries (Controlmatic, G+H Isolierung, Calanbau)	FC	100.00%
Emil Lundgren (Sweden)	FC	100.00%
Spark Iberica (Spain)	FC	80.00%
VINCI Energies UK (UK)	FC	100.00%

3. Roads

Eurovia	FC	100.00%
Eurovia Champagne-Ardenne	FC	100.00%
Eurovia Lorraine	FC	100.00%
Eurovia Méditerranée	FC	100.00%
Eurovia Île-de-France	FC	100.00%
Eurovia Bretagne	FC	100.00%
EJL Île-de-France	FC	100.00%
Eurovia Alpes	FC	100.00%
Eurovia Haute-Normandie	FC	100.00%
Eurovia Basse-Normandie	FC	100.00%
Eurovia Centre loire	FC	100.00%
Eurovia Atlantique	FC	100.00%
Ringway Ltd (UK)	FC	90.65%
Highway Services (UK)	FC	59.80%
Hubbard (USA)	FC	100.00%
Blythe (USA)	FC	100.00%
SSZ (Czech Republic)	FC	92.06%
Probisa Technologia y Construccion (Spain)	FC	87.84%
Construction DJL (Canada)	FC	95.80%
Bitumix (Chile)	FC	50.10%
Boucher (Belgium)	FC	100.00%
Cestne Stavby Kosice (Slovakia)	FC	95.57%
Eurovia Polska Spolka Akcyjna (Poland)	FC	92.46%

FC: full consolidation ; PC: proportionate consolidation ; EM: equity method.

	Consolidation method	VINCI Group holding
Eurovia GmbH (Germany)	FC	100.00%
Eurovia Teerbau	FC	100.00%
Eurovia VBU	FC	100.00%
Eurovia Beton	FC	100.00%

4. Construction

Sogea Construction	FC	100.00%
SICRA	FC	100.00%
Campenon Bernard Construction	FC	100.00%
Bateg	FC	100.00%
Sogea Nord-Ouest	FC	100.00%
Campenon Bernard Méditerranée	FC	100.00%
Sogea Nord	FC	100.00%
EMCC	FC	100.00%
Deschiron	FC	100.00%
Énergilec	FC	100.00%
VINCI Environnement	FC	100.00%
GTM Construction	FC	100.00%
GTM Génie Civil et Services	FC	100.00%
GTM Bâtiment	FC	100.00%
Dumez Île-de-France	FC	100.00%
Chantiers Modernes	FC	100.00%
Les Travaux du Midi	FC	100.00%
Lainé Delau	FC	100.00%
GTM Terrassement	FC	100.00%
Dumez Méditerranée	FC	100.00%
Petit	FC	100.00%
Dumez EPS	FC	100.00%
Scao	PC	33.33%
VINCI Construction Filiales Internationales		
Sogea-Satom	FC	100.00%
Warbud (Poland)	FC	72.93%
SBTPC (Reunion)	FC	100.00%
Hídépítö (Hungary)	FC	97.69%
SMP Construction (Czech Republic)	FC	87.54%
First Czech Construction Company (Czech Republic)	FC	100.00%
Dumez-GTM Calédonie	FC	100.00%
Sobea Gabon (Gabon)	FC	90.00%
Sogea Martinique	FC	100.00%

FC: full consolidation ; PC: proportionate consolidation ; EM: equity method.

	Consolidation method	VINCI Group holding
VINCI Construction UK, Germany and USA		
VINCI plc (UK)	FC	100.00%
Rosser & Russell (UK)	FC	100.00%
Crispin & Borst (UK)	FC	100.00%
VINCI Investment (UK)	FC	100.00%
Brüggemann (Germany)	FC	100.00%
SKE (Germany)	FC	100.00%
SKE SSI (USA)	FC	100.00%
VINCI Bautec (Germany)	FC	100.00%
Compagnie d'Entreprises CFE (Belgium)	FC	45.38%
CFE (branches: Bageci, MBG, CFE Brabant, CFE Immobilier)	FC	45.38%
Dredging Environmental and Marine Engineering - DEME	PC	22.00%
VINCI Construction Grands Projets	FC	100.00%
Socaso	FC	100.00%
Socatop	PC	66.67%
Janin Atlas (Canada)	FC	100.00%
Freyssinet	FC	100.00%
Freyssinet France	FC	100.00%
Terre Armée Internationale	FC	100.00%
The Reinforced Earth Cy - RECO (USA)	FC	100.00%
Ménard Soltraitement	FC	100.00%
Freyssinet International et Cie	FC	100.00%
Immer Property (Australia)	FC	70.00%
Freyssinet Korea (Korea)	FC	90.00%
Freyssinet Hong Kong (Hong Kong)	FC	100.00%

5. Other operational entities

Sorif (Property)	FC	100.00%
Elige (Property)	FC	100.00%

FC: full consolidation ; PC: proportionate consolidation ; EM: equity method.

Summary of parent company financial statements

The detailed financial statements of the parent company are available from the VINCI Investor Relations Department

The financial statements of the parent company have been prepared in accordance with French legal and regulatory requirements and with generally accepted accounting principles, applied in a consistent manner.

The year was marked mainly by the continuation of the restructuring of the Group's legal structure started in 2002 and intended to bring together all concession activities under the VINCI Concessions subholding company, and by the reorganisation of the VINCI Airports business line, which was completed at the end of 2003.

This has involved:

- the contribution to VINCI Concessions at the beginning of 2003 of the shares held by VINCI in Cofiroute, VINCI Park, VINCI Airports and VINCI Infrastructures; the resulting gain realised in 2003 amounted to €1,821.1 million, solely related to the contribution of the Cofiroute shares, the shares in the other subsidiaries having been contributed at their net book value.
- the sale of the shares in VINCI Airports US and SEN by VINCI Airports Services to VINCI Services Aéroportuaires, a direct subsidiary of VINCI formed in 2003 with capital of €35 million for this purpose; the loss of €116.8 million made by VINCI Airports Services in 2003, of which the major part (€111.7 million) arose on the sale of the VINCI Airports US shares, has been recognised in the holding company's income statement for the period.

Taking the impact of the above-mentioned transactions into account, the financial statements of the parent company for 2003 show net income of €2,065.6 million, against €338.1 million in 2002.

The difference from one year to the next, having regard to the legal restructuring operations already mentioned, was principally due to the following factors:

- a decrease of €124.9 million in net financial income from €199.6 million in 2002 to €74.7 million in 2003, due to :

– a decrease of €81.1 million in the total dividends paid by subsidiaries, mainly due to:
  - the transfer to VINCI Concessions of dividend income from VINCI Park and Cofiroute, which amounted to €57.8 million and €72.5 million respectively in 2002; this change was partially offset by an interim dividend of €102.4 million paid by VINCI Concessions in 2003;
  - a decrease of €53.2 million in other dividend income (including VINCI Energies for €47.7 million);

– a decrease of €106.6 million in the share in earnings of partnerships (SNCs), mainly due to recognition of the loss made by VINCI Airports Services;

Summary statement of income

in millions of euros	2003	2002	2001
Net sales	23.1	25.2	43.0
Other operating revenue	61.7	59.0	74.1
Operating expenses	(94.8)	(103.2)	(129.5)
Net operating income/(expense)	**(10.0)**	**(19.0)**	**(12.4)**
Net revenue from subsidiaries and affiliated companies	179.5	367.3	328.7
Net financial expenses*	(71.5)	(66.9)	(46.4)
Foreign currency translation and other gains/(losses)	0.7	(4.0)	0.5
Other financial provisions	(34.0)	(96.8)	(19.5)
Net financial income	**74.7**	**199.6**	**263.3**
Net exceptional income	**1,888.0**	**30.3**	**146.8**
Income from tax consolidation, less tax charge	112.9	127.2	110.1
Net income for the year	**2,065.6**	**338.1**	**507.8**

** Including provisions, amounting to €31.7 million in 2003, €27.5 million in 2002 and €8.6 million in 2001, to cover the redemption premium on Oceane bonds.*

– the favourable variation of €73.2 million in net charges made against shareholdings, which decreased from €96.3 million net in 2002 (mainly impairment losses on VINCI Deutschland shares for €20.1 million and VINCI Airports for €48.8 million) to €23.1 million net in 2003 ; most of the 2003 expense is due to impairment losses on shares in Autopista Del Bosque, for €34.1 million;

• net exceptional income of €1,888 million in 2003, against €30.3 million in 2002, mainly due to:

– the gain of €1,821.1 million arising on the contribution of the Cofiroute shares to VINCI Concessions;

– a gain of €3.4 million on the disposal by VINCI of its holding in Doris Engineering to an outside party;

– a reversal of provisions of €56.6 million net, following positive progress towards the resolution of old disputes;

• net income from tax consolidation of €112.9 million, against €127.2 million in 2002, after taking account of the holding company's tax charge of €60.5 million (against €10 million in 2002).

Summary balance sheet

Assets *in millions of euros*	2003	2002	2001
Intangible and tangible fixed assets	36.1	31.4	23.8
Financial assets	6,845.6	5,033.0	3,195.4
Other accounts receivable and currency differences	128.2	121.7	194.1
Marketable securities and cash	3,051.0	2,370.1	2,232.8
Total assets	**10,060.9**	**7,556.2**	**5,646.1**

Equity and liabilities *in millions of euros*	2003	2002	2001
Shareholders' equity	5,149.8	3,200.0	2,242.6
Provisions for liabilities	193.6	210.2	177.5
Debt	4,449.1	3,961.7	3,008.7
Other liabilities and adjustment accounts	268.4	184.3	217.3
Total equity and liabilities	**10,060.9**	**7,556.2**	**5,646.1**

■ Financial assets

On 31 December 2003, financial assets broke down as follows:

	31/12/2003			31/12/2002
in millions of euros	Gross book value	Impairment charges	Net book value	Net book value
Investments in subsidiaries and affiliated companies	6,947.5	419.2	6,528.3	4,667.4
Receivables linked to investments in subsidiaries and affiliated companies	290.3	7.1	283.2	335.0
Other securities	22.0	14.8	7.2	7.5
Other financial assets	29.9	3.0	26.9	23.1
Total financial assets	**7,289.7**	**444.1**	**6,845.6**	**5,033.0**

The increase in gross financial assets (€7.3 billion at 31 December 2003 against €5.5 billion at 31 December 2002) arose mainly from the contributions to VINCI Concessions described above. This operation led to an increase of €1,821.1 million in shares in subsidiaries and affiliated companies held by the holding company, resulting from the increase in capital stock of VINCI Concessions corresponding to the consideration for these contributions (€3,620.9 million), after deducting the value of the shares contributed; the value of the VINCI Concessions shares in VINCI's balance sheet thus stood at €4,521 million at the end of 2003.

The other operations were the increase in the capital stock of VINCI Deutschland (€24 million), the initial capital of VINCI Services Aéroportuaires (€35 million), and the recognition under financial fixed assets of treasury shares not allocated to share purchase option schemes (€8 million).

The net change in 2003 of provisions for impairment losses against shares in subsidiaries and affiliated companies was €23.1 million, mainly due to impairment charges against the shares in Autopista Del Bosque.

Receivables linked to investments in subsidiaries and affiliated companies comprise loans made by VINCI to its subsidiaries, in particular a loan to VINCI Park of €238.5 million at 31 December 2003 (€280.9 million at 31 December 2002).

■ Shareholders' equity

in millions of euros	Capital stock	Additional paid-in capital	Other reserves	Net income	Total
Shareholders' equity at 31 December 2002	**828.7**	**1,515.9**	**517.3**	**338.1**	**3,200.0**
Appropriation of net income for 2002	—	—	196.1	(338.1)	**(142.0)**
Capital increases	13.4	39.7	—	—	**53.1**
Reduction of capital through cancellation of shares	(4.2)	(22.7)	—	—	**(26.9)**
Net income for 2003	—	—	—	2,065.6	**2,065.6**
Shareholders' equity at 31 December 2003	**837.9**	**1,532.9**	**713.4**	**2,065.6**	**5,149.8**

At 31 December 2003, capital stock amounted to €837.9 million, represented by 83,795,032 shares of €10 each.
Shareholders' equity amounted to €5,149.8 million at 31 December 2003 (€3,200 million at 31 December 2002), after taking account of income of €2,065.6 million for the period. The change during the year also takes account of the increases in capital stock resulting from subscriptions to Group savings schemes (€41.3 million), and the exercise of share subscription options (€11.8 million), as well as a reduction in capital stock of €26.9 million, relating to 420,000 shares, following the Board of Directors' decision of 16 December 2003. Dividends paid in 2003 amounted to €142 million.

Capital increases and reductions break down as follows:

in millions of euros	Number of shares	Capital stock	Additional paid-in capital and other reserves	Total
Employee subscriptions to group savings schemes	906,848	9.1	32.2	**41.3**
Exercise of share subscription options	434,817	4.3	7.5	**11.8**
Cancellation of treasury shares	(420,000)	(4.2)	(22.7)	**(26.9)**
Total	**921,665**	**9.2**	**17.0**	**26.2**

Cash flow statement

in millions of euros	2003	2002	2001
Operating activities			
Cash flow from operations	250.0	372.4	337.5
Net change in working capital requirement	72.4	25.2	26.2
Total (I)	**322.4**	**397.6**	**363.7**
Investing activities			
Investments in operating assets	(20.5)	(2.3)	(10.2)
Fixed asset disposals	17.0	2.0	2.8
Net investments in operating assets	**(3.5)**	**(0.3)**	**(7.4)**
Acquisition of investments and securities	(64.2)	(2,076.8)	(364.3)
Buyback of VINCI shares (net of disposals)	6.8	20.1	(83.1)
Disposal of shares	4.8	1,179.0	138.1
Net acquisition of investments and securities	**(52.6)**	**(877.7)**	**(309.3)**
Net change in financial fixed assets	(8.0)	(7.2)	6.6
Total (II)	**(64.1)**	**(885.2)**	**(310.1)**

in millions of euros	2003	2002	2001
Financing activities			
Capital increases	53.1	147.7	160.1
Reduction of capital through cancellation of shares	(26.9)	(195.5)	—
Dividends paid	(142.0)	(131.3)	(125.4)
Other long-term debt	—	3.0	(59.2)
Total (III)	**(115.8)**	**(176.1)**	**(24.5)**
Cash flows for the period (I + II + III)	**142.5**	**(663.7)**	**29.1**
Net financial debt/(surplus) at 1 January	(1,449.1)	(912.3)	(1,042.6)
Impact of restructuring and reclassification	6.8	126.9	101.2
Net financial debt/(surplus) at 31 December	**(1,299.8)**	**(1,449.1)**	**(912.3)**

Fixed asset disposals (€17 million) relates to the sale of Entreprise Jean Lefebvre's former head office for €11 million and of various properties for the balance.

Acquisition of investments and securities mainly relates to the increases in capital stock of VINCI Deutschland and VINCI Services Aéroportuaires referred to above.

The net cash flow for the period resulted in a decrease of €142.5 million of net debt, which at the year end stood at €1,299.8 million before treasury shares.

Net debt

in millions of euros	2003	2002	2001
Convertible bond issues (Oceane)	(1,017.8)	(1,017.8)	(517.5)
Other bond issues	(1,137.2)	(987.2)	(137.2)
Borrowing from credit institutions	(107.0)	(110.8)	(130.4)
Accrued interest on bond issues	(45.3)	(38.7)	(6.5)
Long-term debt	**(2,307.3)**	**(2,154.5)**	**(791.6)**
Borrowing from credit institutions and bank overdrafts	(37.8)	(25.7)	(43.5)
Treasury notes	(18.9)	(20.4)	(528.9)
Current cash accounts of subsidiaries and affiliates	(2,085.1)	(1,761.1)	(1,632.8)
Short-term debt	**(2,141.8)**	**(1,807.2)**	**(2,205.2)**
Total debt	**(4,449.1)**	**(3,961.7)**	**(2,996.8)**
Accounts receivable related to shareholdings and loans*	**280.0**	**330.3**	**207.9**
Marketable securities	2,249.4	1,676.8	1,405.3
Current cash accounts of subsidiaries and affiliates	556.1	475.4	458.7
Cash	63.8	30.1	12.6
Short-term cash	**2,869.3**	**2,182.3**	**1,876.6**
Net debt	**(1,299.8)**	**(1,449.1)**	**(912.3)**
Treasury shares**	**181.6**	**187.8**	**356.2**
Net debt after treasury shares	**(1,118.2)**	**(1,261.3)**	**(556.1)**

** Including the share of receivables linked to interests in subsidiaries and affiliates, amounting to €277.6 million in loans granted by VINCI to subsidiaries, of which €238.5 million to VINCI Park, €15 million to Freyssinet, and €14.2 million to VINCI Construction.*

*** i.e. 4,001,772 VINCI shares held in treasury, acquired for an average price of €45.52 per share.*

The holding company's net debt at 31 December 2003, before treasury shares, amounted to €1,299.8 million, against €1,449.1 million the year before, a €149.3 million decrease.

The €1,017.8 million shown under convertible bond issues (Oeane, i.e.: bonds convertible into and/or exchangeable for new and/or existing shares), relates to two issues, one of which was made in 2001 of €517.5 million maturing in 2007 and the other in 2002 of €500.3 million maturing in 2018.

Other bond issues comprises an issue of €1,000 million made in three tranches in July 2002 (€600 million), November 2002 (€250 million), and May 2003 (€150 million). The issue prices of these three tranches were 99.58%, 102.554%, and 106.156% respectively. This loan pays interest at 5.875% and matures on 22 July 2009.

Lastly, treasury notes issued by VINCI amounted to €18.9 million at 31 December 2003 (against €20.4 million at 31 December 2002).

Marketable securities mainly comprise unit trusts, certificates of deposit and mutual funds. Their market value at the year end was close to their purchase price.

Five-year financial summary

in millions of euros	1999	2000	2001	2002	2003
I - Capital stock at the end of the year					
a – Capital stock *(in thousands of euros)*	523,393.3	791,546.0	828,799.1	828,733.7	837,950.3
b – Number of ordinary shares in issue (1)	40,261,023	79,154,601	82,879,911	82,873,367	83,795,032
c – Maximum number of shares to be issued through conversion of bonds (2)	—	—	5,750,000	11,308,334	11,308,334
II – Operations and net income for the year *(in thousands of euros)*					
a – Net sales excluding taxes	16,253.9	58,164.0	42,960.6	25,201.1	23,070.7
b – Net income before tax, employee profit sharing, depreciation and provisions	78,509.3	173,289.2	265,770.4	339,922.0	1,867,030.3
c – Income tax (3)	(35,955.4)	(125,615.2)	(110,104.4)	(127,259.4)	(112,905.7)
d – Net income after tax, employee profit sharing, depreciation and provisions	76,667.7	181,372.6	507,760.1	338,138.3	2,065,623.3
e – Earnings distributed for the period	59,093.4	121,108.4	130,946.2	141,679.2	189,074.0 (4)(5)
III – Income stated per share *(in euros)*					
a – Income after tax and employee profit sharing and before depreciation and provisions	2.8	3.8	4.5	5.6	23.6
b – Income after tax, employee profit sharing, depreciation and provisions	1.9	2.3	6.1	4.1	24.7
c – Net dividend paid per share	1.6	1.65	1.7	1.8	2.36 (5)
IV – Employees					
a – Average number	104	150	177	140	141
b – Wages and salaries *(in thousands of euros)*	10,174.1	18,870.9	39,003.2	27,732.7	32,444.8
c – Social security costs and other social benefit expenses *(in thousands of euros)*	3,678.1	6,503.4	11,481.3	6,941.4	5,838.2

(1) There were no preference shares in issue during the five-year period.

