OFFERING CIRCULAR

(incorporated as a société anonyme (with limited liability) in the Republic of France)

(the "**Issuer**" or "**VINCI**")

€150,000,000 5.875 per cent. Bonds due 2009

(the "**Bonds**")

(to be consolidated and form a single series with the existing €250,000,000 5.875 per cent. Bonds due 2009 issued on 27 November 2002 and the existing €600,000,000 5.875 per cent. Bonds due 2009 issued on 22 July 2002 (the "**Existing Bonds**"))

Issue price: 106.156 per cent.

(plus an amount corresponding to 289 days' accrued interest)

The Bonds will mature on 22 July 2009.

The Issuer may, at its option, and in certain circumstances shall be required to, redeem prior to maturity all, but not some only, of the Bonds at any time at par plus accrued interest, only in the event of certain tax changes as described under "*Conditions of the Bonds — Redemption and Purchase*".

Application has been made for the listing of the Bonds on the Luxembourg Stock Exchange.

The Bonds will be rated Baa1 by Moody's France SA and BBB+ by Standard & Poor's, a Division of The McGraw Hill Companies. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Bonds will initially be represented by a temporary global bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited on or about 7 May 2003 (the "**Closing Date**") with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the "**Permanent Global Bond**" and, together with the Temporary Global Bond, the "**Global Bonds**"), without interest coupons, on or after 17 June 2003 (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for definitive Bonds only in certain limited circumstances — see "*Summary of Provisions relating to the Bonds while represented by the Global Bonds*".

On the Exchange Date the Bonds will be consolidated with the Existing Bonds so as to form a single issue therewith.

Manager and Bookrunner

BNP PARIBAS

The date of this Offering Circular is 6 May 2003

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer and the Issuer, its subsidiaries and affiliates (the "**Group**") taken as a whole which is material in the context of the issuance and offering of the Bonds, that such information is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts in relation to the Issuer or the Group the omission of which would, in the context of the issuance and offering of the Bonds, make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

The Manager (as defined in "*Subscription and Sale*") has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Bonds or their distribution.

No person is or has been authorised by the Issuer or the Manager to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Bonds or their distribution and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Manager.

Neither this Offering Circular nor any other information supplied in connection with the Bonds or their distribution (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Manager that any recipient of this Offering Circular or any other information supplied in connection with the Bonds or their distribution should purchase any of the Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Investors should review, *inter alia*, the most recently published financial statements and annual report of the Issuer when deciding whether or not to purchase any Bonds. Neither this Offering Circular nor any other information supplied in connection with the issue of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any of the Bonds.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Bonds or their distribution is correct as of any time subsequent to the date indicated in the document containing the same. The Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*").

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Manager do not represent that this Offering Circular may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Manager which would permit a public offering of any Bonds or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Bonds in the United States, the United Kingdom and France (see "*Subscription and Sale*").

All references in this document to “*Euro*”, “*euro*” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

TABLE OF CONTENTS

Conditions of the Bonds	5
Summary of Provisions relating to the Bonds while represented by the Global Bonds	15
Use of Proceeds	17
Description of the Issuer	18
Consolidated Financial Statements at 31 December 2002	29
Summary of the Non-Consolidated Financial Statements at 31 December 2002 (*comptes sociaux*)	75
Subscription and Sale	82
General Information	84

Stabilisation

In connection with the issue and distribution of the Bonds, BNP Paribas or any person acting on its behalf may over-allot or effect transactions with a view to supporting the market price of the Bonds and/or any Existing Bonds at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on BNP Paribas or any of its agents to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

Incorporation by reference

The annual audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2000, 2001 and 2002 and the pro-forma consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2000 and 2001, together with the reports of the auditors thereon, are included in this Offering Circular. The annual audited non-consolidated financial statements (*comptes sociaux*) of the Issuer in respect of the financial years ended 31 December 2000, 2001 and 2002 are incorporated by reference in this Offering Circular. Copies of such financial statements are available free of charge from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg, as further set out under "*General Information - Documents Available*".

Taxation

All prospective Bondholders should seek independent advice as to their tax position.

CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds which will be endorsed on each Bond in definitive form:

The 5.875 per cent. Bonds due 2009 (the "**Bonds**") of VINCI, a French *société anonyme* registered under number RCS 552 037 806, (the "**Issuer**") are issued in an aggregate principal amount of €1,000,000,000 of which €250,000,000 were issued on 27 November 2002 and €600,000,000 were issued on 22 July 2002 (together, the "**Existing Bonds**") and €150,000,000 are issued on 7 May 2003 (the "**Further Bonds**"). The Existing Bonds and the Further Bonds are together referred to as the "**Bonds**". The Bonds are issued subject to and with the benefit of an agency agreement dated 18 July 2002 (the "**Original Agency Agreement**") as supplemented by a supplemental agency agreement dated 26 November 2002 and a further supplemental agency agreement dated 6 May 2003 (together, the "**Supplemental Agency Agreements**" and, together with the Original Agency Agreement the "**Agency Agreement**") each made between the Issuer, Crédit Lyonnais Luxembourg S.A. as fiscal agent and principal paying agent (the "**Fiscal Agent**" and, together with any other paying agents appointed from time to time, the "**Paying Agents**", which terms shall include successors).

€600,000,000 of the Existing Bonds issued on 22 July 2002 were issued pursuant to a resolution of the *Assemblée Générale Ordinaire* (Ordinary General Meeting) of the Issuer adopted on 12 December 2001, a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer adopted on 6 June 2002 and a decision of Bernard Huvelin made on 9 July 2002.

€250,000,000 of the Existing Bonds issued on 27 November 2002 were issued pursuant to a resolution of the *Assemblée Générale Ordinaire* (Ordinary General Meeting) of the Issuer adopted on 12 December 2001, a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer adopted on 18 September 2002 and a decision of Bernard Huvelin made on 7 November 2002.