(2) VINCI issued 5,750,000 Oceane bonds in July 2001 and 5,558,334 Oceane bonds in April 2002, representing a total nominal amount of €517.5 million and €500.3 million respectively. The nominal value of these bonds, which are convertible into VINCI shares, is €90.
In the absence of conversion or exchange into VINCI share:
- the bonds issued in July 2001 will be redeemed on 1 January 2007 at €108.12 euros each;
- the bonds issued in April 2002 will be redeemed on 1 January 2018 at €125.46 euros each;

Of the stock options authorised by the Shareholders Meetings of 18 June 1993, 25 May 1998, 25 October 1999 and 14 May 2003, implemented by the Board of Directors' meetings of 4 November 1994, 4 March 1998, 9 March 1999, 7 September 1999, 11 January 2000, 3 October 2000, 8 March 2001, 17 December 2002 and 11 September 2003, as well as the GTM share subscription options converted into VINCI share subscription options by the Shareholders Meeting of 19 December 2000, and the Sogeparc share subscription options converted into VINCI share subscription options by the Shareholders Meeting of 12 December 2001, a total representing 12,349,036 shares had not yet been exercised at 31 December 2003.

(3) Tax income recovered from subsidiaries under tax consolidation arrangements, less VINCI SA's own tax charge.

(4) Based on the number of shares qualifying for dividends on 2003 earnings as at 2 March 2004.

(5) Proposal to be made to the Shareholders Meeting of 23 April 2004 (first notice) or 4 May 2004 (second notice).

Subsidiaries and affiliated companies at 31 December 2003

The information in the following table reflects only the individual financial statements of the subsidiaries.

in thousands of euros	Capital stock	Reserves and retained earnings before net income allocation	Share of capital stock held directly (%)	Book value of shares held (gross)	Book value of shares held (net)	Loans and advances made by VINCI	Sureties and guaran-tees given by VINCI	Net sales before tax in the last financial year	Net income or loss in the last financial year	Dividends received by VINCI
1 - Subsidiaries (at least 50% owned by VINCI)										
French subsidiaries										
Consortium Stade de France	29,728	(2,902)	66.67	19,818	19,818	—	—	79,268	7,487	2,973
Elige Participations	21,000	2,649	100.00	91,469	33,073	—	—	5,764	6,318	9,000
Eurovia	366,400	83,314	100.00	1,034,160	1,034,160	—	—	—	89,293	65,265
Ornem	322	274	99.98	14,221	2,795	—	—	—	2,521	—
Snel	2,622	163	99.98	2,742	2,742	—	—	—	72	669
Socofreg (formerly GTM CI)	43,240	1,762	100.00	113,872	45,002	—	—	—	12,855	10,810
VINCI Airports Services	35,000	-	100.00	35,000	35,000	152,823	—	431	(116,763)	—
VINCI Assurances	38	-	99.44	38	38	—	—	5,804	1,446	—
VINCI Concessions	3,275,481	327,538	100.00	4,520,932	4,520,932	183,857	—	359,427	122,879	102,359
VINCI Construction	148,806	111,179	86.64	363,265	363,265	—	—	4,544	117,663	84,608
VINCI Energies	99,511	1,434	99.17	305,026	305,026	—	—	99,465	8,879	14,803
VINCI Services Aéroportuaires	35,000	(1)	100.00	35,000	35,000	129,017	—	94	(178)	—
Other subsidiaries (together)	—	—	—	44,737	5,254	—	—	—	—	—
Foreign subsidiaries										
Autopista Del Bosque	40,575	49,894	82.95	46,990	12,845	—	6,777	17,612	3,102	—
Gefyra	65,220	—	53.00	36,972	36,972	—	—	—	—	—
SCA Pochentong	17,419	2,693	70.00	12,901	12,901	6,324	8,313	19,597	3,445	—
VINCI Deutschland	16,110	17,882	100.00	212,940	34,000	—	—	—	2,250	—
Other subsidiaries (together)	—	—	—	2,021	1	—	—	—	—	—
2 - Affiliated companies (10–50% owned by VINCI)										
French subsidiaries										
Other subsidiaries (together)	—	—	—	8,207	1,013	—	128,211	—	—	—
Foreign subsidiaries										
Inversiones y Tecnicas	87,327	2,356	24.50	26,179	22,328	—	—	3,443	4,506	1,207
Other subsidiaries (together)	—	—	—	10,369	4,313	—	52,540	—	—	—

NB: net sales and net income of foreign subsidiaries and affiliates are converted into euros at year-end exchange rates.

Reports of the Statutory Auditors

Report of the Statutory Auditors on the consolidated financial statements

(Year ended 31 December 2003)

In accordance with our appointment as auditors by your Shareholders General Meeting, we have audited the accompanying consolidated financial statements of VINCI for the year ended 31 December 2003.
The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these 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 our audit provides a reasonable basis for our opinion.
In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the companies included in the consolidation, in accordance with accounting principles generally accepted in France.
Without calling into the question the above opinion, we draw your attention to Note B.2 to the financial statements, which describes a change in accounting method relating to the recognition of commitments in respect of long-service bonuses.

2. Reasons for our conclusions

As required by Article L.225-235 of the French Code of Commerce regarding disclosure of the reasons for our conclusions (a requirement introduced by the Financial Security Act of 1 August 2003 and applicable for the first time to this financial year), we inform you of the following:

- As stated in the first part of this report, Note B.2 to the financial statements describes a change in accounting method relating to the recognition of commitments in respect of long-service bonuses. In assessing the accounting rules and principles adopted by your company, we have satisfied ourselves that the change was justified and appropriately presented.

- As disclosed in Note B.4 to the financial statements, the fair value of goodwill is subject to review by the company whenever events or circumstances occur that are likely to impair the value of a given asset. In accordance with the French professional standard applicable to accounting estimates, we have assessed as required the data and assumptions used by the company in performing this test and have checked the calculations made. We have formed a conclusion on this basis as to whether these estimates are reasonable.

These conclusions were formed as part of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our unqualified opinion, given in the first part of this report.

3. Specific verification

We have also performed the procedures to verify the Group's financial information given in the report of the Board of Directors. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu	RSM Salustro Reydel
Thierry Benoit	Bernard Cattenoz Benoît Lebrun

This is a free translation into English of the Statutory Auditors' reports issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes for the information of the reader, as required under French law in any auditor's report, whether qualified of not, an explanatory paragraph separate from and presented below the audit opinion discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account caption or on information taken outside of the consolidated financial statements. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

Report of the Statutory Auditors on the parent company financial statements

(Year ended 31 December 2003)

In accordance with our appointment as auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2003 on:

- the audit of the accompanying financial statements of VINCI;
- the reasons for our conclusions; and
- the specific verifications and information required by law.

The financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the annual financial statements

We conducted the audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, referred to above, give a true and fair view of the financial position of your Company, its assets and liabilities at 31 December 2003 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.

2. Reasons for our conclusions

As required by Article L.225-235 of the French Code of Commerce regarding disclosure of the reasons for our conclusions (a requirement introduced by the Financial Security Act of 1 August 2003 and applicable for the first time to this financial year), we inform you of the following:

As disclosed in Note A.1 to the financial statements VINCI contributed its shareholdings in Cofiroute, VINCI Park, VINCI Infrastructures and VINCI Airports to VINCI Concessions in February 2003. The gain of €1,821.1 million realised on this transaction in 2003 was recognised under exceptional income by VINCI. In evaluating the overall presentation of the financial statements, we have checked that the accounting treatment adopted by VINCI in respect of these transactions was correct and that the disclosures made in the Notes were appropriate.

These conclusions were formed as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our unqualified opinion, given in the first part of this report.

3. Specific verifications and information

We have also carried out, in accordance with the professional standards applicable in France, the procedures required by law on the financial information provided by the Board of Directors. We have no comments to make as to the fair presentation and conformity with the annual financial statements of the information given in the report of the Board of Directors and in the documents addressed to the shareholders, with respect to the financial position and the annual financial statements.
In accordance with the law, we have verified that the appropriate disclosures have been provided in the Board of Directors' report with regard to the acquisition aof shares and controlling interests, and the identity of shareholders and holders of voting rights.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu
Thierry Benoit

RSM Salustro Reydel
Bernard Cattenoz Benoît Lebrun

This is a free translation into English of the Statutory Auditors' reports issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes for the information of the reader, as required under French law in any auditor's report, whether qualified of not, an explanatory paragraph separate from and presented below the audit opinion discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the parent company financial statements taken as a whole and not to provide separate assurance on individual account caption or on information taken outside of the parent company financial statements. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

Report of the Statutory Auditors on regulated agreements

(Year ended 31 December 2003)

As the Statutory Auditors of your Company, we submit our report to you on regulated agreements.

1. Agreements authorised and/or entered into during the year

Pursuant to Article L.225-40 of the French Code of Commerce, the following agreements, previously authorised by the Board of Directors of your Company, have been brought to our attention.
We are not required to identify other such agreements, if any, but to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess the merits of these agreements for the purpose of approving them.
We have carried out our work in accordance with the professional standards applicable in France. Those standards require that we plan and perform our work in a way that enables us to check whether the information that has been given to us is consistent with the underlying documents from which it is derived.

Agreements with the subsidiary VINCI Concessions

Directors concerned: Mr Antoine Zacharias and Mr Bernard Huvelin

In the context of the creation of the VINCI Concessions business line, VINCI contributed all the shares that it held directly in Cofiroute, VINCI Park, VINCI Airports and VINCI Infrastructures to its fully controlled subsidiary VINCI Concessions.
Governed by the standard legal arrangements, the corresponding four agreements were signed on 23 January 2003 and approved by the Extraordinary Shareholders Meeting of VINCI Concessions on 13 February 2003.
The total value of these contributions was €3,620.9 million. As consideration for these contributions, VINCI received 236,203,700 newly issued VINCI Concessions shares.

Agreement with the subsidiary VINCI Deutschland GmbH

Directors concerned: Mr Antoine Zacharias, Mr Bernard Huvelin, Mr Xavier Huillard and Mr Roger Martin.

On 22 December 2003, VINCI entered into an agreement with its subsidiary VINCI Deutschland GmbH under which VINCI undertakes to ensure this subsidiary's solvency and financial equilibrium from 1 January 2004 for a period of two years, renewable by successive periods of two years, subject to one year's notice of termination.

2. Agreements approved during previous years that continued to be implemented during the year

In addition, in accordance with the Decree of 23 March 1967, we have been informed that the implementation of the following agreements, approved in previous years, continued during the year reported on.

Agreement with the subsidiary VINCI Construction

On 15 February 2002, VINCI sold all the shares it held in Sogea Holdings UK Ltd to VINCI Construction.

As part of this sale, VINCI Construction granted VINCI a guarantee to cover the commitments made by VINCI to General Utilities Holding and Vivendi UK on the occasion of the repurchase in December 2000 by the Group of its interest in Sogea Holdings UK for direct ownership.

This guarantee was not called during 2003.

Agreement with Sita

On 30 November 2002, VINCI, assuming the rights of GTM, paid Sita the balance of the purchase consideration in respect of the acquisition of 50% of the issued shares of Société Européenne de Nettoyage (SEN). This acquisition was subject to a net asset warranty, capped at €5.3 million (representing VINCI's share), which expired on 31 December 2003.

This warranty was not used in 2003.

Agreement with Vivendi Universal

On 30 June 1997, Compagnie Générale des Eaux (CGE, now known as Vivendi Universal) and SGE (now known as VINCI) entered into an agreement that stipulated certain special, and in particular financial, terms in connection with the acquisition by SGE of a further holding of 50% of the shares of Compagnie Générale de Bâtiment et de Construction (CBC), taking its total holding to 90%.

Under this agreement, CGE undertook to bear any consolidated losses of the CBC group at 31 December 1997 as well as certain restructuring costs, to indemnify SGE for certain risks relating to the operations of CBC in Germany, to bear certain costs relating to assets that it was envisaged would be sold, and to indemnify SGE for certain liabilities relating to disputes and guarantees, potential tax and employment liabilities and certain losses on construction projects in progress.

VINCI has not invoiced any amount under this agreement in 2003.

Agreement with Compagnie Générale des Eaux

On 29 November 2000, VINCI sold all the Sogea Environnement shares held by its subsidiary Sogea to Compagnie Générale des Eaux.
As part of the transaction, VINCI entered into an agreement with Compagnie Générale des Eaux on 21 December 2000, in which it undertook not to conduct any business, either directly or indirectly, in outsourced management of water networks or wastewater systems in France for a period of five years.
In the event of VINCI breaking this undertaking, it will be required to pay Compagnie Générale des Eaux in damages and interest a

sum equal to 15% of the sales (excluding VAT) arising from the contract or contracts made by one or more legal entities, in contravention of this undertaking.
No payment was made by VINCI to Compagnie Générale des Eaux in 2003 in respect of this undertaking.

Agreement with Soficot

On 28 September 2001, VINCI entered into an agreement with Soficot concerning the study and analysis of investment projects proposed to VINCI Innovation and also of disposal proposals in respect of VINCI subsidiaries and businesses.

This agreement was entered into for a period of three years, renewable by tacit agreement. It provides for the payment of a monthly fee of €21,200 (excluding VAT), and for the reimbursement of expenses and travelling costs approved by VINCI.

In 2003, VINCI recognised expenses of €257,140 (excluding VAT) in respect of this agreement.

Agreement with Soficot and AM Conseil

On 12 February 2002, VINCI entered into an agreement with Soficot and AM Conseil for a period of one year, renewable by tacit agreement, retaining them for a general consulting engagement relating to Group strategy and development, and secondly for assistance with certain specific matters.

Under the general consultancy engagement, each company will receive an annual flat fee of €160,000 (excluding VAT), payable quarterly in advance, together with reimbursement of expenses and travelling costs approved by VINCI.

With respect to assistance on specific matters, the two companies will receive a fee agreed in advance on each occasion with VINCI. The fee will be proportionate to progress and will also depend on the origin of the project, namely whether it was at the initiative of VINCI or of one of the two companies.

In 2003, VINCI recognised expenses of €320,000 (excluding VAT) in respect of remuneration for assignments carried out by Soficot and AM Conseil.

3. Agreements not previously authorised

We also submit our report to you on the agreements covered by Article L.225-42 of the French Code of Commerce.
In accordance with Article L.225-240 of this Code, we advise you that these agreements were not authorised in advance by the Board of Directors of your Company.
We are required, based on the information provided to us, to communicate to you the principal terms and conditions of these agreements and also the circumstances in which authorisation was not obtained. It is not our responsibility to express an opinion on the usefulness or appropriateness of the agreements. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess the merits of these agreements for the purpose of approving them.
We have carried out our work in accordance with the professional standards applicable in France. Those standards require that we plan and perform our work in a way that enables us to check whether the information that has been given to us is consistent with the underlying documents from which it is derived.

Agreements with the subsidiaries VINCI Deutschland GmbH, VINCI Energies GmbH, Eurovia GmbH and G+H Montage GmbH

Directors concerned: Mr Antoine Zacharias, Mr Bernard Huvelin, Mr Xavier Huillard and Mr Roger Martin

On 28 June 2002, VINCI entered into contracts with its direct or indirect subsidiaries VINCI Deutschland GmbH, VINCI Energies GmbH, Eurovia GmbH and G+H Montage GmbH under which these subsidiaries will, from 1 July 2002, invest directly with VINCI the funds corresponding to their commitments to their employees in respect of supplementary pensions.
Under these agreements, VINCI has recognised €5.8 million as interest expenses in 2002 and €10.2 million as interest expenses in 2003.
These agreements, for which the seeking of prior authorisation by the VINCI Board of Directors had been omitted, were approved by the Board of Directors on 14 May 2003.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu — RSM Salustro Reydel
Thierry Benoit — Bernard Cattenoz, Benoît Lebrun

Free translation of the original French text. For information purposes only.

Report of the Statutory Auditors in application of the last subsection of Article L.225-235 of the French Code of Commerce on the Report of the Chairman of the Board of Directors of VINCI on internal control procedures relating to the preparation and treatment of accounting and financial information

(Year ended 31 December 2003)

As the Statutory Auditors of VINCI, and in application of the provisions of the last subsection of Article L.225-235 of the French Code of Commerce, we present our report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L.225-37 of the French Code of Commerce, for the period ended 31 December 2003.

It is Management's task, under the responsibility of the Board of Directors, to define and implement adequate and effective internal control procedures. The Chairman is required to report to you in particular on the conditions under which the work of the Board of Directors is prepared and organised and on the internal control procedures implemented within the Company.

Our role is to communicate to you any comments required by the information and declarations contained in the Chairman's report concerning internal control procedures relating to the preparation and treatment of accounting and financial information.

In accordance with the rules of our profession applicable in France, we have informed ourselves of the objectives and the general organisation of internal control, and of the internal control procedures relating to the preparation and treatment of accounting and financial information, presented in the Chairman's report.

On the basis of our work, we have no comments to make on the description of the Company's internal control procedures relating to the preparation and treatment of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in application of the provisions of the last subsection of Article L.225-37 of the French Code of Commerce.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu	RSM Salustro Reydel
Thierry Benoit	Bernard Cattenoz Benoît Lebrun

Free translation of the original French text. For information purposes only.

Report of the Statutory Auditors on the reduction of capital stock through the cancellation of shares (Ninth resolution)

Ordinary and Extraordinary Shareholders Meeting of 23 April 2004 on first notice and 4 May 2004 on second notice

As the Statutory Auditors of VINCI, and in accordance with the terms of the assignment provided for by Article L.225-209, subsection 4, of the French Code of Commerce in the event of a reduction in capital stock through the cancellation of repurchased shares, we hereby submit our report to advise you of our understanding of the reasons for and conditions of the capital reduction envisaged.

We conducted our review in accordance with the professional standards applicable in France. Those standards require us to plan and perform our work so as to examine whether the reasons for and conditions of the capital reduction envisaged are in order.

This transaction is part of your Company's programme to repurchase its own shares up to a maximum of 10% of its capital stock in accordance with the provisions of Article L.225-209, subsection 4, of the French Code of Commerce.

Moreover, this authorisation is proposed to your Shareholders Meeting in its eighth resolution, to be valid for a period of 18 months as of the date of this meeting, and cancelling and replacing the authorisation granted by the Ordinary and Extraordinary Shareholders Meeting of 14 May 2003 in its seventh resolution.

Your Board of Directors requests that you authorise it, for a period of 18 months, to implement the authorisation to purchase the Company's own shares, with a view to cancelling the shares purchased, in one or several stages, up to a maximum of 10% of the capital stock, and by successive rolling periods of 24 months.

We have no comments to make on the reasons for and conditions of the capital reduction proposed, bearing in mind that the reduction can only be effected in the event of the prior approval by the VINCI Shareholders Meeting of the repurchase of its own shares.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu
Thierry Benoit

RSM Salustro Reydel
Bernard Cattenoz   Benoît Lebrun

Free translation of the original French text. For information purposes only.

Special report of the Statutory Auditors on the issue of other securities

(Tenth and eleventh resolutions)

Ordinary and Extraordinary Shareholders Meeting of 23 April 2004 on first notice and 4 May 2004 on second notice

As the Statutory Auditors of VINCI, and in accordance with the terms of the assignment provided for by Article L.228-92 of the French Code of Commerce, we present our report on the proposed issues of securities for a maximum nominal amount of €600 million, on which you will be asked to vote in the tenth and eleventh resolutions.

Your Board of Directors proposes, on the basis of its report, that you should authorise it, allowing further delegation of powers, to determine the terms and conditions of these transactions and proposes to remove, if applicable, your preferential subscription rights. The general characteristics of the authorisations sought are given in the table attached to this report.

The authorisation covered by the eleventh resolution includes the cancellation of your preferential subscription right on first issue, and this cancellation also relates to the right to subscribe to the shares that will be issued subsequently. However, your Board of Directors reserves the right to grant you a period of priority subscription to the shares or securities giving a right to a share of the capital when they are issued.

The transactions covered by the tenth resolution do not include the cancellation of your preferential subscription rights to shares or securities giving a right to a share of the capital when they are first issued, but only when new shares are issued subsequently.

We conducted our review in accordance with the professional standards applicable in France. These standards require us to perform procedures intended to verify the manner in which the issue price of the equity securities to be issued is determined.

Subject to subsequent examination of the terms and conditions of the proposed issue, we have no observations to make on the manner in which the issue price of the equity securities to be issued is determined as given in the report of the Board of Directors.

As the issue price of the equity securities to be issued has not been set, we do not express an opinion on the actual terms and conditions under which the issue will be made and in consequence on the proposal made to you to remove the preferential subscription rights, the principle of which is however consistent with the transaction submitted for your approval.

In accordance with Article 155-2 of the Decree of 23 March 1967, we will prepare a supplementary report when your Board of Directors makes these issues.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu	RSM Salustro Reydel	
Thierry Benoit	Bernard Cattenoz	Benoît Lebrun

Summary of the financial transactions presented to the Ordinary and Extraordinary Shareholders Meeting, voting as an Extraordinary Shareholders Meeting

in millions of euros

Type of transaction	Resolution	Length of authorisation	Maximum nominal amount of the initial issue of securities	Maximum nominal amount of the increase in capital stock	Minimum issue price of shares
WITH PREFERENTIAL SUBSCRIPTION RIGHTS MAINTAINED					
Issues of new ordinary shares or securities giving a right to allocation of securities issued representing a portion of the capital stock	10	26 months	1,500(1)	600(2)	To be set by the Board of Directors
WITH PREFERENTIAL SUBSCRIPTION RIGHTS REMOVED					
Issues of new ordinary shares or securities giving a right to allocation of securities issued representing a portion of the capital stock	11	26 months	1,500(1)	600(2)	Average of the opening prices quoted on the Premier Marché of the Paris Exchange stock exchange during ten consecutive trading days selected from the twenty preceding the first day of issue, adjusted as required in the event of differences between the dates from which rights are acquired

(1) The aggregate amount of issues of debt securities to which the tenth and eleventh resolutions submitted to this Meeting relate may not exceed €1,500 million, it being stated that to this amount will be added the nominal value of debt securities that may be issued under the eighth resolution of the Meeting of 14 May 2003.
(2) The aggregate amount of capital increases resulting from the authorisations to which the tenth and eleventh resolutions relate may not exceed €600 million, it being understood that those increases arising from issues of securities, whether composite or not, decided before this authorisation will not be taken into account in this ceiling.

Free translation of the original French text. For information purposes only.

Special report of the Statutory Auditors on the proposed capital increase reserved for financial institutions or companies created specifically to implement a savings scheme for the employees of certain subsidiaries outside France

(Twelfth resolution)

Ordinary and Extraordinary Shareholders Meeting of 23 April 2004 on first notice and 4 May 2004 on second notice

As the Statutory Auditors of VINCI, and in accordance with the terms of the assignment provided for by Article L.225-135 of the French Code of Commerce, we present our report on the proposed capital increase reserved for financial institutions or companies created specifically to implement a savings scheme for the employees of certain subsidiaries outside France along the same lines as existing savings schemes in France or elsewhere, on which you will be asked to vote in the twelfth resolution.

Your Board of Directors proposes, on the basis of its report, that you should authorise it to determine the terms and conditions of this transaction and proposes to remove your preferential subscription rights. The general characteristics of the authorisation sought are given in the table attached to this report.

We conducted our review in accordance with the professional standards applicable in France. These standards require us to perform procedures intended to verify the manner in which the issue price is determined.

Subject to subsequent examination of the terms and conditions of the proposed capital increase, we have no comments to make on the manner in which the issue price is determined as given in the report of the Board of Directors.

As the issue price has not been set, we do not express an opinion on the actual terms under which the increase will be made and in consequence on the proposal made to you to remove the preferential subscription rights, the principle of which is however consistent with the transaction submitted for your approval.

In accordance with Article 155-2 of the Decree of 23 March 1967, we will prepare a supplementary report when your Board of Directors makes these issues.

Neuilly and Paris, 26 March 2004
The Statutory Auditors

Deloitte Touche Tohmatsu
Thierry Benoit

RSM Salustro Reydel
Bernard Cattenoz   Benoît Lebrun

Annex

in millions of euros

Type of transaction	Resolution	Length of authorisation	Maximum nominal amount of the increase in capital stock	Issue price of shares
Issue of ordinary shares reserved for financial institutions or companies formed specifically in view of implementing an employee savings scheme for employees of certain subsidiaries outside France along the same lines as existing savings schemes in France or elsewhere.	12	2 years	10% of the capital stock, on one or more occasions, on the day of the decision by the Board of Directors(1)	80% of the average opening price on the twenty trading days preceding the day of the decision of the Board of Directors setting the date on which the subscription period is to begin.

(1) The aggregate amount of capital increases resulting from the implementation of this resolution and of the fourteenth and fifteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002 may not exceed 10% of the Company's capital stock existing at the time the Board of Directors takes its decision.

Free translation of the original French text. For information purposes only.

Supplementary report of the Statutory Auditors on the capital increase reserved for employees belonging to the Group Savings Scheme in France

(Decision taken by the Board of Directors on 5 March 2003)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article 155-2 of the Decree dated 23 March 1967, we hereby submit a supplementary report to our report of 30 October 2001 on the issuing of shares reserved for VINCI employees under the Group Savings Scheme in France, authorised by your Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

That Shareholders Meeting authorised your Board of Directors to set and implement the terms and conditions of the share issue.

Using the powers thereby vested in it, your Board of Directors decided, at its meeting on 5 March 2003, to issue new shares reserved for VINCI employees under the Group Savings Scheme in France. The amount of the capital increase will correspond to the nominal amount of the shares that will be actually subscribed to by Group employees in France through the intermediary of their appropriate enterprise mutual funds. For this operation, the subscription period runs from 1 May 2003 to 31 August 2003.

The subscription price is set at 80% of the average opening prices on the Paris stock exchange on the twenty trading days preceding 5 March 2003, i.e. €45.20, representing a nominal value of €10 and €35.20 in additional paid-in capital. This operation will not result in the total of the capital stock increases carried out since the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 as part of the issuing of shares reserved for VINCI employees participating in the Group Savings Schemes exceeding 10% of the Company's capital stock on the day the Board of Directors makes its decision.

We conducted our review in accordance with professional standards applicable in France. Those standards require that we plan and perform our work so as to verify:

- the numerical information taken from the consolidated financial statements prepared by the Board of Directors for the period ended 31 December 2002. We have audited these consolidated financial statements in accordance with the professional standards applicable in France;
- the conformity of the terms and conditions of the operation with respect to the authorisation given by the Shareholders Meeting and the fair presentation of the information provided in the supplementary report of the Board of Directors on the choice of components used to calculate the issue price and the amount of the issue.

We have no comment to make on:

- the truth and fairness of the numerical information taken from the Company's financial statements and given in the supplementary report of the Board of Directors;
- the conformity of the terms and conditions of the operation with respect to the authorisation given by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and to the information provided to that meeting;
- the proposal to remove preferential subscription rights, on which you decided earlier, the choice of components used to calculate the issue price, and its final amount;
- the presentation of the impact that the issue could have on a shareholder's position, as assessed with respect to shareholders' equity and the value of the share on the Paris stock exchange.

Neuilly and Paris, 12 March 2003
The Statutory Auditors

Deloitte Touche Tohmatsu — Thierry Benoit

RSM Salustro Reydel — Bernard Cattenoz, Benoît Lebrun

Free translation of the original French text. For information purposes only.

Supplementary report of the Statutory Auditors on the capital increase reserved for employees belonging to the Group Savings Scheme in France

(Decision taken by the Board of Directors on 14 May 2003)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article 155-2 of the Decree dated 23 March 1967, we hereby submit a supplementary report to our report of 30 October 2001 on the issuing of shares reserved for VINCI employees under the Group Savings Scheme in France, authorised by your Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

That Shareholders Meeting authorised your Board of Directors to set and implement the terms and conditions of the share issue.

Using the powers thereby vested in it, your Board of Directors decided, at its meeting on 14 May 2003, to issue new shares reserved for VINCI employees under the Group Savings Scheme in France. The amount of the capital increase will correspond to the nominal amount of the shares that will be actually subscribed to by Group employees in France through the intermediary of their appropriate enterprise mutual funds. For this operation, the subscription period runs from 1 September 2003 to 31 December 2003.

The subscription price is set at 80% of the average opening prices on the Paris stock exchange on the twenty trading days preceding 14 May 2003, i.e. €46.75, representing a nominal value of €10 and €36.75 in additional paid-in capital. This operation will not result in the total of the capital stock increases carried out since the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 as part of the issuing of shares reserved for VINCI employees participating in the Group Savings Schemes exceeding 10% of the Company's capital stock on the day the Board of Directors makes its decision.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we plan and perform our work so as to verify:

- the numerical information taken from the consolidated financial statements prepared by the Board of Directors for the period ended 31 December 2002. We have audited these consolidated financial statements in accordance with the professional standards applicable in France;
- the conformity of the terms and conditions of the operation with respect to the authorisation given by the Shareholders Meeting and the fair presentation of the information provided in the supplementary report of the Board of Directors on the choice of components used to calculate the issue price and the amount of the issue.

We have no comment to make on:

- the truth and fairness of the numerical information taken from the Company's financial statements and given in the supplementary report of the Board of Directors;
- the conformity of the terms and conditions of the operation with respect to the authorisation given by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and to the information provided to that meeting;
- the proposal to remove preferential subscription rights, on which you decided earlier, the choice of components used to calculate the issue price, and its final amount;
- the presentation of the impact that the issue could have on a shareholder's position, as assessed with respect to shareholders' equity and the value of the share on the Paris stock exchange.

Neuilly and Paris, 21 May 2003
The Statutory Auditors

Deloitte Touche Tohmatsu	RSM Salustro Reydel	
Thierry Benoit	Bernard Cattenoz	Benoît Lebrun

Free translation of the original French text. For information purposes only.

Supplementary report of the Statutory Auditors on the capital increase reserved for employees belonging to the Group Savings Scheme in France

(Decision taken by the Board of Directors on 11 September 2003)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article 155-2 of the Decree dated 23 March 1967, we hereby submit a supplementary report to our special report of 30 October 2001 on the issuing of shares reserved for VINCI employees under the Group Savings Scheme in France, authorised by your Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

That Shareholders Meeting authorised your Board of Directors to set and implement the terms and conditions of the share issue.

Using the powers thereby vested in it, your Board of Directors decided, at its meeting on 11 September 2003, to issue new shares reserved for VINCI employees under the Group Savings Scheme in France. The amount of the capital increase will correspond to the nominal amount of the shares that will be actually subscribed to by Group employees in France through the intermediary of their appropriate enterprise mutual funds. For this operation, the subscription period runs from 1 January 2004 to 30 April 2004.

The subscription price is set at 80% of the average opening prices on the Paris stock exchange on the twenty trading days preceding 11 September 2003, i.e. €48.43, representing a nominal value of €10 and €38.43 in additional paid-in capital. This operation will not result in the total of the capital stock increases carried out since the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 as part of the issuing of shares reserved for VINCI employees participating in the Group Savings Schemes exceeding 10% of the Company's capital stock on the day the Board of Directors makes its decision.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we plan and perform our work so as to verify:

- the numerical information drawn from the interim consolidated financial statements for the six months to 30 June 2003, prepared under the responsibility of the Board of Directors using the same methods and presentation as for the latest consolidated financial statements. We carried out a limited review of these consolidated financial statements for the six-month period, in accordance with the professional standards applicable in France;
- the conformity of the terms and conditions of the operation with respect to the authorisation given by the Shareholders Meeting and the fair presentation of the information provided in the supplementary report of the Board of Directors on the choice of components used to calculate the issue price and the amount of the issue.

We have no comment to make on:

- the truth and fairness of the numerical information taken from the Company's financial statements and given in the supplementary report of the Board of Directors;
- the conformity of the terms and conditions of the operation with respect to the authorisation given by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and to the information provided to that meeting;
- the proposal to remove preferential subscription rights, on which you decided earlier, the choice of components used to calculate the issue price, and its final amount;
- the presentation of the impact that the issue could have on a shareholder's position, as assessed with respect to shareholders' equity and the value of the share on the Paris stock exchange.

Neuilly and Paris, 17 September 2003
The Statutory Auditors

Deloitte Touche Tohmatsu — RSM Salustro Reydel
Thierry Benoit — Bernard Cattenoz, Benoît Lebrun

Free translation of the original French text. For information purposes only.

Supplementary reports of the Board of Directors

Supplementary report of the Board of Directors on the capital increase reserved for employees of VINCI and its French subsidiaries under the Group savings scheme in France

Under the terms of the fourteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, you authorised the Board of Directors to issue shares, on one or several occasions, over a five-year period, to be subscribed to exclusively by the employees of VINCI and its subsidiaries under the Group savings schemes established at the initiative of the company.
On 5 March 2003, the Board of Directors decided to issue new shares with a nominal value of €10 each on the following terms:

- The subscription period for the next issue of shares reserved for employees of VINCI and its French subsidiaries under the Group savings scheme in France will start on 1 May 2003 and end on 31 August 2003. Shares subscribed to by the Castor Relais 2003/2 enterprise mutual fund – the intention being that this fund will be merged with the Castor enterprise mutual fund once this capital increase has been completed – will be fully paid up on subscription and will confer rights as from 1 January 2003;
- The subscription price has been set at 80% of the average of the opening prices of the 20 stock market trading days preceding 5 March 2003, namely €45.20 per new share to be issued, which comprises €10 nominal value and €35.20 additional paid-in capital (share premium);

- On completion of the operation, the Board of Directors will ensure that, in compliance with the ceilings laid down in the fourteenth, fifteenth and sixteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the Group enterprise mutual funds have not subscribed, since 12 December 2001, to new shares representing in aggregate more than 10% of VINCI's capital stock.

The maximum number of shares that may be issued in relation to the capital stock at 22 February 2003 is as follows:

	Number of shares	%
Capital stock on 22 February 2003	82,910,368	100.00%
Maximum authorised by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001	8,291,036	10.00%
Shares issued since 12 December 2001	1,137,494	1.40%
Maximum number of shares that could be issued	**7,153,542**	**8.60%**

These figures will be adjusted for any changes in the capital stock.

The impact of issuing the maximum 7,153,542 new shares is as follows:

• A shareholder with a 1% holding of VINCI capital stock who does not subscribe to the capital increase would see his or her interest reduced to 0.92% of the capital stock:

	VINCI Number of shares	Shareholder Number of shares	%
Capital stock on 22 February 2003	82,910,368	829,103	1.00%
Maximum number of shares that could be issued	7,153,542	0	—
Capital stock after issue	**90,063,910**	**829,103**	**0.92%**

• Consolidated shareholders' equity at 31 December 2002, related to the total shares outstanding on 22 February 2003, amounts to €31.33 per share. For a shareholder who does not subscribe to the capital increase, this figure would increase to €32.43:

	Number of shares at 22 February 2003	Shareholders' equity €k	Amount per share in €
Consolidated shareholders' equity at 31 December 2002	82,910,368	2,597,400	31.33
Maximum increase authorised	7,153,542	323,340	45.20
Shareholders' equity after issue	**90,063,910**	**2,920,740**	**32.43**

• Given the issue price and volume, the operation should not have a significant impact on the share's market value.

This supplementary report has been drawn up in accordance with Article 155-2 of Decree No. 67-236 dated 23 March 1967.

Rueil-Malmaison, 5 March 2003
The Board of Directors

Supplementary report of the Board of Directors on the capital increase reserved for employees of VINCI and its French subsidiaries under the Group savings scheme in France

Under the terms of the fourteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, you authorised the Board of Directors to issue shares, on one or several occasions, over a five-year period, to be subscribed to exclusively by the employees of VINCI and its subsidiaries under the Group savings schemes established at the initiative of the company.
On 14 May 2003, the Board of Directors decided to issue new shares with a nominal value of €10 each on the following terms:

- The subscription period for the next issue of shares reserved for employees of VINCI and its French subsidiaries under the Group savings scheme in France will start on 1 September 2003 and end on 31 December 2003. Shares subscribed to by the Castor Relais 2003/3 enterprise mutual fund – the intention being that this fund will be merged with the Castor enterprise mutual fund once this capital increase has been completed – will be fully paid up on subscription and will confer rights as from 1 January 2003;

- The subscription price has been set at 80% of the average of the opening prices of the 20 stock market trading days preceding 14 May 2003, namely €46.75 per new share to be issued, which comprises €10 nominal value and €36.75 additional paid-in capital (share premium);

- On completion of the operation, the Board of Directors will ensure that, in compliance with the ceilings laid down in the fourteenth, fifteenth and sixteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the Group enterprise mutual funds have not subscribed, since 12 December 2001, to new shares representing in aggregate more than 10% of VINCI's capital stock.