The Further Bonds are issued pursuant to a resolution of the *Assemblée Générale Ordinaire* (Ordinary General Meeting) of the Issuer adopted on 12 December 2001, a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer adopted on 5 March 2003 and a decision of Bernard Huvelin made on 5 May 2003.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Bonds (the "**Bondholders**") and the holders of the interest coupons appertaining to the Bonds (the "**Couponholders**" and the "**Coupons**" respectively) at the specified office of each of the Paying Agents. The Bondholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

(1) Form and Denomination

The Bonds are in bearer form, serially numbered, in the denomination of €1,000 with Coupons attached on issue.

(2) Title

Title to the Bonds and to the Coupons will pass by delivery.

(3) Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Bond or Coupon as the absolute owner for all purposes (whether or not the Bond or Coupon shall be overdue and notwithstanding any notice of ownership, trust or interest in it or writing on the Bond or Coupon or any notice of previous loss or theft of the Bond or Coupon) and no person will be liable for so treating the holder.

2. STATUS

The Bonds and the Coupons are direct, unconditional and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject as provided above) with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. NEGATIVE PLEDGE

So long as any of the Bonds remains outstanding (as defined in the Agency Agreement), the Issuer will not, and will ensure that none of its Principal Subsidiaries will, create or permit to subsist any Security Interest upon any of their respective Assets, present or future, to secure any Relevant Debt or any guarantee or indemnity in respect of any Relevant Debt other than a Permitted Security (all as defined below) unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are (a) equally and rateably secured therewith or (b) have the benefit of such other security, guarantee, indemnity or other arrangement in substantially comparable terms thereto.

For the purposes of this Condition:

(a) "**Affiliate**" of any Person means any Subsidiary or holding company of that Person, or any Subsidiary of any such holding company, or any other Person in which that Person or any such holding company or Subsidiary owns at least 20 per cent. of the share capital of the like;

(b) "**Asset(s)**" of any Person means all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital, wherever situated;

(c) "**Existing Security on After-Acquired Subsidiaries**" means any Security Interest granted by any Person over its Assets in respect of any Relevant Debt and which is existing at the time any such Person becomes, whether by the acquisition of share capital or otherwise, a Principal Subsidiary of the Issuer or whose business and/or activities, in whole or in part, are assumed by or vested in the Issuer or any other Principal Subsidiary after the date of issue of the Bonds (other than any Security Interest created in contemplation thereof);

(d) "**Group**" means the Issuer and its Subsidiaries;

(e) "**Permitted Security**" means:

   (i) any Security Interest granted in respect of or in connection with any Project Finance Indebtedness; or

   (ii) any Existing Security on After-Acquired Subsidiaries;

(f) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or Agency of a state (in each case, whether or not having separate legal personality);

(g) "**Principal Subsidiary**" means at any relevant time a Subsidiary of the Issuer:

   (i) in respect of which the Issuer (1) owns or controls, directly or indirectly, the Relevant Percentage or more of the share capital and voting rights and (2) has nominated a majority of the representatives on its Board of Directors (or equivalent management body); and

   (ii) (x) whose total net sales (*chiffre d'affaires*) (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated net sales (*chiffre d'affaires*) attributable to the Issuer) represents not less than one (1) per cent. of the total consolidated net sales (*chiffre d'affaires*) of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries or (y) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary;

Please see the tables setting out details of the net sales and share capital of certain VINCI subsidiaries on pages 27 and 81 of this Offering Circular.

(h) "**Project Finance Indebtedness**" means any Relevant Debt incurred to finance the construction, development, operation and/or maintenance of an asset or business (a "**Project**"):

(i) which is incurred by a single purpose Person ("**SPP**") (whether or not any such SPP is a member of the Group or a Subsidiary or an Affiliate of such a member) all or substantially all of whose Assets relate to the construction, development, operation and/or maintenance of the Project, either directly or indirectly, through one or more other SPPs incorporated solely for the purposes of, and all or substantially all of whose Assets relate to, the construction, development, operation and/or maintenance of the Project (each a "**Project Entity**"); and

(ii) in respect of which the holder(s) of such Relevant Debt (the "**Lender**") has no recourse to any member of the Group or a Subsidiary or an Affiliate of such a member for the repayment or payment of any sum in respect of such Relevant Debt other than recourse:

(A) in respect of share capital (or equivalent) in a Project Entity; and/or

(B) to a Project Entity in respect of such sum limited to the aggregate cash flow from the Project; and/or

(C) to a Project Entity for the sole purpose of enforcing any Security Interest given to the Lender over the Assets constituting or derived from the Project (or rights given by any shareholder or equivalent in a Project Entity over its shares or equity equivalent in the Project Entity) in order to secure that Relevant Debt, provided that: (x) the extent of such recourse to a Project Entity is limited solely to the amount of any recoveries made on any such enforcement, and (y) the Lender is not entitled, by virtue of any right or claim arising out of or in connection with such Relevant Debt, to commence proceedings for the winding-up or dissolution of a Project Entity or to appoint or procure the appointment of any receiver, trustee or similar person or official in respect of a Project Entity or any of its Assets (save for the Assets which are the subject of such encumbrance); and/or

(D) to a Project Entity or a member of the Group or a Subsidiary or Affiliate of such member, which recourse is limited to a claim for damages (other than liquidated damages) for breach of a representation, warranty or obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof) by the Person against whom recourse is available; and/or

(E) to any collateral or covenant to pay provided by any member of the Group or a Subsidiary or an Affiliate of such a member in exchange for the transfer to it of Assets in the form of cash of a Project Entity provided that such collateral or covenant provided in exchange for such Assets does not have a value greater than the market value of such Assets at the time of transfer;

(i) "**Relevant Debt**" means (i) any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*), notes or other securities (including *titres de créances négociables*) which are for the time being, or which are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market and (ii) any guarantee or indemnity of any such indebtedness;

(j) "**Relevant Percentage**" means, in respect of Cofiroute, 85 per cent. and, in respect of any other Subsidiary, 51 per cent.;

(k) "**Security Interest**" means any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*); and

(l) "**Subsidiary**" means, in relation to any Person or entity at any time, any other Person or entity (whether or not now existing) as defined in Article L.233-1 of the French *Code de commerce* (commercial code) or any other Person or entity controlled directly or indirectly by such Person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

4. INTEREST

(1) Interest Rate and Interest Payment Dates

The Bonds bear interest from and including 22 July 2002 at the rate of 5.875 per cent. per annum, payable annually in arrear on 22 July (each an "**Interest Payment Date**"). The first payment shall be made on 22 July 2003.