The maximum number of shares that may be issued in relation to the capital stock at 30 April 2003 is as follows:

	Number of shares	%
Capital stock on 30 April 2003	82,992,338	100.00%
Maximum authorised by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001	8,299,233	10.00%
Shares issued since 12 December 2001	1,137,494	1.40%
Maximum number of shares that could be issued	**7,161,739**	**8.60%**

These figures will be adjusted for any changes in the capital stock.

The impact of issuing the maximum 7,161,739 new shares is as follows:

• A shareholder with a 1% holding of VINCI capital stock who does not subscribe to the capital increase would see his or her interest reduced to 0.92% of the capital stock:

	VINCI Number of shares	Shareholder Number of shares	 %
Capital stock on 30 April 2003	82,992,338	829,923	1.00%
Maximum number of shares that could be issued	7,161,739	0	—
Capital stock after issue	**90,154,077**	**829,923**	**0.92%**

• Consolidated shareholders' equity at 31 December 2002, related to the total shares outstanding on 30 April 2003, amounts to €31.30 per share. For a shareholder who does not subscribe to the capital increase, this figure would increase to €32.52:

	Number of shares at 30 April 2003	Shareholders' equity €k	 Amount per share in €
Consolidated shareholders' equity at 31 December 2002	82,992,338	2,597,400	31.30
Maximum increase authorised	7,161,739	334,811	46.75
Shareholders' equity after issue	**90,154,077**	**2,932,211**	**32.52**

• Given the issue price and volume, the operation should not have a significant impact on the share's market value.

This supplementary report has been drawn up in accordance with Article 155-2 of Decree No. 67-236 dated 23 March 1967.

Rueil-Malmaison, 14 May 2003
The Board of Directors

Supplementary report of the Board of Directors on the capital increase reserved for employees of VINCI and its French subsidiaries under the Group savings scheme in France

Under the terms of the fourteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, you authorised the Board of Directors to issue shares, on one or several occasions, over a five-year period, to be subscribed to exclusively by the employees of VINCI and its subsidiaries under the Group savings schemes established at the initiative of the company.
On 11 September 2003, the Board of Directors decided to issue new shares with a nominal value of €10 each on the following terms:

- The subscription period for the next issue of shares reserved for employees of VINCI and its French subsidiaries under the Group savings scheme in France will start on 1 January 2004 and end on 30 April 2004. Shares subscribed to by the Castor Relais 2004/1 enterprise mutual fund – the intention being that this fund will be merged with the Castor enterprise mutual fund once this capital increase has been completed – will be fully paid up on subscription and will confer rights as from 1 January 2004;

- The subscription price has been set at 80% of the average of the opening prices of the 20 stock market trading days preceding 11 September 2003, namely €48.43 per new share to be issued, which comprises €10 nominal value and €38.43 additional paid-in capital (share premium);

- On completion of the operation, the Board of Directors will ensure that, in compliance with the ceilings laid down in the fourteenth, fifteenth and sixteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the Group enterprise mutual funds have not subscribed, since 12 December 2001, to new shares representing in aggregate more than 10% of VINCI's capital stock.

The maximum number of shares that may be issued in relation to the capital stock at 31 August 2003 is as follows:

	Number of shares	%
Capital stock on 31 August 2003	83,578,873	100.00%
Maximum authorised by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001	8,357,887	10.00%
Shares issued since 12 December 2001	1,605,228	1.90%
Maximum number of shares that could be issued	**6,752,659**	**8.10%**

These figures will be adjusted for any changes in the capital stock.

The impact of issuing the maximum 6,752,659 new shares is as follows:

• A shareholder with a 1% holding of VINCI capital stock who does not subscribe to the capital increase would see his or her interest reduced to 0.93% of the capital stock:

	VINCI Number of shares	Shareholder Number of shares	 %
Capital stock on 31 August 2003	83,578,873	835,788	1.00%
Maximum number of shares that could be issued	6,752,659	0	—
Capital stock after issue	**90,331,532**	**835,788**	**0.93%**

• Consolidated shareholders' equity at 30 June 2003, related to the total shares outstanding on 31 August 2003, amounts to €31.71 per share. For a shareholder who does not subscribe to the capital increase, this figure would increase to €32.96:

	Number of shares at 31 August 2003	Shareholders' equity €k	 Amount per share in €
Consolidated shareholders' equity at 30 June 2003	83,578,873	2,650,700	31.71
Maximum increase authorised	6,752,659	327,031	48.43
Shareholders' equity after issue	**90,331,532**	**2,977,731**	**32.96**

• Given the issue price and volume, the operation should not have a significant impact on the share's market value.

This supplementary report has been drawn up in accordance with Article 155-2 of Decree No. 67-236 dated 23 March 1967.

Rueil-Malmaison, 11 September 2003
The Board of Directors

Resolutions submitted for approval to the Shareholders Meeting by the Board of Directors

Resolutions requiring the approval of an Ordinary Shareholders Meeting

First resolution

Approval of the 2003 consolidated financial statements

The Shareholders Meeting, having taken note of the Board of Directors' report on the management of the group and of the Statutory Auditors' report on the consolidated financial statements, hereby approves the operations of and the consolidated financial statements for the year ended 31 December 2003, as submitted to it, establishing net income attributable to group shareholders at €541,373,000.

Second resolution

Approval of the 2003 financial statements of the parent company

The Shareholders Meeting, having taken note of the Board of Directors' report and of the Statutory Auditors' General Report, hereby approves the operations of and the financial statements for the year ended 31 December 2003, as submitted to it. In particular, it approves the amount of non-deductible charges (Article 39.4 of the French General Tax Code) mentioned in the Board of Directors' report.

Third resolution

Appropriation of net income for the 2003 financial year

The Shareholders Meeting notes that net income for 2003 amounts to €2,065,623,276.75 and hereby approves the appropriation proposed by the Board of Directors as follows:

• Dividends to shareholders	€189,073,998.36
• Legal reserve	€915,121.00
• Retained earnings	€1,875,634,157.39
• Total appropriations	**€2,065,623,276.75**

Consequently, the net dividend to be paid with respect to each of the 80,116,101 shares qualifying for a dividend on 1 January 2003 comes to €2.36. A 50% tax credit, i.e. €1.18, is added to this dividend, giving total income of €3.54 per share. Based on current French legislation and depending on the status of the shareholder, the tax credit may be reduced to 10%, i.e. €0.24, giving total income per share of €2.60.
The dividend will be payable as of 11 May 2004.

The Shareholders Meeting notes that on 2 March 2004 the capital stock was made up of 84,162,089 shares divided as follows:

- 80,116,101 shares with no restrictions as to the rights attached and qualifying for dividends on 1 January 2003;
- 4,045,988 shares held in treasury by the Company.

Should the Company hold a number other than 4,045,988 of its own shares on the day the dividend becomes payable, the sum corresponding to the dividends not paid or to be paid on these shares will be added to or deducted from retained earnings, as the case may be.
In accordance with legal provisions, it is noted that the dividends for 2000, 2001 and 2002 were as follows:

Year	Number of qualifying shares	Net dividend	Tax credit	Total income
2000	73,399,020	€1.65	€0.825 or €0.4125*	€2.4750 or €2.0625*
2001	77,208,271	€1.70	€0.85 or €0.255*	€2.55 or €1.955*
2002	78,710,669	€1.80	€0.90 or €0.18*	€2.70 or €1.98*

** Depending on the status of the shareholder.*

Fourth resolution

Approval of the Statutory Auditors' Special Report

The Shareholders Meeting, having heard the Statutory Auditors' Special Report on agreements covered by Article L. 225-38 and following articles of the French Code of Commerce, hereby approves the Special Report and the agreements mentioned therein.

Fifth resolution

Discharge of the Board of Directors' liability

Having approved the parent company and consolidated financial statements for the year ended 31 December 2003, the Shareholders Meeting gives final discharge to the Board of Directors for its management up to the end of that period.

Sixth resolution

Ratification of the appointment of a Director

The Shareholders Meeting ratifies the appointment of Mr Quentin Davies as Director, decided by the Board on 14 May 2003, to replace Mr Henri Proglio following his resignation and complete the remainder of his term, which expires at the Shareholders Meeting convened to approve the financial statements for 2007.

Seventh resolution

Directors' fees

Until such time as it decides otherwise, the Shareholders Meeting sets the total amount of Directors' annual fees at €800,000 with effect from the year beginning 1 January 2004.

Eighth resolution

Renewal of the authorisation given to the Board of Directors to allow the Company to purchase its own shares

The Shareholders Meeting, having taken note of the Board of Directors' report and of the information notice certified by the *Autorité des marchés financiers*, authorises the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Code of Commerce, to purchase up to 10% of the shares making up the capital stock. The Shareholders Meeting specifies that the 10% limit is currently calculated on the basis of the number of shares that make up the capital stock on the date of the present Shareholders Meeting, and that, at a later date during the period of validity of this authorisation, it will be calculated on the basis of the number of shares that actually make up the capital stock at the time.

The Shareholders Meeting hereby decides that this authorisation may be used, in order of priority, to:

- cancel shares bought back, as part of the Company's financial policy, subject to the approval of the ninth resolution by the present Shareholders Meeting;
- allocate shares to holders of securities giving rights to Company shares through redemption, conversion, exchange, presentation of a warrant or through any other means;
- allocate shares in payment of or in exchange for shares in other companies within the context of acquisitions;
- stabilise the market price of the share by undertaking transactions that systematically seek to counteract the share price trend;
- purchase or sell shares in response to movements on the stock market;
- allocate shares to employees and/or senior executives of VINCI group companies as part of stock purchase option plans.

The maximum price authorised by the Shareholders Meeting for the purchase of shares is set at €110 a share.

The minimum price for selling the shares is set at €55 per share in respect of those shares not allocated to cover the share purchase option plans from which certain group employees and senior executives benefit. In the case of shares allocated to these plans, the selling price is to be the price at which the options granted may be exercised, between €33.70 and €63.65 per share.

The Shareholders Meeting authorises the Board of Directors to adjust the share purchase or sale price in the event of a financial transaction concerning the Company. In particular, in the event of a capital increase through the capitalisation of reserves and the distribution of bonus shares, the prices defined above will be adjusted on the basis of a multiple equal to the ratio between the total number of shares before and after the transaction.

The maximum amount authorised by the Shareholders Meeting for the purchase of shares is set at €700 million.

The shares may be acquired, sold, transferred or exchanged through any means on or off the market, including through block transactions or the use of derivatives, notably through the sale of put options or the issue of negotiable warrants. Block transactions may represent an unlimited percentage of the share buy-back programme.

The transactions may take place at any time, including during a takeover bid, in accordance with legal provisions in force.

The Shareholders Meeting gives full powers to the Board of Directors, with the ability to delegate, to place all purchase orders on the market, sign all assignment or transfer contracts, enter into all agreements, carry out adjustments in accordance with Articles 174-1 and 174-9-A of the decree dated 23 March 1967 concerning the purchase of shares for a price exceeding the stock exchange price, make the necessary statements and carry out all formalities.

The present authorisation is granted for a period of 18 months beginning on the day of the present Shareholders Meeting. It cancels and replaces the authorisation contained in the seventh resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 14 May 2003.

Resolutions requiring the approval of an Extraordinary Shareholders Meeting

Ninth resolution

Renewal of the authorisation given to the Board of Directors to reduce the capital stock through the cancellation of shares held in treasury

The Shareholders Meeting, having taken note of the Board of Directors' report and the Statutory Auditors' Special Report and in accordance with the provisions of Article L. 225-209 of the French Code of Commerce, hereby authorises the Board of Directors to cancel, at its own initiative, on one or more occasions, shares acquired by virtue of authorisations given to the Company to purchase its own shares, with a view to cancelling some or all of those shares, and to reduce the Company's capital accordingly. The number of shares thus cancelled cannot exceed 10% of the capital stock over successive rolling periods of 24 months.

The Shareholders Meeting hereby sets the duration of this authorisation at 18 months from the date of this Shareholders Meeting. The Shareholders Meeting confers full powers to the Board of Directors, including the right to sub-delegate, to make all the decisions necessary to effect the share cancellations and capital reductions, assign the difference between the share's purchase price and its nominal value to the reserve category of its choice, including to additional paid-in capital, to sign all the documents, undertake all the formalities and make all the statements necessary for the finalisation of capital reductions carried out by virtue of this authorisation and amend the corporate statutes accordingly.

The present resolution cancels and replaces the ninth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 14 May 2003.

Tenth resolution

Renewal of the authorisation given to the Board of Directors to issue – maintaining shareholders' preferential subscription rights – various categories of securities, with or without subscription warrants, giving the right to a part of the Company's capital stock either immediately or in the future

The Shareholders Meeting, having taken note of the Board of Directors' Report and of the Statutory Auditors' Special Report, authorises the Board of Directors, for a period of 26 months from the date of this meeting to issue, at its own initiative, on one or more occasions, in France or abroad, when and to the extent it deems appropriate, in euros or in any other currency or monetary unit based on a basket of currencies, with or without a premium, and maintaining the shareholders' preferential right to subscribe at the time of first issue:

- ordinary shares;
- securities giving a right – through conversion, exchange, redemption, presentation of warrants or in any other way authorised by the law – to the allocation, at any time or at fixed dates, of shares issued representing a part of the Company's capital stock.

The Shareholders Meeting expressly cancels the preferential subscription right of shareholders concerning shares allocated in respect of the securities issued under this authorisation.

Independently of any issues that may be made under the above powers, the Shareholders Meeting authorises the Board of Directors to issue, maintaining the shareholders' preferential subscription rights, or grant to all shareholders, warrants entitling their holders to subscribe to shares or securities representing a part of the Company's capital stock, and to issue the shares and securities necessary for the warrants to be exercised without the need for shareholders to exercise their preferential subscription right.

In the event that the Board of Directors uses these powers, the nominal value of the capital increases resulting directly or indirectly from the issue of the above shares, warrants or composite securities may not exceed €600 million, excluding any adjustments made in accordance with the law, it being clearly stated that this ceiling also includes the nominal value of any capital increase made directly or indirectly under the authorisation in the eleventh resolution submitted to this Shareholders Meeting. The capital increases resulting from the issue of securities, whether composite or not, decided prior to this authorisation will not be included in this ceiling.

Furthermore, the overall nominal value of the issues of securities representing debts owed by the Company and giving a right to capital stock may not exceed €1,500 million (or the equivalent amount at this date in any other currency or monetary unit based on a basket of currencies), it being clearly stated that the nominal value of debt securities issued under the authorisation given in the eighth resolution of the Shareholders Meeting of 14 May 2003 will be added to this amount and that the nominal value of debt securities issued under the authorisation in the eleventh resolution submitted to this Shareholders Meeting will be included in this €1,500 million ceiling.

The issues of new shares or securities must be fully paid for in cash or by offset against debt. Existing shareholders may exercise full preferential subscription rights to shares or securities during a period of ten stock exchange trading days, it being clearly stated that the Board of Directors may then, in granting a right for shareholders to subscribe to more than their original entitlement, limit the additional shares allocated to shareholders pursuant to that right.

Any shares, warrants or securities that are not subscribed to by the shareholders may be offered to the public.

The Shareholders Meeting gives full powers to the Board of Directors, with the right to sub-delegate, to initiate issues of shares, warrants or composite securities under the present resolution, at the times and in any manner that it sees fit in accordance with the law, and in particular, to:

- decide the type of securities to issue, their features and the arrangements for their issue;
- make all allocations against premiums arising on issues, mergers or contributions;
- make all allocations of shares by conversion, exchange, redemption, or presentation of a warrant;
- restrict the issue to the amount of the subscriptions, provided that this represents at least 75% of the issue;
- allocate freely all or part of the securities issued and not subscribed to;
- offer to the public all or part of the securities issued and not

subscribed to, on the French or foreign stock markets or both;
- determine the amount to issue, the issue price and the amount of any premium that may be required to be paid at the time of issue;
- determine the manner of payment for the shares or securities or both issued or to be issued;
- if necessary, determine the arrangements for exercising the rights attached to the securities issued or to be issued and in particular set the date, even retroactively, from which the new shares will confer rights, and all the other terms and conditions of the issue;
- determine the arrangements under which the Company may, if necessary, at any time or during predetermined periods, purchase or exchange on the stock market the securities issued or to be issued with a view to either cancelling them or not, taking account of the provisions of the law;
- allow for the suspension if required of the exercise of the rights attached to these securities for a period of three months at the most;
- at its own initiative, offset the expenses of the capital increases against premiums arising on issues, mergers or contributions and levy from the premiums the amounts required to maintain the legal reserve at 10% of the share capital after each increase;
- make all adjustments required in accordance with legal and regulatory provisions, and, when necessary, determine the arrangements for the preservation of the rights of holders of securities giving access to the capital stock;
- formally note the completion of each capital increase and amend the corporate statutes accordingly;
- in general, enter into all agreements, take all measures, decide and carry out all formalities, set all conditions useful to the execution of the transaction and successful completion of any issues made under this authorisation.

The Shareholders Meeting decides that this authorisation cancels and replaces the authorisation granted to the Board of Directors by the thirteenth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002.

Eleventh resolution

Renewal of the authorisation given to the Board of Directors to issue – cancelling shareholders' preferential subscription rights – various categories of securities, with or without subscription warrants, giving a right to a part of the Company's capital stock either immediately or in the future

The Shareholders Meeting, having taken note of the Board of Directors' Report and the Statutory Auditors' Special Report, authorises the Board of Directors, for a period of 26 months from the date of the present meeting to issue, at its own initiative, on one or more occasions, in France or abroad, when and to the extent it deems appropriate, in euros or in any other currency or monetary unit based on a basket of currencies, with or without a premium:
- ordinary shares;
- securities giving a right – through conversion, exchange, redemption, presentation of a warrant or in any other way authorised by the law – to the allocation, at any time or at fixed dates, of shares issued representing a part of the Company's capital stock.

In particular, these securities may be issued for use as consideration for securities offered to the Company in a public exchange offer under the conditions set in Article L. 225-148 of the French Code of Commerce.

Independently of any issues that may be made under the above powers, the Shareholders Meeting authorises the Board of Directors to issue warrants entitling their holders to subscribe to shares or securities representing a portion of the Company's capital stock and to issue the shares and securities necessary for the warrants to be exercised without the need for shareholders to exercise their preferential subscription rights.

The Shareholders Meeting decides to cancel the shareholders' preferential right to subscribe to the securities to which this resolution applies, while allowing, however, the Board of Directors to grant shareholders, during a period and in a manner to be determined by the Board, and for all or part of an issue made, a priority right to subscribe to that issue; this right will not lead to the creation of negotiable rights and must be exercised in proportion to the number of shares owned by shareholders individually and may, if applicable, be accompanied by a right for shareholders to subscribe to more than their original entitlement (while authorising the Board to limit the shares allocated pursuant to that right, in the event of oversubscription), it being clearly stated that following the period of priority subscriptions, unsubscribed securities may be offered to the public.

Furthermore, the Shareholders Meeting notes officially and decides, should it be necessary, that this authorisation includes as of right the express waiver by the shareholders of their preferential rights to subscribe to the securities to which the securities issued will give an entitlement, in favour of the holders of the securities issued.

The Shareholders Meeting decides to set as follows the maximum amounts of the authorised issues in the event that the Board of Directors uses this authorisation:
- the maximum nominal value of the capital increases made either directly or indirectly through the issue of the above shares, warrants or composite securities may not exceed €600 million, excluding any adjustments made in accordance with the law, it being clearly stated that this ceiling includes the nominal value of any capital increase that may be made, directly or indirectly, under the authorisation in the tenth resolution submitted to this Shareholders Meeting. The capital increases arising from the issue of securities, whether composite or not, decided prior to this authorisation will not be taken into account in this ceiling;
- the maximum nominal value of the issues of securities representing debts owed by the Company and giving a right to capital stock may not exceed €1,500 million (or the equivalent amount at this date in any other currency or monetary unit based on a basket of currencies), it being clearly stated that the nominal value of debt securities issued under the authorisation given in the eighth resolution of the Shareholders Meeting of 14 May 2003 will be added to this amount, and that the nominal value of debt securities issued under the authorisation in the tenth resolution submitted to this Shareholders Meeting will be included in this €1,500 million ceiling.

The Shareholders Meeting decides that, in the event that the Board of Directors uses this authorisation, the issue price of ordinary shares (or of shares issued through a secondary subscription, conversion, exchange, presentation of warrants or any other manner), should be at least equal to the average of the opening prices quoted on the *Premier Marché* of the Paris Stock Exchange during ten consecutive trading days taken from the twenty preceding the start of the issue, adjusted, if applicable, for differences in the dates from which shares confer rights.

The Shareholders Meeting gives full powers to the Board of Directors, with the right to sub-delegate, to initiate issues of shares, warrants or composite securities under the present resolution, at the times and in the manner that it sees fit, in accordance with the law, and in particular, to:

- decide the type of securities to issue, their features and the arrangements for their issue;
- make all allocations against premiums arising on issues, mergers or contributions;
- make all allocations of shares by conversion, exchange, redemption, or presentation of a warrant;
- set the terms and conditions of the issue or issues;
- determine the amount to issue, the issue price and the amount of any premium that may be required to be paid at the time of issue;
- determine the manner of payment for the shares or securities or both issued or to be issued;
- if necessary, determine the arrangements for exercising the rights attached to the securities issued or to be issued and in particular set the date, even retroactively, from which the new shares will confer rights, and all the other terms and conditions of the issue;
- determine the arrangements under which the Company may, if necessary, at any time or during predetermined periods, purchase or exchange on the stock market the securities issued or to be issued, with a view to either cancelling them or not, taking account of the provisions of the law;
- allow for the suspension if required of the exercise of the rights attached to the securities issued for a period of three months at the most;
- more particularly, if securities are issued for use as consideration for securities offered to the Company in a public share exchange offer, draw up the list of the securities offered for exchange, set the issue arrangements, the exchange parity and, if necessary, the balance to be paid in cash, and determine the terms and conditions of the issue in the context of either a public share exchange offer, or an alternative offer for purchase or exchange, or a single offer for the purchase or exchange of the securities in question for consideration in the form of shares and cash, or a public offer comprising a principal offer to purchase or exchange combined with a secondary offer to exchange or purchase securities;
- at its own initiative, offset the expenses of the capital increases against premiums arising on issues, mergers or contributions and levy from the premiums the amounts required to maintain the legal reserve at 10% of the share capital after each increase;
- make all adjustments required in accordance with legal and regulatory provisions, and, when necessary, determine the arrangements for the preservation of the rights of holders of securities giving access to the capital stock;
- formally note the completion of each increase in share capital and amend the corporate statutes accordingly;
- in general, enter into all agreements, take all measures, decide and carry out all formalities, set all conditions useful to the execution of the transaction and successful completion of any issues made under this authorisation.

The Shareholders Meeting decides that this authorisation cancels and replaces the authorisation granted to the Board of Directors by the fourteenth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002.

Twelfth resolution

Renewal of the authorisation given to the Board of Directors to increase capital stock reserved for financial institutions or companies created specifically to implement a savings scheme for employees of subsidiaries outside France along the same lines as existing savings schemes in France and elsewhere

The Shareholders Meeting, having taken note of the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with the provisions of Article L. 225-138 of the French Code of Commerce:

a – authorises the Board of Directors to increase the capital stock, in one or several stages, by issuing ordinary shares up to a limit of 10% of the capital stock on the day the Board makes its decision to issue them;

b – decides to cancel the preferential subscription rights of shareholders and reserve the subscription of all the new shares for all financial institutions or companies specifically and exclusively formed to implement a savings scheme that will give the employees of certain subsidiaries outside France who can not subscribe to VINCI shares directly or indirectly through a company mutual fund as provided for in the fourteenth and fifteenth resolutions adopted by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, similar benefits to those enjoyed by employees covered by those resolutions;

c – decides that the subscribers, financial institutions or companies specifically formed, for which the corresponding capital increases are reserved, will only retain the VINCI shares they subscribe to for the purpose of managing the employee savings scheme implemented;

d – decides that the price of the new shares to be issued in application of this authorisation will be equal to 80% of the average opening price on the Paris stock exchange on the 20 trading days preceding the day of the decision by the Board of Directors to set the date on which the subscription period is to begin;

e – decides that the total amount of all capital increases carried out in application of this resolution, the fourteenth and fifteenth resolutions adopted by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, and the sixteenth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002 shall not exceed 10% of the of the Company's capital stock on the day the Board of Directors makes its decision. Capital stock so created is not included in the ceilings set in other financial authorisations currently available to the Board of Directors;

f – decides that the Board of Directors will have full powers, with the ability to sub-delegate to its Chairman, to carry out this authorisation within the limits and under the conditions defined above and, in particular, to:

- set the terms and conditions of each issue and, in particular, the amount and characteristics of shares to issue, the issue price, manner of payment, subscription period and date – even retroactively – from which the new shares will confer rights;
- formally note the completion of each capital increase and amend the corporate statutes accordingly;
- enter into all agreements and carry out, directly or through an agent, all transactions and formalities;
- when necessary, offset the expenses against issue premiums;

- take every measure to carry out the issues, carry out the formalities arising from the capital increases and, more generally, do whatever is necessary;

g – sets the duration of this authorisation at two years from the date of the present Shareholders Meeting.

Thirteenth resolution

Renewal of the authorisation given to the Board of Directors to decide whether or not the issuing of shares reserved for employees participating in VINCI savings schemes is appropriate in the event that the Board of Directors decides to use the authorisations granted to it in the tenth and eleventh resolutions above and by the fifteenth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002

In the event that the Board of Directors decides to use the authorisations given in the tenth and eleventh resolutions above and the fifteenth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the Shareholders Meeting authorises the Board of Directors to decide at the same time whether or not the issuing of shares reserved for employees participating in the VINCI savings schemes is appropriate and, if necessary, to implement the authorisations given in the twelfth resolution above, the fourteenth and fifteenth resolutions adopted by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, and the sixteenth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002.

Fourteenth resolution

Authority to carry out formalities

The Shareholders Meeting hereby gives full authority to the bearer of a copy or extract of the minutes of this Ordinary and Extraordinary Shareholders Meeting to make all the registrations and publications required by law.

General information about the Company and its capital stock

1. A brief history

Société Générale d'Entreprises, now called VINCI, was created in 1908 with the assets of Giros et Loucheur, a company founded in 1899 by Alexandre Giros and Louis Loucheur. SGE experienced strong growth in the years preceding World War I. It contributed to France's defence during the war and to the country's reconstruction afterwards. In the twenties and thirties, SGE's main source of growth was electrical power, but the nationalisation of the company's electrical power assets in 1946 forced it to redeploy in building and civil engineering. In the post-war decades, SGE became the leader in France in civil engineering.

In 1966, the group became part of Compagnie Générale d'Électricité (now called Alcatel). In 1970, it moved into motorway concessions and was one of the founders of Cofiroute, which was set up to finance, build and operate the A10 (Paris-Orleans) and A11 (Paris-Le Mans) motorways. In 1982, when SGE was focused mainly on the French market, it merged with Sainrapt et Brice, a company specialised in pre-stressed concrete with a very active export business.

In 1984, Compagnie de Saint-Gobain became the group's majority shareholder and launched a wide-ranging restructuring process: SGE became a holding company, whose main subsidiary Sogea resulted from the merger of SGE BTP and Saint-Gobain's construction business. With the acquisition of Bourdin et Chaussé in 1977 and Cochery in 1982, roadworks became SGE's second largest business. Électricité Saunier Duval (now called SDEL), Tunzini and Wanner Isofi formed its third core business (electrical power and air conditioning).

After it was privatised, in 1988 Saint-Gobain sold its controlling interest in SGE to Compagnie Générale des Eaux, which contributed construction subsidiaries Campenon Bernard and Freyssinet, as well as roadworks company Viafrance. In the early nineties, several acquisitions helped give the group a truly European dimension. SGE took over Norwest Holst, a UK company specialised in construction and civil engineering, and several companies in Germany, notably VBU (roadworks), Controlmatic (electrical engineering) and Klee (building and maintenance).

The year 1997 was marked by large-scale operations between SGE and its majority shareholder. SGE transferred its household waste treatment business and most of its water distribution and property development activities to Compagnie Générale des Eaux. In exchange, the latter transferred electrical contracting subsidiaries GTIE and Santerne, as well as 90% of French construction company CBC, to SGE. At the same time, Compagnie Générale des Eaux reduced its interest in SGE from 85% to 51% through a private placement of shares with French and foreign institutional investors.

In 1998 and 1999, SGE was reorganised into four core businesses (concessions, energy, roads and construction) and continued its acquisitions programme, targeting businesses with recurring income and high value added. In the area of concessions, SGE made a successful bid for the listed company Sogeparc, the French leader in car parks, and acquired Teerbau, the German leader in the roadworks sector. In the energy sector, it acquired Emil Lundgren, a Swedish electrical engineering company, and Calanbau, a German company specialising in fire protection. Lastly, with the acquisition of Terre Armée International and Ménard Soltraitement, Freyssinet became the world leader in geotechnical engineering.

SGE became independent in 2000. In February of that year, Vivendi Universal (formerly Compagnie Générale des Eaux) sold most of its shares in SGE to institutional investors, keeping only 17% of the capital stock. In May, SGE changed its name to VINCI. In July, VINCI launched a friendly takeover bid for GTM, and the subsequent merger of VINCI with GTM in December gave rise to the world leader in concessions, construction and related services.

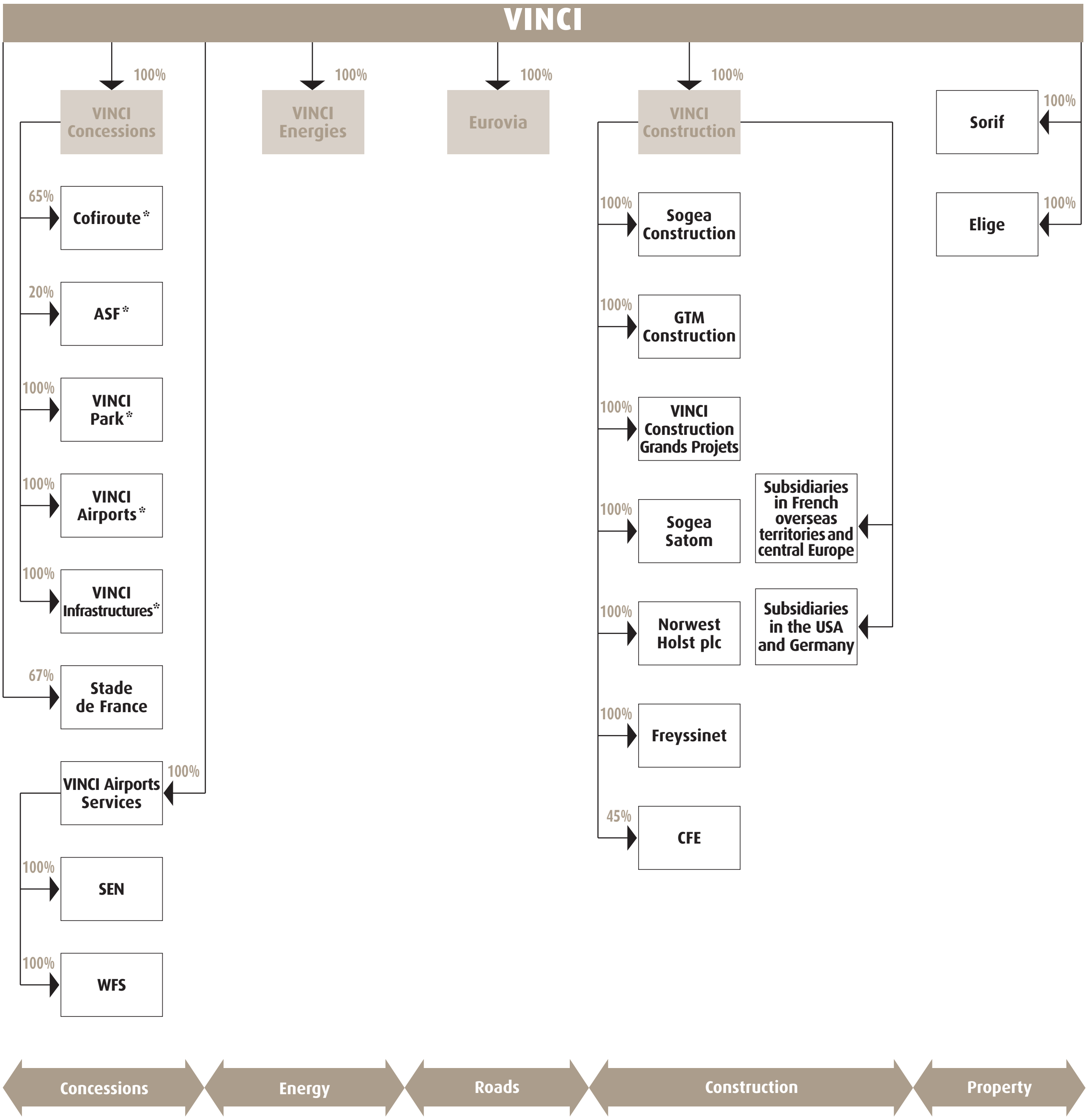
In 2001, Vivendi Universal and Suez, GTM's former majority shareholder, both withdrew almost entirely from VINCI's capital. VINCI continued to grow, acquiring WFS, a world leader in airport support services, and TMS, an Austrian company specialising in automated manufacturing systems for the automotive industry.

In stock exchange terms, the main event of 2002 was the entry of the VINCI share into the CAC 40 index. The Group continued to redeploy in concessions and acquired 17% of Autoroutes du Sud de la France (ASF) when the French government decided to sell 49% of its capital to the public. VINCI also acquired Crispin & Borst, a UK company specialised in building maintenance and interior works. Lastly, the Group continued to expand energy activities in Europe, with the acquisition of Spark Iberica in Spain.

In 2003, the Group's continued development in the area of concessions was marked by an increase of its shareholding in ASF to 20% and the increased pace of growth of VINCI Park, in particular in Canada, the UK and Central Europe.

2. Organisation chart

The following simplified chart shows the main companies held directly or indirectly by VINCI (and the percentage of capital held) at 31 December 2003.



* See list of concessions on page 24.

3. Markets and competition

Competition

VINCI's various business lines operate in markets which are marked by a high degree of competition. This is particularly the case in relation to the Construction, Roads and Energy business lines, but also applies to Concessions. At the time when the concession providing authority is selecting its concession operator, competition is strong. Competition is also important both in the development and the operation of the Group's own properties (car parks) and also in property development promotion, where competition arises on the marketing of products and services offered to customers.
To the extent that they often generate higher net sales than certain of their competitors, VINCI group companies can find themselves in the position of market leaders, even if the size of these markets is such that their market share is often relatively modest.

■ Construction

VINCI conducts its construction activities through many companies of very varying size. Some are national (such as Sogea Construction and GTM Construction) and some are international (VINCI Construction Grands Projets, Freyssinet and Sogea-Satom) players; others, more numerous and subsidiaries of these larger entities, are SMEs which operate at a regional or local level.
The construction business line covers the building and public works sectors, each involving specialist activities. The net sales of the building sector in France amounted to €96.7 billion in 2002 (source: Ministry of the Economy, Finance and Industry). Of this total, the four "majors" (VINCI, Bouygues, Eiffage and Spie) accounted for €6.4 billion (6.6%). Approximately 280,000 enterprises of varying size made up the balance.
In the public works sector, the total revenues amounted to €27.9 billion in France in 2002. Of this, the four majors accounted for €5.5 billion (19.7%) and about 17,300 businesses made up the remainder.
Of the combined total of €124.6 billion for the whole building and public works sector, the revenue generated in France by VINCI group companies was around €4 billion (3%) in 2003. A detailed analysis of these activities may be found in the report of the Competition Council of 5 June 2001 (No. 01-A-08) made at the time of their examination of the market concentration effect of the merger between VINCI and GTM. In the international field, in 2003 the VINCI group's revenues from construction activities were some €3.5 billion, but in a market even more vast and fragmented.

■ Roads

The roads sector comprises both the construction of new roads and the maintenance of existing ones. It also covers the management of assets such as quarries and factories producing and preparing materials for use in connection with roads.
According to the French trade organisation for roadworks, the French roadwork market (construction and maintenance) amounts to some €10.2 billion per annum, generated by approximately 1,650 businesses. Through its Eurovia subsidiary, the VINCI group earned some €3 billion in France in 2003, including €2.5 billion on roadworks, which constitutes almost 25% of the total market. The remainder of Eurovia's sales are made up of materials production (representing a 10% market share) and miscellaneous activities.
The position of the VINCI group in France was investigated by the Competition Council in its report of 5 June 2001 mentioned above. The principal competitors of VINCI are Colas (a member of the Bouygues group) and Appia (Eiffage group).
Outside of France, in 2003 Eurovia had revenues of €2.3 billion (nearly 80% in Europe, a market characterised by extremely fragmented competition).

■ Energy

Through VINCI Energies and its very many subsidiaries, the Group is active in the installation of electrical equipment and the communications technology markets.
The French market is extremely fragmented and marked by the existence of at least 10,000 businesses located – as is the case with VINCI Energies – over the whole country. The main competition comes from Amec, Spie, Cegelec, Clemessy, ETDE, Forclum, Ineo and Snef.