(2) Interest Accrual

Each Bond will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Bond have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Bonds has been received by the Fiscal Agent and notice to that effect has been given to the Bondholders in accordance with Condition 11 (*Notices*).

(3) Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5. PAYMENTS

(1) Payments in respect of Bonds

Payments of principal and interest in respect of each Bond will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Bond, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office of any of the Paying Agents.

(2) Method of Payment

Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by Euro cheque.

(3) Missing Unmatured Coupons

Each Bond should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of the relevant Bond (whether or not the Coupon would otherwise have become void pursuant to Condition 8 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

(4) Payments subject to Applicable Laws

Payments in respect of principal and interest on Bonds and Coupons, respectively, are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

(5) Payment only on a Presentation Date

A holder shall be entitled to present a Bond or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

"**Presentation Date**" means a day which (subject to Condition 8 (*Prescription*)):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Bond or Coupon is presented for payment; and

(c) in the case of payment by credit or transfer to a Euro account as referred to above, is a TARGET Settlement Day.

In this Condition:

(i) "**Business Day**" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; and

(ii) "**TARGET Settlement Day System**" means a day on which the TARGET System is operating and "**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(6) Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

(a) so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, there will at all times be a Paying Agent with a specified office in Luxembourg; and

(b) if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive is introduced, the Issuer will ensure that, to the extent possible, it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Bondholders as soon as reasonably practicable by or on behalf of the Issuer in accordance with Condition 11 (*Notices*).

6. REDEMPTION AND PURCHASE

(1) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on 22 July 2009.

(2) Redemption for Taxation Reasons

(a) The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 11 (*Notices*), the Bondholders (which notice shall be irrevocable), if on the occasion of the next payment due under the Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political subdivision of, or any authority in, or of, the Republic of France having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 22 July provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.

(b) If the Issuer would on the occasion of the next payment due under the Bonds be prevented by French law from making payment to the Bondholders or the Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 (*Taxation*), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Bonds then outstanding, upon giving not less than 7 nor more than 30 days' irrevocable notice to the Bondholders, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment without withholding for French taxes, or if such date is past, as soon as practicable thereafter.

(c) Bonds redeemed pursuant to this Condition will be redeemed at their principal amount together with interest accrued to but excluding the date of redemption.

(3) Purchases

The Issuer or any of its Subsidiaries (as defined in Condition 3 (*Negative Pledge*)) may at any time purchase Bonds (provided that all unmatured Coupons appertaining to the Bonds are purchased with the Bonds) in any manner and at any price. If purchases are made by tender, tenders must be available to all Bondholders alike.

(4) Cancellations

All Bonds which are (a) redeemed or (b) purchased by or on behalf of the Issuer will forthwith be cancelled, together with all relative unmatured Coupons attached to the Bonds or surrendered with the Bonds, and accordingly may not be reissued or resold.

7. TAXATION

(1) Tax Exemption

The Bonds being issued outside the Republic of France, interest and other revenues with respect to the Bonds benefit from the exemption provided for in Article 131 *quater* of the French *Code général des impôts* (general tax code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

(2) Additional Amounts

If, as a result of any change in or in the interpretation or application of any laws or regulations of the Republic of France or any political subdivision of, or any authority in, or of, the Republic of France having power to tax (a "**Taxing Authority**"), any payments in respect of the Bonds or Coupons are subject to withholding with respect to any taxes, duties or assessments whatsoever levied by or on behalf of a Taxing Authority, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond or Coupon, after deduction of such taxes or duties, will receive the full amount then due and payable; provided that no such additional amounts shall be payable with respect to any Bond or Coupon:

(a) presented for payment by or on behalf of a holder who is subject to such taxes, duties or assessments in respect of such Bond or Coupon by reason of his being connected with the Republic of France otherwise than by reason only of the holding of such Bond or Coupon; or

(b) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a Bondholder or Couponholder, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

(3) Interpretation

In these Conditions, "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Bondholders by the Issuer in accordance with Condition 11 (*Notices*).

8. PRESCRIPTION

Bonds and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Bonds or, as the case may be, the Coupons, subject to the provisions of Condition 5 (*Payments*).

9. EVENTS OF DEFAULT

The holder of any Bond may give notice to the Fiscal Agent at its specified office that the Bond is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events ("**Events of Default**") shall have occurred and be continuing:

(a) if default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of 7 days in the case of principal and 15 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by any Bondholder on the Fiscal Agent at its specified office of notice requiring the same to be remedied; or

(c) (i) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default or event of default, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds €20,000,000 or its equivalent in any other currency; or

(d) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that the aggregate amount of indebtedness secured by mortgages, charges, pledges, liens or other encumbrances in relation to which any such step is taken equals or exceeds €20,000,000 or its equivalent in any other currency; or

(e) if either (i) the Issuer or any of its Principal Subsidiaries established in the Republic of France makes any proposal for a general moratorium in relation to its debt or applies for the appointment of a conciliator (*conciliateur*) or enters into an amicable settlement (*accord amiable*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of its business (*cession totale de l'entreprise*) or, to the extent permitted by applicable law, if it is subject to any other insolvency or bankruptcy proceedings or if it makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors or (ii) any of the Issuer's Principal Subsidiaries not established in the Republic of France is (or is deemed by law or a court to be) insolvent or bankrupt or is granted a moratorium of payments or is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts within the meaning of any applicable law, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or any arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of any such Principal Subsidiary or (iii) an encumbrancer or a receiver or a person with similar functions appointed for execution takes possession of the whole or any material part of the assets or undertaking of the Issuer or any of its Principal Subsidiaries or a distress, execution or other process is levied or enforced upon or sued out against a material part of the property or assets of the Issuer or any of its Principal Subsidiaries and is not paid, discharged, removed or stayed within 30 days; or

(f) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a Permitted Reorganisation; or

(g) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by or on behalf of the Issuer in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds admissible in evidence in the courts of the Republic of France is not taken, fulfilled or done and such failure continues for a period of 30 days from the date the Issuer becomes aware of any such failure; or

(h) any event occurs which under the laws of any jurisdiction where any of the Issuer's Principal Subsidiaries is for the time being incorporated has an analogous effect to any of the events referred to in paragraphs (e) and (f) above.