■ Concessions

VINCI's activities in relation to concession infrastructures are carried out through concession operators, which are for the most part companies formed specially to implement a particular concession contract with a public authority. The process of awarding contracts generally involves tender bids from several companies or consortia. On obtaining the contract, the concession operator is responsible for the construction and operation of the infrastructure. Services are then made available to customers which may be similar to, or substitutes for competitive offerings made by existing infrastructures.
The competitive positioning of VINCI was examined by the French authorities in connection with the merger mentioned under the "Construction" section. The Ministry of the Economy, Finance and Industry considered that, in the car park sector, the position of VINCI, and particularly its subsidiary VINCI Park (the number one operator of underground car parks in France), justified denying the company the opportunity to bid for tender offers issued under the "Sapin" Law, which was designed to allocate public parking spaces under public service concession contracts for the period ending 22 June 2004 (Decree of 22 June 2001). As a result of this temporary restriction, VINCI Park turned its attention for the time being towards developing internationally and also acquiring car parks under full ownership.

The conclusion to be drawn from the above statements is that VINCI is a significant player in the markets where it operates. Having regard to the dispersed nature of these markets, however, its market share is generally modest and there remain expansion opportunities which are often significant.

Seasonality

As far as its construction and roads activities are concerned, VINCI is subject to the vicissitudes of the weather. In addition, the level of traffic recorded by certain concessions, notably that of light vehicles carried on the interurban network of Cofiroute, is generally higher in the summer months than in the winter. It follows that business activity is generally higher in the second half of the year. In 2003, the difference between the two six month periods was some 13%. The effect of this is a lower absorption of fixed costs in the first six months of the year, reducing the operating margin and putting pressure on the operating cash flow because of lower cash receipts.

4. Corporate name and statutes

Corporate name: VINCI

Registered office: 1 cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison Cedex, France.

Type of company: French public limited company ("Société Anonyme") with a Board of Directors.

Legal provisions: French legislation.

Date of formation: 1 July 1908.

Legal term of existence: The initial duration was set at 99 years and was extended by another 99 years on 21 December 1979.
The date of expiry is thus 21 December 2078, unless the term of existence is extended once again or the company is liquidated at an earlier date.

Financial period: From 1 January to 31 December of each year.

Registration number: RCS 552 037 806 Nanterre – Siret No. 552 037 806 00585 – Code NAF: 74.1J.

Inspection of documents: Legal documents relating to VINCI are available for inspection at its registered office and at the Clerk's Office of the Nanterre Commercial Court.

Corporate Object (from Article 2 of the corporate statutes)

"The Company has as its Object:

- Undertaking all forms of civil engineering: in particular, development of the goodwill originally contributed by Sainrapt et Brice and continuation of the business of that company, specialising in all types of underground works, foundations, hydraulics and reinforced concrete; and
- More generally, all industrial, commercial, financial, securities and property operations directly or indirectly related to the purposes specified above.

The company may carry out these operations in mainland France, in overseas French departments and territories, as well as outside France, either alone, or in partnership, on a trading basis, or in any other form whatsoever, either directly, or indirectly through transfer, leasing arrangements or under licence, either on a brokerage or commission basis.

In addition, it may implement any measures, either alone or by any other means, create any partnerships or companies, make any contributions in kind to existing companies, merge or enter into alliances with them, subscribe to, purchase and resell any shares or other corporate rights, take all orders and extend any loans, credits and advances."

Statutory appropriation of income (from Article 19 of the corporate statutes)

"At least 5% of the income for the year, after deduction of any previous year's losses, is taken to the legal reserve. This ceases to be obligatory when the legal reserve reaches an amount equal to 10% of the capital stock. This process is to resume when the reserve falls below this 10% level.
The income available for distribution consists of the income for the year (after deduction of previous years' losses as well as any amounts set aside in reserves in application of the law or corporate statutes) and retained earnings.
The Shareholders Meeting appropriates the following from this distributable income:

- Any amounts considered by the Board of Directors as appropriate for constituting or supplementing any ordinary or special reserves, or for carrying over to the next year as retained earnings;
- The amount required for distribution to shareholders by way of a first dividend, equal to 5% of the amounts of their fully paid and acquired shares. Shareholders cannot, however, claim this dividend against the income of subsequent years, should the income of a given year be insufficient for the dividend payment;
- The balance available after these appropriations is distributed in respect of all shares, in proportion to the amount of the capital stock they represent.

Following a proposal from the Board of Directors, the Shareholders Meeting may decide to distribute amounts taken from available reserves. In such a case, the decision must indicate the specific reserves from which the amounts are to be taken.

Except in the case of a capital decrease, no distribution to shareholders may be made if the shareholders' equity is (or would be following such a distribution) less than the amount of the capital stock plus any reserves whose distribution is not permitted under the law or corporate statutes.

The conditions for payment of dividends agreed by the Shareholders Meeting are determined by the Shareholders Meeting or, failing that, by the Board of Directors. The payment of dividends must occur within nine months of the year end, unless this deadline is extended by a Court decision.

The Shareholders Meeting may offer each shareholder, for all or for part of the dividend or interim dividend distributed, the choice between payment in cash and payment in shares."

Shareholders Meetings (from Articles 8 and 17 of the corporate statutes)

"Shareholders meetings are called and take place under the conditions set out in legislation and regulations in force. The meetings are held either at the registered office or at another location specified in the notice of the meeting. All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:

- A personal registration of the shares in their own name; or
- For bearer shares, a certificate from an authorised intermediary, as provided for in Decree no. 83-359 of 2 May 1983, declaring that the shares remain unavailable for trading up until the date of the meeting.

These formalities must be completed at least two days before the meeting. However, the Board of Directors may shorten or remove this deadline, provided any such decision applies to all shareholders.

Individual shareholders can also attend the Shareholders Meeting by videoconference or by other means involving telecommunications, subject to the conditions and restrictions set out by legislative and regulatory provisions in force, provided the Board of Directors authorises this at the time the meeting is convened. Shareholders attending in these circumstances are considered present and are included in the calculation of the quorum and the majority.

Postal votes are treated under the terms and conditions set out in legislative and regulatory provisions. Shareholders may send proxy and postal votes forms for every Shareholders Meeting under the conditions set out in legislative and regulatory provisions as paper documents or, if the Board of Directors authorises this in the notice of the meeting, by electronic means.

Shareholders Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board of Directors to that effect. Failing that, the Shareholders Meeting elects its own Chairman. The Minutes of the Shareholders Meetings are drawn up and the copies thereof are certified and delivered in compliance with legislative and regulatory provisions in force."

"In addition to the voting right attached to it under the law, each share also gives the right to a proportion (on the basis of the number and nominal value of outstanding shares) of the Company's assets, earnings and liquidating dividends."

Statutory threshold provisions (from Article 10b of the corporate statutes)

"In addition to the obligations relating to declaration thresholds set out in paragraph 1 of Article L. 233-7 of the Code of Commerce, any individual or legal entity, acting alone or in concert, who comes to hold or ceases to hold a proportion of the capital stock, voting rights or securities giving future access to the Company's capital stock, equal to or greater than 2%, or a multiple thereof, including a multiple exceeding the reporting threshold as defined by legislative and regulatory provisions in force, must inform the company within 15 days starting with the date of crossing one of these thresholds of the total number of shares, voting rights or securities giving future access to the Company's capital stock, that it holds on its own account directly or indirectly, or in concert.
Failure to meet this obligation may be sanctioned by the loss of the voting rights attached to the shares exceeding the undeclared proportion, at any Shareholders Meeting held within two years of the date of the due notification provided for above.

This sanction is applied if so requested by one or several shareholders holding at least 5% of the Company's capital stock and if the request is entered in the minutes of the Shareholders Meeting."

Shareholder identification (from Article 10b of the corporate statutes)

" The Company is entitled to ask the securities clearing body, under the conditions defined by the regulations in force, for the name, nationality and address of individuals or legal entities holding securities that confer, now or in the future, voting rights at Shareholders Meetings; for the number of securities held by each individual or legal entity; and, where applicable, for the restrictions attached to the securities."

5. General information concerning VINCI capital stock

All changes in capital stock or in the rights attached to the shares are subject to general legal provisions. The corporate statutes do not provide for additional conditions (except as regards capital thresholds, see above).

On 31 December 2003, VINCI capital stock amounted to €837,950,320 represented by 83,795,032 shares, each with a nominal value of €10, fully paid-up and all of the same class. VINCI shares are registered or bearer shares, at the shareholder's choice, and can be traded freely.

5.1. Movements in capital stock over five years

	Date of decision by Board or Shareholders Meeting	Capital increase/ (reduction) (in €)	Additional paid-in capital from contributions or mergers (in €)	Number of shares issued	Capital stock in number of shares	Capital stock (in €)
Position at 31 Dec. 1998					**41,487,757**	**537,605,261**
Conversion of capital stock into euros	10/05/99	1,735,580	—	—	41,487,757	539,340,841
Share cancellations	10/05/99	– 26,967,200	– 57,564,299	– 2,074,400	39,413,357	512,373,641
GSS and options exercised	07/09/99	6,448,468	6,584,987	496,036	39,909,393	518,822,109
GSS and options exercised	11/01/00	3,873,883	4,434,029	297,991	40,207,384	522,695,992
GSS	08/03/00	697,307	1,064,734	53,639	40,261,023	523,393,299
Position at 31 Dec. 1999					**40,261,023**	**523,393,299**
Options exercised	08/03/00	457,158	497,697	35,166	40,296,189	523,850,457
GSS and options exercised	03/10/00	9,413,651	16,181,243	724,127	41,020,316	533,264,108
GTM shares exchanged	03/10/00	476,391,084	1,639,884,693	36,645,468	77,665,784	1,009,655,192
Options exercised	08/03/01	616,213	804,681	47,401	77,713,185	1,010,271,405
Merger with GTM	19/12/00	12,728,352	75,273	979,104	78,692,289	1,022,999,757
Reduction of nominal value from €13 to €10	19/12/00	– 236,076,867	236,076,867	—	78,692,289	786,922,890
GSS and options exercised	08/03/01	4,623,120	14,465,459	462,312	79,154,601	791,546,010
Position at 31 Dec. 2000					**79,154,601**	**791,546,010**
Options exercised	08/03/01	654,270	1,064,407	65,427	79,220,028	792,200,280
GSS and options exercised	07/06/01	12,563,940	42,074,916	1,256,394	80,476,422	804,764,220
GSS and options exercised	18/12/01	4,488,970	13,440,444	448,897	80,925,319	809,253,190
Merger with Sogeparc	12/12/01	2,447,880	11,582,754	244,788	81,170,107	811,701,070
Merger with Sogepag	12/12/01	123,400	464,170	12,340	81,182,447	811,824,470
GSS and options exercised	25/01/02	16,974,640	67,760,347	1,697,464	82,879,911	828,799,110
Position at 31 Dec. 2001					**82,879,911**	**828,799,110**
GSS and options exercised	12/03/02	16,179,780	63,873,321	1,617,978	84,497,889	844,978,890
GSS and options exercised	06/06/02	9,278,860	36,453,399	927,886	85,425,775	854,257,750
GSS and options exercised	18/09/02	3,542,010	11,303,008	354,201	85,779,976	857,799,760
GSS and options exercised	17/12/02	1,111,800	5,580,049	111,180	85,891,156	858,911,560
Capital reduction	17/12/02	– 30,835,930	– 164,629,763	– 3,083,593	82,807,563	828,075,630
Options exercised	05/03/03	658,040	100,158	65,804	82,873,367	828,733,670
Position at 31 Dec. 2002					**82,873,367**	**828,733,670**
Options exercised	05/03/03	370,010	551,582	37,001	82,910,368	829,103,680
Options exercised	14/05/03	819,700	1,238,500	81,970	82,992,338	829,923,380
GSS and options exercised	11/09/03	5,865,350	18,564,155	586,535	83,578,873	835,788,730
GSS and options exercised	16/12/03	6,072,790	18,868,845	607,279	84,186,152	841,861,520
Capital reduction	16/12/03	– 4,200,000	– 22,671,065	– 420,000	83,766,152	837,661,520
Options exercised	02/03/04	288,800	485,211	28,880	83,795,032	837,950,320
Position at 31 Dec. 2003					**83,795,032**	**837,950,320**

5.2. Authorisations granted to the Board of Directors to increase the capital stock and carry out financial transactions

The following authorisations include authorisations that the Board of Directors currently has or that are to be submitted to the Shareholders General Meeting for approval:

	Date of Shareholders Meeting granting authorisation	Date of expiry	Maximum increase of capital stock (nominal value)
Issues of bonds or other debt securities	14/05/03 (Eighth resolution)	14/05/08	€1,500 million
Capital increase through capitalisation of reserves	06/06/02 (Fifteenth resolution)	06/06/07	(2)
Issues of marketable securities, with or without warrants, giving a right to a portion of the capital stock, maintaining the shareholders' preferential subscription rights	04/05/04(1) (Tenth resolution)	04/07/06	€600 million (3) (shares) €1,500 million (4) (debt securities)
Issues of marketable securities, with or without warrants, giving a right to a portion of the capital stock, with no shareholders' preferential subscription rights	04/05/04(1) (Eleventh resolution)	04/07/06	€600 million (3) (shares) €1,500 million (4) (debt securities)
Capital increase reserved for employees of VINCI and its subsidiaries under group savings schemes	12/12/01 (Fourteenth and fifteenth resolutions)	12/12/06	10% of capital(5)
Capital increases reserved for employees of VINCI subsidiaries in the United States under group savings schemes	06/06/02 (Sixteenth resolution)	06/06/07	1% of capital(5)
Capital increases reserved for financial institutions or companies created specially under group savings schemes for employees of certain subsidiaries outside France	04/05/04(1) (Twelfth resolution)	04/05/06	10% of capital(5)
Stock subscription or purchase option plans	14/05/03 (Tenth resolution)	14/07/06	5% of capital (subscription options)(6) 10% of capital (purchase options)(7)
Share buy-backs	04/05/04(1) (Eighth resolution)	04/11/05	€700 million(8) 10% of capital
Capital reductions	04/05/04(1) (Ninth resolution)	04/11/05	10% of capital over a period of 24 months

(1) Second notice.
(2) Total amount of reserves that may be capitalised.
(3) These amounts are not cumulative; €600 million is the ceiling for the two resolutions combined.
(4) These amounts are not cumulative; €1,500 million is the ceiling for the two resolutions combined.
(5) These amounts are not cumulative; the ceiling for the four resolutions combined is 10%.
(6) The number of subscription options granted by virtue of this authorisation cannot result in the creation of more than 5% of the capital stock on the date the Board grants the options.
(7) The number of purchase options granted by virtue of this authorisation cannot result at any time in VINCI holding more than 10% of the capital stock on the date the Board grants the options.
(8) Actual amount.

5.3. Potential capital

The only securities existing that can give rise to the creation of new VINCI shares are the bonds convertible into and/or exchangeable for new and/or existing VINCI shares (Oceane bonds) and the stock subscription options granted to company officers and employees of the Group.

Conversion of all the Oceane bonds into new shares would result in the issue of 11,308,334 VINCI shares, which represents a potential increase of 13.5% against the number of shares outstanding at 31 December 2003.

Exercise of all the subscription options in circulation at 31 December 2003 would result in the issue of 12,349,036 VINCI shares, which represents a potential increase of 14,7% against the number of shares outstanding at 31 December 2003, which would be offset by the cancellation of the same number of shares under the policy described in 5.4 below.

At 31 December 2003	Number of shares	% of capital stock
Capital stock	**83,795,032**	—
Oceane bond issue, July 2001	5,750,000	6.9%
Oceane bond issue, April 2002	5,558,334	6.6%
Total Oceane bonds	**11,308,334**	**13.5%**
Diluted capital	**95,103,366**	—
Subscription options	*12,349,036*	*14.7%*

A detailed description of the two issues of Oceane bonds is given in Note 28 to the Consolidated Financial Statements, on page 164.
Details of the subscription options in circulation at 31 December 2003 are given below.

5.4. Stock subscription or purchase option plans

■ Terms of granting options and policy on subscription options

The terms under which options are granted and the names of beneficiaries are decided by VINCI's Board of Directors in accordance with the authorisations given to it by the Shareholders Meeting. No subsidiary controlled by VINCI grants options to subscribe to or purchase shares to Group employees or officers.

Each option gives the holder the right to subscribe to or purchase one VINCI share. Beneficiaries may exercise two-thirds of their options two years after receiving them and all of their options three years after receiving them. Shares allocated when options are exercised may not be sold before the end of the minimum holding period required by tax regulations.

The Group's policy regarding the setting of the exercise price of options is to give no discount against the reference price quoted on the market on the day the option is granted by the Board of Directors.

Preference is given to stock subscription option plans rather than to stock purchase option plans. Regarding stock subscription options, the policy adopted by the Group, decided by the Board of Directors on 11 September 2003, is to cancel out the dilutive effect of a share issue resulting from these options being exercised by purchasing – for later cancellation – on the market an equivalent number of shares to the new shares issued. The implementation of this policy is described in 5.5 "Share buy-backs and cancellations".

■ Record of stock subscription or purchase option plans

At 31 December 2003, there were six stock purchase option plans and 16 stock subscription plans (including five GTM subscription option plans and one Sogeparc subscription option plan, of which the options have been converted into VINCI subscription options, following the mergers of GTM and Sogeparc with VINCI, on 19 December 2000 and 12 December 2001 respectively).