For the purposes of this Condition:

(i) a "**Permitted Reorganisation**" means a reconstruction, amalgamation, reorganisation, merger, consolidation or transfer of assets and/or activities (a "**Reorganisation**") (i) in the case of the Issuer, where (a) the surviving legal entity which acquires or to which is transferred all or a substantial part of the business and/or activities of the Issuer (such entity, the "**Successor**"), (1) is a company incorporated and resident in France and (2) expressly and effectively or by law assumes all the obligations of the Issuer under the Bonds and has obtained all necessary authorisations therefor and (b) no Adverse Rating Event occurs as a result of or in connection with such Reorganisation, (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in one or more of the Issuer or another of its Subsidiaries or another company in which the Issuer, directly or indirectly, holds a greater number of shares and voting rights than any other single non-governmental shareholder in such company, and provided that such transfer does not give rise to an Adverse Rating Event, or (iii) in the case of the Issuer and/or any Principal Subsidiary, the terms of which have previously been approved by an Extraordinary Resolution of the Bondholders;

(ii) an "**Adverse Rating Event**" means either (a) any credit rating assigned to the long-term unsecured and unsubordinated indebtedness of, or any other corporate rating assigned by any Rating Agency to, the Successor or, in the case of (ii) above, the Issuer, in each case immediately following the Reorganisation, being lower than any credit rating assigned by such Rating Agency to the Issuer, in each case immediately prior to such Reorganisation, or (b) the Successor or, in the case of (ii) above, the Issuer being placed on "credit watch with negative implications" (or any equivalent or analogous status) by any Rating Agency;

(iii) "**Rating Agency(ies)**" means Standard & Poor's, a Division of The McGraw Hill Companies, and Moody's France SA (and their respective successors); and

(iv) "**Principal Subsidiary**" has the meaning given to it in Condition 3 (*Negative Pledge*).

10. REPLACEMENT OF BONDS AND COUPONS

Should any Bond or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

11. NOTICES

All notices to the Bondholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide and, so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in one daily newspaper published in Luxembourg. It is expected that such publications will normally be made in the *Financial Times* and the *Luxemburger Wort*, respectively. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

12. MEETINGS OF BONDHOLDERS AND MODIFICATION

(1) Provisions for Meetings

The Agency Agreement contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., of the principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Bondholders will be binding on all Bondholders, whether or not they are present at the meeting, and on all Couponholders.

(2) Modification

The Issuer and the Fiscal Agent may agree, without the consent of the Bondholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or therein or (ii) in any manner which is not materially prejudicial to the interests of the Bondholders or the Couponholders. Any modification shall be binding on the Bondholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Bondholders as soon as reasonably practicable thereafter in accordance with Condition 11 (*Notices*).

13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further bonds, having terms and conditions the same as those of the Bonds, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Bonds.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(1) Governing Law

The Agency Agreement, the Bonds and the Coupons are governed by, and will be construed in accordance with, English law.

(2) Jurisdiction of English Courts

The Issuer irrevocably agrees for the benefit of the Bondholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in the courts of England. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction, subject to any applicable laws and public policy. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(3) Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Hackwood Secretaries Limited at its registered office for the time being (currently One Silk Street, London EC2Y 8HQ) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

(4) Other Documents

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE REPRESENTED BY THE GLOBAL BONDS

The following is a summary of the provisions to be contained in the Global Bonds which will apply to, and in some cases modify, the Conditions of the Bonds while the Bonds are represented by the Global Bonds.

1. Exchange

The Temporary Global Bond is exchangeable for interests in the Permanent Global Bond on or after a date which is expected to be 17 June 2003 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond.

The Permanent Global Bond will be exchangeable in whole but not in part (free of charge to the holder) for definitive Bonds only if (in each case, an "**Exchange Event**"):

(a) an event of default (as set out in Condition 9 (*Events of Default*)) has occurred and is continuing and a notice referred to in such Condition has been given by any Bondholder; or

(b) the Issuer has been notified that both Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or

(c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bonds in definitive form.

The Issuer will promptly give notice in accordance with Condition 11 (*Notices*) to Bondholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Bond, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Bond for definitive Bonds on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Bond may or, in the case of (c) above, shall surrender the Permanent Global Bond to or to the order of the Fiscal Agent. In exchange for the Permanent Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal requirements and the requirements of any applicable stock exchange rules and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Bond, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Bonds.

"**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 17 June 2003 no payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by a Global Bond will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of such Global Bond to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Bond by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Bonds. Payments of interest on the Temporary Global Bond (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 11 (*Notices*), provided that so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given to the Bondholders on the fifth day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. Accountholders

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on such Bonds, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Bond in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Bond.

5. Prescription

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7 (*Taxation*)).

6. Cancellation

Cancellation of any Bond represented by a Global Bond and required by the Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Bond on the relevant part of the schedule thereto.

7. Euroclear and Clearstream, Luxembourg

References therein and herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Bonds are held.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, amounting to approximately €165,724,068, will be applied by the Issuer for its general corporate activities and/or to refinance its existing debt.

DESCRIPTION OF THE ISSUER

Introduction

VINCI is a French *société anonyme* (public limited company) with a *Conseil d'Administration* (Board of Directors), established under French law and with a term expiring, unless extended, on 21 December 2078. It is registered at the *Registre du Commerce et des Sociétés de Nanterre* under number RCS 552 037 806. Its registered office is at 1, cours Ferdinand de Lesseps, 92851 Rueil-Malmaison, France.

VINCI's objects (as more fully set out in article 2 of VINCI's *statuts* (constitutional documents)) are:

- undertaking all forms of civil engineering and in particular all types of underground works, foundations, hydraulics and reinforced concrete; and
- more generally, undertaking all industrial, commercial, financial, securities and property transactions related to the purposes specified above.

Brief history of the Group

VINCI, originally named Société Générale d'Entreprises ("**SGE**"), was formed in 1908. SGE experienced strong growth in the years preceding World War I. It contributed to France's defence efforts during the war and to the country's reconstruction afterwards. In the twenties and thirties, SGE's main growth avenue was electrical power, but the nationalisation of the Group's electrical power assets in 1946 forced SGE to redeploy into 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'Electricité (now named 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-Orléans) and A11 (Paris-Le Mans) motorways. In 1982, when SGE was mainly focused on the French market, it merged with Sainrapt-et-Brice, a company specialised in prestressed concrete with an active export business.

In 1984, the then French state-owned 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 and focused on construction (the Group's primary core business). With the acquisition of two other subsidiaries, Bourdin-Chaussé (1977) and Cochery (1982), roadworks became the Group's second core business. Electricité Saunier-Duval (now called Sdel), Tunzini and Wanner Isofi constituted the Group's third core business (electrical power and climate control).

In 1988, after it was privatised, Saint-Gobain sold its controlling interest in SGE to Compagnie Générale des Eaux. The latter 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 (construction and maintenance).

1997 was marked by large-scale operations between SGE and Compagnie Générale des Eaux. SGE transferred its household waste treatment business and most of its water distribution and property development activities to Compagnie Générale des Eaux. In exchange, Compagnie Générale des Eaux transferred electrical contracting companies 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 incomes and high added value. SGE launched a successful takeover bid on Sogeparc, the French leader in car parks, and acquired Teerbau, the roadworks leader in Germany. In the energy sector, it acquired Emil Lundgren, a Swedish electrical engineering company, and Calanbau, the German leader in fire protection. With the acquisition of Terre Armée Internationale and Ménard Soltraitement, SGE's construction subsidiary Freyssinet became the world leader in geotechnical engineering.

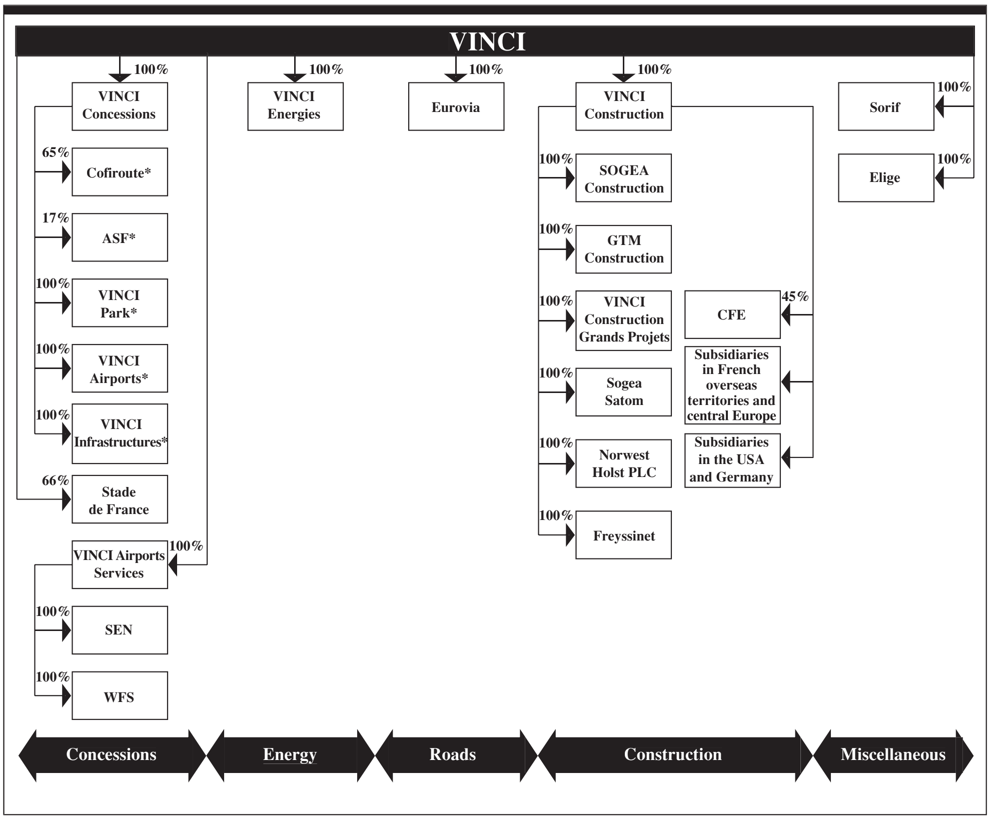
In February 2000, Compagnie Générale des Eaux (by then renamed Vivendi Universal) ceased to be a majority shareholder in VINCI, selling most of its shares in SGE to institutional investors and keeping only 17% of the capital stock. In May, SGE changed its name to VINCI. In July, VINCI launched a share-funded takeover bid on GTM, a French construction company, and the subsequent merger of VINCI with GTM in December gave rise to a world leader in concessions, construction and related services.

In 2001, Vivendi Universal and Suez, GTM's former majority shareholders, both issued exchangeable bonds into VINCI shares with the aim of withdrawing completely from VINCI's capital. VINCI continued to grow, acquiring US company WFS, a world leader in airport support services, and TMS, an Austrian company specialising in automated manufacturing systems for the automotive industry. In the wake of the events of 11 September, VINCI withdrew its takeover bid on UK airport operator TBI.

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.When the French government decided to privatise 49% of Autoroutes du Sud de la France (ASF), the motorway concession company, in 2002,VINCI acquired a 17% interest in the company. It also reinforced its presence in parking activities abroad, notably in Spain and the UK. VINCI acquired Crispin & Borst, a London-based 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.

Organisation chart

The following simplified chart shows the main companies held directly or indirectly by VINCI (and the percentage of capital held) at 31 January 2003.



* See list on page 25 of this Offering Circular

Management and corporate governance

VINCI's *Conseil d'Administration* (Board of Directors) includes 15 members whose term of office is six years. Two of the directors are senior executives (Mr Zacharias and Mr Huvelin), three are former senior executives (Mr Dejouany, Mr Michel and Mr Minc), two represent former VINCI majority shareholders (Mr de Silguy represents Suez, and Mr Proglio represents Vivendi Environnement), and Mr Vernoux represents VINCI employee shareholders participating in the Group's saving schemes. The seven other directors are independent business managers who have no ties with VINCI.