	Date		Original number of		Of which, options granted to		
	Shareholders Meeting	Board Meeting	Beneficiaries	Options	Company officers	Top 10 employee beneficiaries[a]	Date from which option may be exercised
VINCI 1993	18/06/93	04/11/93	117	282,000	10,000	38,000	01/01/95
VINCI 1994	18/06/93	04/11/94	119	305,000	10,000	48,000	01/01/96
GTM 1996	—	—	168	343,800	15,600	43,200	11/06/98
GTM 1997	—	—	194	357,000	18,000	43,800	27/06/99
VINCI 1998	18/06/93	04/03/98	66	240,500	0	45,000	01/01/99
GTM 1998	—	—	211	357,360	20,400	49,800	25/03/00[c]
Sogeparc 1998	—	—	15	33,300	15,000	15,900	14/10/98
VINCI 1999 No. 1	25/05/98	09/03/99	88	652,000	60,000	175,000	09/03/01[c]
VINCI 1999 No. 2	25/05/98	07/09/99	590	1,003,191	156,667	170,000	07/09/01[c]
GTM 1999	—	—	369	692,868	42,000	90,000	24/03/01[c]
Sogeparc 1999	—	—	46	74,903	26,250	27,600	07/12/99
VINCI 2000 No. 1	25/10/99	11/01/00	40	975,000	250,000	340,000	11/01/02[c]
VINCI 2000 No. 2	25/10/99	03/10/00	999	1,767,500	45,000	132,800	03/10/02[c]
GTM 2000	—	—	355	564,120	42,000	61,200	24/01/02[c]
VINCI 2001	25/10/99	08/03/01	3	232,500	232,500	0	08/03/03[c]
VINCI 2002 No. 1[d]	25/10/99	17/12/02	287	2,450,500	655,000[b]	303,000	25/01/04[c]
VINCI 2002 No. 2	25/10/99	17/12/02	409	2,500,000	690,000	255,000	17/12/04[c]
VINCI 2003	14/05/03	11/09/03	126	1,402,000	350,000	324,000	11/09/05[c]
Total subscription plans	—	—	**1,812**	**14,233,542**	**2,638,417**	**2,162,300**	—
VINCI 1998	18/06/93	04/03/98	8	800,000	300,000	500,000	04/03/00[c]
VINCI 1999 No. 1	25/05/98	10/05/99	3	101,490	81,190	20,300	10/05/01[c]
VINCI 1999 No. 2	25/05/98	07/09/99	590	2,006,309	313,333	340,000	07/09/01[c]
VINCI 2000	25/10/99	03/10/00	999	1,767,500	45,000	132,800	03/10/02[c]
VINCI 2001	25/10/99	08/03/01	3	232,500	232,500	0	08/03/03[c]
VINCI 2002[d]	25/10/99	25/01/02	7	49,500	0	49,500	25/01/04[c]
Total purchase plans	—	—	**1,183**	**4,957,299**	**972,023**	**1,042,600**	—
Total	—	—	**1,817**	**19,190,841**	**3,610,440**	**3,204,900**	—

(a) Not company officers.
(b) The exercise of approximately two-thirds of these options is subject to terms relating to the stock market price of the VINCI share.
(c) Beneficiaries may exercise two-thirds of their options two years after receiving them and all of their options three years after receiving them.
(d) The VINCI 2002 No. 1 stock subscription option plan replaces the VINCI 2002 stock purchase option plan implemented at the meeting of the Board of Directors on 25 January 2002. All beneficiaries of the original plan who relinquish their stock purchase options automatically become beneficiaries of the stock subscription plan (with the same number of stock options at the same price). As at 31 December 2003, 287 beneficiaries (out of 294 at the outset) had accepted this exchange.
(e) Options not exercised at expiry date.

	Date of expiry of option	Exercise price in €	Transactions between 01/01/03 and 31/12/03 Exercises	Cancellations	Options exercised/cancelled at 31/12/03	Options not exercised at 31/12/03	Number of residual beneficiaries
VINCI 1993	04/11/03	30.93	25,712	49,133[e]	282,000	0	0
VINCI 1994	04/11/04	25.01	9,451	—	253,200	51,800	26
GTM 1996	10/06/04	19.31	21,150	—	302,550	41,250	30
GTM 1997	26/03/05	18.74	28,700	—	267,200	89,800	99
VINCI 1998	04/03/08	25.61	124,791	—	166,745	73,755	27
GTM 1998	24/03/06	25.41	155,230	—	185,690	171,670	105
Sogeparc 1998	13/10/03	39.23	33,300	—	33,300	0	0
VINCI 1999 No. 1	08/03/09	37.98	20,063	—	99,001	552,999	81
VINCI 1999 No. 2	06/09/09	42.30	200	—	79,755	923,436	581
GTM 1999	23/03/07	32.93	9,120	—	42,360	650,508	353
Sogeparc 1999	06/12/04	50.70	0	—	0	74,903	46
VINCI 2000 No. 1	10/01/10	50.00	0	—	90,000	885,000	37
VINCI 2000 No. 2	02/10/10	57.00	1,700	—	58,825	1,708,675	992
GTM 2000	23/05/08	35.63	5,400	—	23,880	540,240	345
VINCI 2001	07/03/11	57.00	0	—	0	232,500	3
VINCI 2002 No. 1[d]	17/12/12	63.65	0	—	0	2,450,500	287
VINCI 2002 No. 2	17/12/12	52.90	0	—	0	2,500,000	409
VINCI 2003	11/09/13	61.40	0	—	0	1,402,000	126
Total subscription plans	**—**	**48.98**	**434,817**	**49,133**	**1,884,506**	**12,349,036**	**1,728**
VINCI 1998	05/03/05	33.70	215,327	—	707,191	92,809	2
VINCI 1999 No. 1	05/03/05	33.80	0	—	0	101,490	3
VINCI 1999 No. 2	06/09/09	43.66	400	—	159,511	1,846,798	581
VINCI 2000	02/10/10	48.04	1,700	—	58,825	1,708,675	992
VINCI 2001	07/03/11	57.00	0	—	0	232,500	3
VINCI 2002[d]	24/01/12	63.65	0	—	30,000	19,500	5
Total purchase plans	**—**	**44.24**	**217,427**	**0**	**955,527**	**4,001,772**	**1,171**
Total	**—**	**47.76**	**652,244**	**49,133**	**2,840,033**	**16,350,808**	**1,732**

Options not exercised at 31 December 2003

At 31 December 2003, the average exercise price of the 16,350,808 options not exercised was €50.61. They comprise €12,349,036 subscription options with an average price of €52.13 and 4,001,772 purchase options with an average price of €45.92.

Options granted and exercised in 2003

Stock subscription or stock purchase options granted to or exercised by each company officer:

	Number of options granted/ shares subscribed to or purchased	Price in €	Expiry date	Plan
Options granted by VINCI during the period to each company officer				
Antoine Zacharias	150,000	61.40	11/09/13	VINCI 2003 subscription plan
Bernard Huvelin	100,000	61.40	11/09/13	VINCI 2003 subscription plan
Xavier Huillard	50,000	61.40	11/09/13	VINCI 2003 subscription plan
Roger Martin	50,000	61.40	11/09/13	VINCI 2003 subscription plan
Options exercised in the period by each company officer				
Antoine Zacharias	51,809	33.70	05/03/05	VINCI 1998 purchase plan
Bernard Huvelin	51,809	33.70	05/03/05	VINCI 1998 purchase plan
Xavier Huillard	50,900	33.70	05/03/05	VINCI 1998 purchase plan
Roger Martin	40,809	33.70	05/03/05	VINCI 1998 purchase plan
Xavier Huillard	20,063	37.98	08/03/09	VINCI 1999 subscription plan No. 1

Stock subscription or stock purchase options granted to or exercised by the ten employees, other than company officers, who received or exercised the most options:

	Number of options granted/ shares subscribed to or purchased	Weighted average price in €	Plan
Options granted by VINCI during the period to the ten employees, other than company officers, to whom the largest numbers of options were granted	324,000	61.40	VINCI 2003 subscription plan
VINCI options exercised during the period by the ten employees, other than company officers, who purchased or subscribed to the largest number of shares through exercise of options	87,007	30.89	Subscription plans: VINCI 1993, 1994, 1998; GTM 1998,1999,2000; Sogeparc 1998; Purchase plan VINCI 1998

5.5. Breakdown of capital stock and voting rights

Breakdown of capital stock and voting rights at 31 December 2003

	Number of shares	% of capital stock	Voting rights	% of total voting rights	Number of shareholders
Employees (GSS)	7,687,654	9.2%	7,687,654	9.6%	38,410
Treasury stock (1)	4,122,272	4.9%	—	—	1
Dalkia (Veolia Environnement)	801,294	1.0%	801,294	1.0%	1
Total not freely traded	**12,611,220**	**15.1%**	**8,488,948**	**10.7%**	**38,412**
Company officers (2)	204,899	0.2%	204,899	0.3%	17
Other individual shareholders (France)	9,253,496	11.0%	9,253,496	11.6%	105,717
Other individual shareholders (Rest of world)	652,548	0.8%	652,548	0.8%	1,392
Total individual shareholders (3)	**10,110,943**	**12.0%**	**10,110,943**	**12.7%**	**107,126**
Institutional shareholders (France)	21,285,106	25.4%	21,285,106	26.7%	unknown
Institutional shareholders (Rest of world)	39,787,763	47.5%	39,787,763	49.9%	unknown
Total institutional shareholders (3)	**61,072,869**	**72.9%**	**61,072,869**	**76.6%**	**unknown**
Total	**83,795,032**	**100.0%**	**79,672,760**	**100.0%**	**more than 145,538**

(1) Treasury shares held by VINCI SA. There are no treasury shares held via companies in which VINCI has a direct or indirect holding of more than 50%.
(2) See the detail given in section 7. "Mandates and functions of VINCI company officers", pages 226-229.
(3) Estimates at 31 December 2003 on the basis of registered named shareholders, a schedule of identifiable bearer shares and a shareholding survey conducted with institutional investors.

Voting rights
There are no double voting rights and no restrictions on voting rights. The difference between the breakdown of shareholdings and voting rights is due to shares held in treasury, which do not confer voting rights.

Breaching of shareholding thresholds
Under the terms of declarations of breaches of the legal threshold of 5% or the statutory threshold of 2% of the capital stock or voting rights received by the Company, the shareholders identified as holding more than 2% of the capital stock or voting rights, other than those shown in the table above, are as follows:
– Highfields Capital held, on 25 February 2003, 2.1 million VINCI shares (which amounts to 2.5% of the outstanding shares at 31 December 2003);
– Franklin Resources held, on 22 February 2002 , 1.7 million VINCI shares (which amounts to 2.0% of the capital stock at 31 December 2003).

Shareholder agreements
To the best of the Company's knowledge, there are no shareholder agreements, groups of shareholders acting as partners, and no shareholders acting in concert.

Registered shareholders
At 31 December 2003, the Company had 829 shareholders whose registration is managed by the Company and 443 shareholders whose registration is managed by a financial institution. At this date, 14,428 shares whose registration is managed by the Company were pledged (representing 0.02% of the capital stock).

■ Changes in the breakdown of capital stock and voting rights during the last three years

	Position at 31/12/03			Position at 31/12/02			Position at 31/12/01		
	Number of shares	% of capital stock	% of total voting rights	Number of shares	% of capital stock	% of total voting rights	Number of shares	% of capital stock	% of total voting rights
Employees (GSS)	7,687,654	9.2%	9.6%	7,568,378	9.1%	9.6%	5,776,772	7.0%	7.6%
Treasury stock [1]	4,122,272	4.9%	—	4,199,699	5.1%	—	7,083,390	8.5%	—
Dalkia (Veolia Environnement)	801,294	1.0%	1.0%	1,551,294	1.9%	2.0%	1,552,305	1.9%	2.1%
Vivendi Universal	—	—	—	—	—	—	5,266,390	6.4%	6.9%
Mobil Oil France	—	—	—	—	—	—	929,868	1.1%	1.2%
Other	71,183,812	84.9%	89.4%	69,553,996	83.9%	88.4%	62,271,186	75.1%	82.2%
Total	**83,795,032**	**100.0%**	**100.0%**	**82,873,367**	**100.0%**	**100.0%**	**82,879,911**	**100.0%**	**100.0%**

The main events that resulted in changes in the breakdown of VINCI's capital stock and voting rights over the last three years are as follows:

Withdrawal of Suez and Vivendi Universal
Suez, which was the majority shareholder of GTM, progressively reduced its shareholding in VINCI in 2000 and 2001, through sales of shares and the issue in May 2001 of a bond loan repayable in VINCI shares. By 31 December 2001, Suez had disposed of all of its VINCI shares, including the 3 million shares held to cover the redemption of bonds into VINCI shares. As partial cover of these bonds, Suez bought 2 million VINCI shares in 2002 that it had sold again by the end of 2002. The bond loan repayable in VINCI shares matured on 22 November 2003.
Vivendi Universal, which held 8.3% of the VINCI capital stock at the end of 2001, sold the 5.3 million shares that it held directly in July 2002, retaining only the 1.6 million shares held through Dalkia, a subsidiary of Veolia Environnement. In November 2003, Dalkia sold half of its shares, reducing its holding in VINCI to 1% at 31 December 2003. These shares partially cover the 6.8 million bonds repayable in VINCI shares issued by Vivendi Universal in March 2001 (maturity: March 2006, repayment price: €88.81).

Employee shareholders
The Castor savings scheme, which was opened to employees of British and German subsidiaries in 2001 and to employees in other countries in 2002, and the leveraged savings scheme Castor Avantage, launched in December 2001, have enabled the percentage of capital held by employees to increase from 7% on 31 December 2001 to 9.2% on 31 December 2003. Approximately 40,000 Group employees are VINCI shareholders through the Group savings scheme, including 3,400 outside of France.

Share buy-backs and cancellations
Under its share buy-back programme started in 1998, VINCI acquired 691,690 shares in 2002. Taking account of the allocation of 491,788 shares on exercise of stock purchase options during the period and the cancellation in December 2002 of 3,083,593 of its own shares held in treasury, on 31 December 2002 VINCI held 4,199,699 of its own shares, representing 5.1% of the capital stock.
In accordance with the policy of the Board of Directors in relation to subscription options (5.4 above) 560,000 shares were acquired in 2003 of which 420,000 were cancelled following the decision of the Board of Directors on 16 December 2003, to offset the exercise of options made during the year. As a result, on 31 December 2003, the Group held 4,122,272 of its own shares, representing 4.9% of the capital stock, of which 4,001,772 were allocated to cover the purchase options that had not been exercised at that date, and 120,500 shares, the balance, were to be cancelled. The Group intends continuing this policy of buying back and cancelling shares throughout 2004. 449,500 further shares were therefore acquired in the first two months of 2004, of which 285,000 were cancelled on 2 March 2004.
The Shareholders Meeting convened to approve the financial statements for 2003 will be asked to renew the authorisation granted to the Board of Directors to buy back shares for a further eighteen months (see the eighth and ninth resolutions, pages 207-208). The new share buy-back programme will be described in detail in a prospectus that will be submitted to the AMF for approval. If approved, the purpose of the programme will be, in order of importance, to:
– cancel shares bought back, as part of the company's financial policy, subject to the approval of the ninth resolution;
– allocate shares to holders of securities giving rights to VINCI

shares through redemption, conversion, exchange, presentation of a warrant or through any other means;
– allocate shares in payment of or in exchange for shares in other companies in particular within the context of acquisitions;
– stabilise the market price of the share by undertaking transactions that systematically seek to counteract the share price trend;
– purchase or sell shares in response to movements on the stock market;
– allocate shares to employees and/or senior executives of VINCI group companies as part of stock purchase option plans.

5.6. Shareholder agreements

VINCI has not entered into any agreements that could have a material affect on its share price. Those companies in which VINCI is a shareholder jointly with other parties, and where entering into an agreement was a necessary condition of share ownership at the date of formation, are few. They are Cofiroute, Consortium Stade de France and Doris Engineering, as well as companies formed specifically for the needs of concluding and managing infrastructure concession agreements. The main purpose of these agreements is to organise the respective rights of the shareholders in the event of the disposal of shares and, if applicable, to set certain operating principles for the corporate governing bodies, in general with a view to giving minority shareholders rights which are greater than those strictly required by law.

5.7. VINCI shares and the stock market

VINCI shares are listed on the Paris stock exchange and are included in the CAC 40, Euronext 100, DJ Stoxx and Next Prime indexes.

Changes in the stock price and in trading volumes over the last 24 months were as follows (source: Euronext Paris):

		Average(1) (in €)	High(2) (in €)	Low(2) (in €)	Transactions (in number of shares)	Value of transactions (in €m)
2002	January	66.30	70.00	61.30	5,915,061	392.0
	February	70.94	72.45	68.50	5,535,371	392.5
	March	72.02	74.90	69.55	9,890,565	714.2
	April	72.24	74.80	70.40	14,723,892	1,065.6
	May	70.16	72.75	66.20	12,740,721	894.5
	June	68.36	71.20	65.05	14,290,362	973.8
	July	64.04	68.90	55.35	16,617,968	1,070.2
	August	60.20	63.90	55.75	8,731,194	525.2
	September	62.85	65.75	58.70	9,759,124	612.1
	October	59.12	62.65	55.75	12,432,658	734.9
	November	58.43	60.25	56.10	7,492,674	437.0
	December	54.87	58.60	52.20	9,572,736	524.4
2003	January	55.60	58.85	53.00	12,433,495	696.0
	February	56.58	58.90	53.30	10,460,185	584.2
	March	53.73	57.40	50.75	11,731,855	630.1
	April	56.83	59.60	52.20	13,064,842	743.0
	May	57.73	60.20	56.50	8,221,410	475.2
	June	59.65	62.55	57.45	12,387,023	740.7
	July	59.56	61.85	57.10	12,045,414	714.6
	August	59.22	61.00	58.30	7,241,852	429.4
	September	63.20	66.00	59.20	14,108,912	891.4
	October	62.42	64.35	60.60	9,425,747	588.4
	November	64.89	67.20	62.15	13,158,897	856.5
	December	66.38	68.40	64.15	10,409,204	689.2
2004	January	66.55	68.20	64.10	9,629,630	639.2
	February	70.74	73.80	67.45	10,510,959	744.3

(1) Average of the closing prices. (2) Price during trading sessions.

See also "Share price data and shareholder base", page 16-17

5.8. Dividends

The dividends per share paid in the last five years are shown in the table entitled "Five-year financial summary" on page 186.

The Company does not pay an interim dividend.
Unclaimed dividend payments are cancelled after five years.

6. Employee profit-sharing and Group Savings Schemes

The Castor group savings scheme, established on 1 January 1995 and initially only available to French employees, has been extended through a succession of one-off transactions to employees of the German and UK subsidiaries in 2001 and to those in three other countries – Morocco, the Netherlands and Austria – in 2002.

The scheme was set up to enable Group employees to participate in the formation of a collective portfolio of VINCI shares, through a corporate mutual fund, by subscribing to reserved capital increases at a 20% discount to the reference price of the share; since May 2003 it also offers an alternative investment in the form of a new mutual fund invested in money-market and bond securities.

Employees of VINCI's French subsidiaries can now save through:

– the Castor fund, invested in VINCI shares, enabling them to benefit in particular from a contribution from the company of up to €1,900 annually for €7,000 paid in as savings, and a 20% discount on the VINCI share price; or

– the Castor Équilibre fund, invested in fixed income securities (bonds for a maximum of 2/3 and money-market securities for at least 1/3 of its net assets), of which a maximum of 10% may be traded VINCI bonds. Castor Équilibre is a complement to the Castor fund, allowing employees to benefit from the same tax exemptions.

These funds may receive payments originating in statutory employee profit-sharing schemes and incentive schemes, as well as voluntary payments from employees.

At the end of 2001 and at the beginning of 2002, French employees were also able to take part in the Castor Avantage leveraged scheme designed to give employees at every level the opportunity to participate in an employee savings scheme. It offers a leverage effect that multiplies employees' own contributions by 10, and provides a minimum return of 25 % over five years and a 72% share of any capital gains arising on all the shares subscribed to.

In total, almost 40,000 employees (i.e. 30% of the total) have become VINCI shareholders through the Castor (France and International) and Castor Avantage mutual funds. Together, they held 9.2 % of capital on 31 December 2003, and are the largest VINCI shareholder group.