The Board of Directors debates all major issues concerning the Group, namely making strategic decisions, approving financial statements, approving principal acquisitions, approving debt and equity issues, deciding changes to the legal structure of the Group, approving employee share plans, approving share repurchases and generally making all other decisions within VINCI's objects that are not otherwise reserved to VINCI's *Assemblées Générales* (Shareholder Meetings).

The following table lists the terms of office, functions and ages of members of the Board of Directors:

- Antoine Zacharias (age 63): Chairman and CEO of VINCI
  Expiration of term 2008

- Dominique Bazy (age 51): Chairman and CEO of UBS Holding France
  Expiration of term 2008

- François David (age 61)*: Chairman and CEO of Coface
  Expiration of term 2009

- Guy Dejouany (age 82): Honorary President of Vivendi Universal
  Expiration of term 2006

- Alain Dinin (age 52): Chairman of the Executive Board of Nexity
  Expiration of term 2008

- Patrick Faure (age 56): Chairman of Renault Sport and Deputy General Manager of Renault
  Expiration of term 2006

- Dominique Ferrero (age 56): CEO of Crédit Lyonnais
  Expiration of term 2006

- Bernard Huvelin (age 66): Co-Chief Operating Officer of VINCI
  Expiration of term 2006

- Serge Michel (age 76): Chairman and CEO of Soficot
  Expiration of term 2008

- Alain Minc (age 53): Chairman of AM Conseil and of Société des Lecteurs du Monde
  Expiration of term 2006

- Henri Proglio (age 53): Chairman of the Management Board of Vivendi Environnement
  Expiration of term 2008

- Henri Saint Olive (age 59): Chairman and CEO of Banque Saint Olive
  Expiration of term 2006

- Yves-Thibault de Silguy (age 54): Executive Vice-President of Suez
  Expiration of term 2006

- Willy Stricker (age 60): Chairman and CEO of CDC Ixis Private Equity
  Expiration of term 2006

- Denis Vernoux (age 56): Chairman of the Management Board of the Employees' Fund
  Expiration of term 2008

* Appointment proposed to the Shareholders' Meeting to be held on 14 May 2003 (second notice).

Board of Directors Audit Committee

The Audit Committee is chaired by Dominique Bazy and includes Henri Saint Olive. Mr Jaclot, who was previously a member of the committee, resigned from the Board of Directors in September 2002. The Audit Committee's role is to examine the non-consolidated (*comptes sociaux*) and consolidated financial statements before they are submitted to the Board of Directors, to ensure that the accounting methods and principles used are appropriate and consistent, to verify the consistency of the Group's internal control arrangements and to monitor the quality of the information submitted to the shareholders. It also gives advice on the appointment of the statutory auditors. The Audit Committee met twice in 2002 and met in March 2003.

Board of Directors Investment Committee

This committee was created in October 2000, is chaired by Dominique Ferrero and includes Willy Stricker and Yves-Thibault de Silguy. It is responsible for reviewing all major acquisition or divestment projects likely to have a significant impact on the Group's business, results or the market performance of the VINCI shares, before they are submitted to the Board of Directors. The Investment Committee met once in 2002.

Board of Directors Remuneration Committee

This committee is chaired by Serge Michel and includes Patrick Faure and Alain Minc. It makes recommendations to the Board of Directors on the remuneration of executive directors and senior executives. It met six times in 2002.

Executive Committee

The Executive Committee is responsible for managing VINCI. The members of the Executive Committee are:

- Antoine Zacharias (Chairman and CEO of VINCI)
- Bernard Huvelin (Co-Chief Operating Officer of VINCI, Member of the Board)
- Xavier Huillard (Co-Chief Operating Officer of VINCI, Chairman of VINCI Energies)
- Roger Martin (Co-Chief Operating Officer of VINCI, Chairman of VINCI Roads)
- Dario d'Annunzio (Chairman of VINCI Concessions)
- Philippe Ratynski (Chairman of VINCI Construction)
- Christian Labeyrie (Vice-President and Chief Financial Officer of VINCI)
- Pierre Coppey (Vice-President, Corporate Communication, HR and Synergies of VINCI)

Management and Co-ordination Committee

The Management and Co-ordination Committee allows senior executives to meet with the members of the Executive Committee. The purpose of this committee is to ensure wide consultation and discussion of VINCI's strategy and development.

Capital Structure

Subscribed share capital

On 31 March 2003, VINCI's capital stock amounted to Euro 829,350,870 divided into 82,935,087 ordinary shares with a nominal value of Euro 10 each.

The breakdown of principal shareholders, capital stock and voting rights at 31 March 2003 was:

Shareholder	*number of shares*	*as %*	*as % fully diluted*	*Number of voting rights*	*as %*
Employees	7,414,739	8.94%	7.03%	7,414,739	9.40%
Treasury stock	4,045,181	4.88%	3.83%	0	0.00%
Vivendi Environnement	1,551,294	1.87%	1.47%	1,551,294	1.97%
Others	69,923,873	84.31%	66.25%	69,923,873	88.63%
Total	**82,935,087**	**100.00%**	**78.58%**	**78,889,906**	**100.00%**

Potential capital

The only existing securities that can give rise to the creation of new VINCI shares are bonds convertible into and/or exchangeable for new and/or existing VINCI shares (OCEANE bonds) and share subscription options granted to senior executives and Group employees.

OCEANE bond issues

In July 2001, VINCI issued 5,750,000 bonds convertible into and/or exchangeable for new and/or existing shares for an aggregate principal amount of Euro 518 million. The bonds carry a 1% coupon and will be fully redeemed on 1 January 2007 at Euro 108.12 (representing 120% of the Euro 90 issue price). The bonds can be converted at any time on the basis of one VINCI share for one bond. As at 31 March 2003, no bond had been converted.

In April 2002, VINCI issued 5,558,334 bonds convertible into and/or exchangeable for new and/or existing shares for an aggregate principal amount of Euro 500 million. The bonds carry a 2% coupon and will be fully redeemed on 1 January 2018 at Euro 125.46 (representing 139.4% of the Euro 90 issue price). The bonds can be converted at any time on the basis of one VINCI share for one bond. As at 31 March 2003, no bond had been converted.

Share subscription options

There are 17 stock subscription option plans (of which 5 GTM subscription option plans and 2 Sogeparc subscription option plans that have been converted into VINCI subscription option plans, following the mergers (*fusion-absorption*) of GTM and Sogeparc, on 19 December 2000 and 12 December 2001 respectively).

There are close to 1,700 stock option beneficiaries. Each option gives the holder the right to subscribe one VINCI share. On 31 March 2003, there were 11,298,201 options that had not yet been exercised, representing 10.7% of VINCI's diluted capital. The average exercise price was €50. 56% of options outstanding are currently exercisable, 29% will become exercisable as from 2004 and 14% as from 2005.

	number of shares	*as %*	*as % fully diluted*
Total existing shares	82,935,087	100.00%	78.58%
Share subscription options	11,298,201	13.62%	10.70%
OCEANE (July 2001)	5,750,000	6.93%	5.45%
OCEANE (April 2002)	5,558,334	6.70%	5.27%
Total shares "fully diluted"	**105,541,622**	**127.26%**	**100.00%**

Own shareholding

VINCI initiated a share buy-back programme in 1998. Between 1 January 2002 and 31 March 2003 it acquired 0.7 million of its own shares at an average of €67 per share. On 17 December 2002, the Board of Directors decided to reduce capital stock by cancelling 3,085,593 shares held in treasury (3.6% of capital). On 31

March 2003, the Group held 4.9% of its own capital stock, i.e. 4.0 million shares, all of which were allocated to cover stock purchase options and was in a position to purchase 4.3 million additional shares.

There are six stock option purchase plans. On 31 March 2003, there were 4,135,681 options that had not yet been exercised. The average exercise price per option was €46.05. 96% of options outstanding are currently exercisable, 3% will become exercisable as from 2004, and 1% as from 2005.

VINCI's *Assemblée Générale Ordinaire* (Ordinary Shareholders' Meeting) of 6 June 2002 has currently authorised, up to a maximum amount of €500 million, the purchase by VINCI of up to 10% of the shares making up its capital stock, for a period of 18 months from 6 June 2006. The Shareholders Meeting convened to approve the financial statements for 2002 (to be held on 14 May 2003 on second notice) will be asked to renew this authorisation for a period of 18 months from 14 May 2003, up to a maximum amount of €700 million. VINCI is considering several possible uses for the shares acquired under this authorisation, namely stock purchase option plans, honouring the terms of certain securities (options, exchangeable/convertible and similar securities), corporate acquisitions, certain market stabilisation activities, responding to stock market movements and cancellation pursuant to VINCI's financial policy.

Market valuation

VINCI shares are listed on the Paris stock exchange and are included in the CAC 40, Euronext 100, DJ Stoxx and Next Prime indexes. At a share price of Euro 58.3 at 23 April 2003, VINCI's market capitalisation amounted to Euro 4.8 billion.

Capitalisation

The following table sets forth the capitalisation of VINCI as at 31 December 2002.

	(in millions of Euros)
Shareholders' equity	2,597
Minority interests	512
Long-term financial debt	5,261
Short-term financial debt	598
Cash	(898)
Treasury stock	(188)
Marketable securities and short-term financial receivables	(2,280)
Capitalisation (net of cash, treasury stock, marketable securities and short-term financial receivables)	**5,602**

There has been no material change in the capitalisation of VINCI and its consolidated subsidiaries since 31 December 2002, except for :

– seasonal negative evolution of cash-flows in the first months of the year that reaches, on an average basis, a peak estimated at around Euro 500 million;

– the issue in April 2003 by Cofiroute, 65%-owned subsidiary of VINCI, of Euro 600 million 5.25% Bonds due 2018; and

– the issue by VINCI of the Bonds described in this Offering Circular.

Business overview

The Group is a world leader in concessions, construction and related services. The Group is organised into four core business divisions.

VINCI Concessions

VINCI Concessions has been present for over a century in outsourced infrastructure management and has considerable expertise in the design, turnkey construction, financing and operation of facilities. VINCI Concessions operates in four principal areas: (1) in road infrastructure, VINCI Concessions manages 1,300 km of toll roads, ranging from Cofiroute, handling 900 km of roads in western France and tunnels under construction on the A86 motorway west of Paris, to interests in foreign companies in Chile, Canada and Thailand; in addition, it holds a 17% interest in French motorway concession operator ASF which manages 2,800 km of roads in Southern France; (2) with over 775,000 on-street or car park spaces managed in 12 countries on behalf of public and private clients, VINCI Park is the world leader in car park concession management and number one operator in Europe (VINCI Park offers a comprehensive range of services, including the design, financing, building and operation of all parking-related infrastructure); (3) in the airport sector, VINCI is present in two complementary businesses: airport management (26 airport concessions held directly or through joint-venture companies) and airport services (ramp, passenger and cargo handling services), where VINCI is a leader in the United States in terms of revenue and the third largest operator worldwide in terms of revenue through WFS in the United States and in France through SEN; (4) in the field of major infrastructure, VINCI operates the Stade de France stadium in Paris, five bridges (in Portugal, the United Kingdom and Canada) and a tunnel in Marseilles, with a further bridge under construction (the Rion-Antirion Bridge in Greece, scheduled to open at the end of 2004).

The table below sets out the main VINCI concessions.