In France, approximately half the employees are members of the Castor scheme. In 2003, the average payment made by members was approximately €2,500 (excluding the employer's contribution) and the average portfolio amounted to more than €9,000 taking all saving schemes together.

Internationally, the 70 Group subsidiaries in five countries that have taken part in the scheme have given approximately 3,400 employees the opportunity of becoming a shareholder. More than 20% of employees have saved through the scheme offered. The average portfolio at the end of 2003 was more than €4,000.

Savings scheme

At 31 December 2003	Number of shares	% of capital stock
Castor France	3,903,176	4.7%
Castor France (former GTM savings scheme)	904,300	1.1%
Castor International 2002	120,406	0.1%
Castor Germany 2001	54,420	0.1%
Castor UK 2001	32,993	0.0%
Castor Avantage	2,672,359	3.2%
Total	**7,687,654**	**9.2%**

From 1 January to 31 December 2003, employee contributions, all savings schemes included, totalled €42 million, against €46 million in 2002 (excluding a one-off Castor Avantage transaction for €6 million). Since the Castor plan was formed in 1995, VINCI has contributed an additional €63 million in total to employee savings (after payment of CSG and CRDS taxes in France). From January 2004, in order to give further encouragement to the most modest savings, the first tranche to which a 100% employer's contribution applies has been increased from €200 to €400. For a payment into the scheme of €7,000, employees can now benefit from an employer's contribution of €2,000 (against €1,900 in 2003).

Employees' contributions

(in €m)	1995-1997	1998	1999	2000	2001	2002	2003(1)	Total
Castor (France and International)	11.7	13.7	14.2	33.3	59.1	45.9	42.1	**220.0**
Castor Équilibre	—	—	—	—	—	—	0.2	**0.2**
Castor Avantage	—	—	—	—	6.2	6.1	—	**12.3**
Total	**11.7**	**13.7**	**14.2**	**33.3**	**65.3**	**52.0**	**42.3**	**232.5**

Net employer's contribution

(in €m)	1995-1997	1998	1999	2000	2001	2002	2003	Total
Castor	2.0	1.2	1.4	9.7	15.2	13.9	12.3	**55.7**
Vivendi Universal group saving scheme(1)	1.4	1.8	1.7	—	—	—	—	**4.9**
Castor Avantage	—	—	—	—	1.3	1.2	—	**2.5**
Total	**3.4**	**3.0**	**3.1**	**9.7**	**16.5**	**15.1**	**12.3**	**63.1**

(1) Excluding switches between saving schemes.
(2)VINCI employees have not been able to participate in the Vivendi Universal group savings scheme since February 2000.

7. Mandates and functions of VINCI company officers

The following table lists the terms of office and most significant functions exercised at 31 December 2003 by the 15 members of the Board of Directors and the two Co-Chief Operating Officers who are not members of the board.

The term of office of VINCI Directors is six years.

The current term of Chairman of the Board held by Mr Antoine Zacharias, Chairman and Chief Executive Officer, coincides with that of his term as Director of the Board. His current term as Chief Executive Officer will end at the first meeting of the Board of Directors after the Shareholders Meeting at which his terms as Chairman and Director of the Board expire.

The current terms of the three Co-Chief Operating Officers, namely Mr Bernard Huvelin, Director and Co-Chief Operating Officer, and Mr Xavier Huillard and Mr Roger Martin, Co-Chief Operating Officers, coincide with that of CEO held by Mr Antoine Zacharias.

For each Director, the year in which his first term of office started and the year of expiry of his current term are shown under his name, together with the number of shares held at 31 December 2003 (in italics). The same information is given below the name of each of the two Co-Chief Operating Officers not serving on the Board of Directors.

DIRECTORS

Antoine Zacharias Age: 64 • 1990-2008 *44,995*	**Chairman and CEO of VINCI** *Functions within VINCI:* Chairman of the Supervisory Boards of VINCI Concessions and VINCI Deutschland GmbH; Vice-Chairman of the Supervisory Board of VINCI Innovation; Director of VINCI Energies, VINCI Park, VINCI plc and Cofiroute; Chairman of the Fondation d'Entreprise VINCI pour la Cité. *Functions in other companies:* Director of Martiniquaise des Eaux and member of the Supervisory Boards of Compagnie Générale des Eaux, Prodith, Nexity Holding and Nexity.
Bernard Huvelin Age: 67 • 1983-1988 and 1999-2005 *66,956*	**Director and Co-Chief Operating Officer of VINCI** *Functions within VINCI:* Chairman and CEO of Consortium Stade de France; Director and President of VINCI USA Holdings Inc.; Chairman of the Supervisory Board of VINCI Innovation; Vice-Chairman of the Supervisory Board of VINCI Concessions; Manager of VINCI Deutschland GmbH and Semana; Director of VINCI Park, VINCI Airports, VINCI Energies and VINCI Construction Grands Projets; permanent representative of VINCI on the Board of Directors of VINCI Construction, of Sogepar on the Board of Directors of Cofiroute, and of Semana on the Board of Directors of Eurovia; member of the Supervisory Board of Eurovia GmbH; member of the joint Supervisory Board of the VINCI Castor and Castor Relais corporate mutual funds and member of the Supervisory Board of the Castor Avantage corporate mutual fund; Director of the Fondation d'Entreprise VINCI pour la Cité. *Functions in other companies:* Director of Electro Banque and Soficot; and Chairman of EGF-BTP, a professional organisation in the French construction sector.
Dominique Bazy Age: 52 • 1996-2008 *600* Chairman of the Audit Committee	**Chairman and CEO of UBS Holding France SA** Dominique Bazy is also Chairman of the Board of Directors of UBS Securities France SA and Director of GrandVision and Atos Origin.
François David Age: 62 • 2003-2009 *250* Member of the Investment Committee	**Chairman and CEO of Coface** François David is also Chairman and CEO of Coface SCRL, Chairman of the Supervisory Board of AK Coface and Director of Rexel.

DIRECTORS

Quentin Davies * Age: 59 • 1999-2000 and 2003-2008 *255* Member of the Audit Committee	**Member of Parliament, UK** Quentin Davies is also Director of Lloyd's of London.
Guy Dejouany Age: 83 • 1988-2006 *59,351*	**Honorary President of Vivendi Universal** Guy Dejouany is also a member of the Supervisory Boards of Dalkia and Compagnie des Eaux et de l'Ozone.
Alain Dinin Age: 52 • 1997-2008 *605*	**Chairman of the Executive Board of Nexity Holding** Alain Dinin is also Chairman of the Executive Board of Nexity; Chairman of Nexity España and CGI George V; legal representative of CGI George V, Co-Manager of Foncier Conseil; Director of Nexity España; permanent representative of Nexity on the Board of Directors of Nexity International; of Sari Investissement on the Board of Directors of Nexitis, of CGI George V on the Boards of Directors of Sari, Apollonia and Développement Boulogne Seguin, and of SIG 30 Participations on the Supervisory Board of Geprim. In addition, he is Director of the École Supérieure de Commerce at Lille (France).
Patrick Faure Age: 58 • 1993-2005 *1,000* Member of the Remuneration Committee	**Chairman and CEO of Renault Sport and Executive Vice-President of Renault** Patrick Faure is also Chairman of the Board of Directors of Renault F1 Team Ltd and Director of AB Volvo, Ertico, Renault Agriculture, Grigny UK Ltd and Cofiroute.
Dominique Ferrero Age: 57 • 2000-2006 *485* Chairman of the Investment Committee	**Director of Assurances Générales de France and Atos Origin**
Serge Michel Age: 77 • 1984-1988 and 1990-2008 *400* Chairman of the Remuneration Committee	**Chairman of Soficot** Serge Michel is also Chairman of CIAM and Carré des Champs-Elysées; Chairman of the Supervisory Board of Segex; Director of VINCI Construction, Eiffage, Veolia Environnement, DB Logistique, STBB, LCC, SARP Industries, Fomento de Construcciones y Contratas SA, FCC Construccion SA, Cementos Portland; member of the Supervisory Boards of G+H Montage, Compagnie des Eaux de Paris and Trouville Deauville et Normandie; permanent representative of CEPH on the Board of Directors of Sedibex and of Edrif on the Supervisory Board of Compagnie Générale des Eaux.
Alain Minc Age: 55 • 1984-1986 and 2000-2006 *250* Member of the Remuneration Committee	**Chairman and CEO of AM Conseil and Chairman of the Supervisory Board of *Le Monde*** Alain Minc is also Honorary President and Director of Société des lecteurs du *Monde*, Director of Valeo and Fnac; member of the Supervisory Board of Pinault Printemps Redoute and non-voting member of the Board of Directors of Ingenico.

** Ratification proposed to the Shareholders Meeting.*

DIRECTORS

Henri Saint Olive Age: 60 • 2000-2006 *8,824* Member of the Audit Committee	**Chairman and CEO of Banque Saint Olive** Henri Saint Olive is also Chairman of the Supervisory Board of Saint Olive et Cie; Chairman of the Board of Enyo and CIARL; Manager of CF Participations, LP Participation and Segipa; member of the Supervisory Boards of Prodith and MGA; Director of Rue Impériale, several insurance companies in the Monceau group, Centre Hospitalier Saint-Joseph et Saint-Luc and of Association de l'Hôpital Saint-Joseph.
Yves-Thibault de Silguy Age: 55 • 2000-2006 *250* Member of the Investment Committee	**Executive Vice-President of Suez and member of the Executive Committee and Central Management Committee of Suez** Yves-Thibault de Silguy is also Chairman and CEO of Aguas Argentinas; Chairman of the Board of Directors of Sino French Holdings; Director of Degrémont, Ondeo, Suez Environnement and Suez-Tractebel; member of the Supervisory Boards of Elyo, Métropole Télévison-M6 and Sofisport; Chairman of the Board of Directors or Director of subsidiaries and companies in which Suez owns shares in New Caledonia, French Polynesia and Vanuatu. Yves-Thibault de Silguy is also Chairman of the France-Algeria Committee of Medef, the French employers' association, and Vice-President of its France-China Committee.
Willy Stricker Age: 61 • 2000-2006 *250* Member of the Investment Committee	**Chairman and CEO of CDC Ixis Private Equity** Willy Stricker is also Vice-Chairman of the Supervisory Board of Club Méditerranée and Director of Canal +
Denis Vernoux Age: 57 • 2002-2008	**Director representing employee shareholders** Denis Vernoux is an engineer at VINCI Construction Grands Projets and is also Chairman of the joint Supervisory Board of the VINCI Castor and Castor Relais corporate mutual funds, and Chairman of the Supervisory Board of the Castor Avantage corporate mutual fund.

Two VINCI Directors resigned during 2003:

– Philippe Brongniart, former Director and Adviser to the Chairman of Suez, with effect on 1 April 2003;

– Henri Proglio, Chairman and CEO of Veolia Environnement, with effect following the Shareholders Meeting of 14 May 2003.

The Board of Directors, at its meeting immediately thereafter, appointed Quentin Davies, UK Member of Parliament and former Director of VINCI, to replace Henri Proglio and take over his functions. The ratification of this appointment is proposed to the Shareholders Meeting.
François David, Chairman and CEO of Coface, was appointed Director of VINCI by the Shareholders Meeting of 14 May 2003.

CO-CHIEF OPERATING OFFICERS NOT SERVING ON THE BOARD OF DIRECTORS

Xavier Huillard Age: 49 • 2002-2008 *20,063*	**Chairman and CEO of VINCI Energies** Xavier Huillard is also Chairman of the Supervisory Board of VINCI Energies Netherlands; Director of VINCI Construction, VINCI Construction Grands Projets, VINCI Park, Soletanche, VINCI plc, VINCI Investments Ltd, VINCI Energies UK plc and GTIE Sweden AB; member of the Supervisory Board of VINCI Energies Deutschland GmbH; and Director of the Fondation d'Entreprise VINCI pour la Cité.
Roger Martin Age: 60 • 2002-2008 *365*	**Chairman and CEO of Eurovia** Roger Martin is also Chairman of the Supervisory Boards of Financière Eurinter and Eurinter; Director of VINCI Energies, VINCI Park, the Fondation d'Entreprise Eurovia and Sade-CGTH; permanent representative of VINCI Construction on the Board of Directors of Cofiroute; member of the Supervisory Board of VINCI Innovation; and Chairman, Manager, Director or member of the Supervisory Boards of several subsidiaries and companies in which Eurovia owns shares in the United States, Canada, UK, Germany, Switzerland, Spain and Chile; and Director of the Fondation d'Entreprise VINCI pour la Cité.

Individuals responsible for the registration document and for auditing the financial statements

1. Signed statement of officer responsible for the registration document

"To the best of my knowledge, the information contained in this registration document gives a true and fair view of the Group. It includes all the statements necessary for investors to form an opinion of the assets, business, financial situation, financial results and prospects of VINCI. There are no omissions liable to alter the significance of those statements."
Chairman and Chief Executive Officer
Antoine Zacharias

2. Signed statement of statutory auditors

Statutory auditors

RSM Salustro Reydel

8, avenue Delcassé, 75008 Paris, France
represented by Bernard Cattenoz and Benoît Lebrun
Date of first mandate: 23 June 1989
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

Deloitte Touche Tohmatsu

185, avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France
represented by Thierry Benoit
Date of first mandate: 30 May 2001
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

Alternate auditors

François Pavard

8, avenue Delcassé, 75008 Paris, France
Date of first mandate: 16 June 1995
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

BEAS SARL

7–9 villa Houssay, 92200 Neuilly-sur-Seine, France
Date of first mandate: 30 May 2001
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

Auditors' opinion on the registration document

As the Statutory Auditors of VINCI, and in compliance with Regulation 98-01 of the French Securities and Exchange Commission (COB), we have audited the financial information reported in this registration document concerning the financial position and past financial statements of this Company for the year ended 31 December 2003, in accordance with the professional standards applicable in France.

The Chairman of the Board of Directors is responsible for the preparation of the registration document. Our role is to express an opinion, based on our audit, as to whether this document gives a fair presentation of the company's financial position and its accounts.

We have conducted our audit in accordance with the professional standards applicable in France; this involved assessing the truth and fairness of the information on the financial position and accounts and verifying that it agrees with the accounts reported on. It also consisted in examining other information in the registration document to identify, if necessary, material inconsistencies with the information on the financial position and accounts of the company and to draw attention to any clearly erroneous information identified on the basis of the general knowledge of the company that we have acquired in performing our assignment. This registration document contains no forecast data determined under structured procedures.

We have audited, according to the professional standards applicable in France, the parent company and consolidated financial statements for the years ended 31 December 2001, 31 December 2002 and 31 December 2003, prepared by the VINCI Board of Directors, and issued an unqualified opinion.

Our report on the consolidated financial statements for the year ended 31 December 2002 draws attention to Note B to the accounts, which describes two changes in accounting method. These relate to the presentation of special concession amortisation recognised by motorway concession companies and of deferred expenses related to site installation costs.

With respect to the consolidated financial statements of the year ended 31 December 2003, our report draws readers' attention to Note B.2 to the financial statements which describes a change in accounting method relating to the recognition of commitments regarding long service bonuses.

As required by Article L.225-235 of the French Code of Commerce regarding disclosure of the reasons for our conclusions (a requirement introduced by the Financial Security Act of 1 August 2003 and applicable for the first time to this financial year), our reports on the parent company and consolidated financial statements for 2003 include reasons for our conclusions.

In our report on the parent company financial statements for the year ended 31 December 2003, we have brought the following to your attention:

• As disclosed in Note A.1 to the parent company financial statements, VINCI contributed its shareholdings in Cofiroute, VINCI Park, VINCI Infrastructures and VINCI Airports to VINCI Concessions in February 2003. The gain of €1,821.1 million realised on this transaction in 2003, was recognised under exceptional income by VINCI. In evaluating the overall presentation of the parent company financial statements, we have checked that the accounting treatment adopted by VINCI in respect of these transactions was correct and that the disclosures made in the Notes were appropriate.

In our report on the consolidated financial statements for the year ended 31 December 2003, we have brought the following to your attention:

• As mentioned in the first part of our report on the consolidated financial statements for 2003, Note B.2 to the consolidated financial statements describes a change in accounting method relating to the recognition of commitments regarding long-service bonuses. In assessing the accounting rules and principles adopted by your company, we have satisfied ourselves that this change was justified and appropriately presented.

• As disclosed in Note B.4 to the consolidated financial statements, the fair value of goodwill is subject to review by the company whenever events or circumstances occur that are likely to impair the value of an asset. In accordance with the French professional standards applicable to accounting estimates, we have assessed as required the data and assumptions used by the company in performing this test and have checked the calculations made. We have assessed on this basis whether these estimates are reasonable.

These conclusions were formed as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our unqualified opinion, given in our reports on the parent company and consolidated financial statements for 2003.

On the basis of our audit, we have no further comments to make on the fair presentation of the financial position of the company or on the financial statements included in this registration document for the year ended 31 December 2003.

Neuilly and Paris, 31 March 2004

The Statutory Auditors

Deloitte Touche Tohmatsu
Thierry Benoit

RSM Salustro Reydel
Bernard Cattenoz Benoît Lebrun

3. Fees of Statutory Auditors

	Deloitte Touche Tohmatsu network				Salustro Reydel network			
in thousand of euros	**2003**	**%**	**2002**	**%**	**2003**	**%**	**2002**	**%**
Audit								
Statutory audit	5,160	71%	4,967	78%	5,452	84%	5,109	95%
Ancillary engagements	1,912	26%	933	15%	583	9%	276	5%
Subtotal audit	**7,072**	**97%**	**5,900**	**93%**	**6,035**	**93%**	**5,385**	**100%**
Other services								
Legal, tax and employment	230	3%	223	3%	436	7%	—	—
Other	—	—	239	4%	—	—	—	—
Subtotal, other services	**230**	**3%**	**462**	**7%**	**436**	**7%**	**—**	**—**
Total	**7,302**	**100%**	**6,362**	**100%**	**6,471**	**100%**	**5,385**	**100%**

4. Officers responsible for financial information

Christian Labeyrie, Vice-President and Chief Financial Officer, member of the Executive Committee and Secretary of the Board of Directors (+33 1 47 16 48 65).
Pierre Coppey, Vice-President, Corporate Communication, Human Relations and Synergies, and member of the Executive Committee (+33 1 47 16 35 41).

Cross-referencing table

In order to make this annual report, filed as a registration document, easier to read, the table below identifies the main items of information required by the Autorité des Marchés Financiers (AMF) – the French securities regulator – in its regulations and application instructions.

In accordance with COB Regulation No. 98-01, this registration document was filed with the Autorité des Marchés Financiers (the French securities regulator) on 31 March 2004. It may be used in support of a financial transaction only if it is supplemented by a prospectus on the transaction officially approved by the Autorité des Marchés Financiers.

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