Structure	*Subsidiary or joint venture*	*Country*	*% held*	*Residual term of contract (in years) from 31 Dec. 2002*
Road and motorway infrastructure				
Intercity network (900 km)	Cofiroute	France	65.3	28
A86 tunnels[(1)]	Cofiroute	France	65.3	70[(2)]
ASF network (2,329 km)	ASF	France	16.9	30
Escota network (459 km)	ASF	France	16.9	24
Chillan-Collipulli (165 km)	Autopista del Bosque	Chile	83.0	18
Fredericton-Moncton (200 km)	MRDC/VCCI	Canada	12.5	26
Don Muang (20 km)	DMTC	Thailand	4.5	12
Newport (10 km)[(1)]	Morgan-VINCI Ltd	UK	50.0	40
Rion-Antirion bridge[(1)]	Gefyra	Greece	53.0	37
Confederation bridge	SCDI/VCCI	Canada	49.9	30
Severn River crossings	SRC	UK	35.0	14
Tagus River crossings	Lusoponte	Portugal	30.7	28
Prado-Carénage tunnel	SMTPC	France	31.3	23
Puymorens tunnel	ASF	France	16.9	35
Car parks				
Car parks	VINCI Park	France and other countries	100.0	30[(3)]
Airports				
Southern Mexico (9 airports)	ITA[(4)]	Mexico	24.5	47
Northern and central Mexico (13 airports)	SETA[(5)]	Mexico	37.5	48
Cambodia (2 airports)	SCA	Cambodia	70.0	23
Beijing	ADPM[(6)]	China	34.0	47
Liège	ADPM[(7)]	Belgium	34.0	37
Stade de France	Consortium Stade de France	France	66.7	22

(1) Under construction
(2) From date of tunnels going into full service
(3) On average
(4) "Strategic partner" of 9 Mexican airports, with 15% of the capital stock of ASUR, the concession company
(5) "Strategic partner" of 13 Mexican airports, with 15% of capital stock of GACN, the concession company
(6) "Strategic partner" of Beijing airport, with 10% of capital stock
(7) "Strategic partner" of the Liège airport, with 25% of capital stock

In 2002, VINCI Concessions generated 53% of the Group's operating income and 11% of the Group's net sales (71% of which was in France). Cofiroute's share of such contributions was, respectively, 75% and 43%.

Key figures as at 31 December 2002:

Net sales	Euro 1,851 million
Operating income	Euro 567 million
Net income	Euro 170 million
Workforce	21,100

VINCI Energies

VINCI Energies (formerly GTIE) is a leader in France and a leading player in Europe in information and energy technologies. It is present in four areas:

- Electricity network infrastructure (transmission, transformation and distribution of electrical energy, urban lighting);
- Interior works for industry (electrical energy networks, control and command systems, air treatment, fire protection, etc.);
- Interior works for commercial customers (energy networks, air conditioning, fire protection, security);
- Communications (infrastructure and voice, data and image business communications).

VINCI Energies runs a network of 700 companies that focus on local markets through a large number of generally small scale recurrent contracts (approximately 200,000 a year). VINCI Energies' strategy is that this small-scale localisation will enable it to respond more quickly to the constant evolution and development that characterises these markets.

In 2002, VINCI Energies generated 17% of the Group's net sales (69% of which was in France) and 11% of the Group's operating income.

Key figures as at 31 December 2002:

Net sales[(1)]	Euro 3,024 million
Operating income	Euro 118 million
Net income	Euro 75 million
Workforce	26,000

(1) after inter-company transactions

VINCI Roads

VINCI Roads, through Eurovia, is the European market leader in roadworks and materials recycling, and number one in France for the production of aggregate. It is present in three complementary businesses: (1) roadworks, including construction and maintenance of all types of road infrastructure, from major highways, via fixed-route public transportation systems (such as tramways), to pedestrians walkways; (2) materials production through 207 quarries, 95 binder plants, 400 coating stations and 90 recycling units (materials production accounts for annual sales of roughly 1 billion Euros); and (3) environment-related activities (recycling of inert waste into road building materials, noise-reduction systems, demolition/deconstruction and landfill construction). Most business comes through a large number of small contracts (around 45,000 a year), a large majority of them relating to maintenance work. This situation lowers risk exposure and allows for more stable earnings.

In 2002, VINCI Roads generated 29% of the Group's net sales (56% of which was in France) and 16% of the Group's operating income.

Key figures as at 31 December 2002:

Net sales[(1)]	Euro 5,146 million
Operating income	Euro 166 million
Net income	Euro 96 million
Workforce	34,100

(1) after inter-company transactions

VINCI Construction

VINCI Construction is active in building, civil engineering, hydraulics and maintenance. The broad scope of its know-how, together with very strong geographic coverage in its international network, particularly in Europe, makes it a global reference in its sector. VINCI Construction is organised into six main entities: (1) GTM

Construction and (2) Sogea Construction, two independent multi-product networks operating in France, with a large number of businesses; (3) VINCI Construction Grands Projects (large construction projects in France and abroad); (4) Freyssinet (the world leader in specialised civil engineering projects such as superstructures, soil reinforcement and improvement, and large structure repairs); (5) VINCI Construction Filiales Internationales (construction activities in Africa, the French overseas territories and central Europe); and (6) the UK, German and US subsidiaries. VINCI Construction also has a 45% interest in CFE, which is the leader in the Belgian construction market. VINCI Construction's management strategy is based on giving the maximum of responsibility to its profit centres and systematically repositioning businesses in the least cyclical market segments with the highest added value.

In 2002, VINCI Construction represented 20% of the Group's operating income and 41% of the Group's net sales (52% of which was in France).

Key figures as at 31 December 2002:

Net sales[(1)]	Euro 7,252 million
Operating income	Euro 212 million
Net income	Euro 150 million
Workforce	45,700

(1) after inter-company transactions

Main subsidiaries

The table below sets out VINCI's main subsidiaries as at 31 December 2002.

(in millions of Euros)

Undertakings	*Active field*	*Percentage held directly or indirectly*	*Capital stock*	*Reserves & Retained earnings before net income appropriation*	*Net income in the last financial year*	*Dividends received by VINCI*
VINCI Concessions*	Concessions	100%	900.0	–	–	–
Cofiroute**	Concessions	65%	158.3	575.4	215.8	72.5
VINCI Park**	Concessions	100%	192.5	12.9	61.1	57.8
VINCI Airports**	Concessions	100%	200.0	(44.7)	(49.0)	–
VINCI Infrastructures**	Concessions	100%	60.0	–	(0.8)	–
Eurovia	Roads	100%	366.4	56.8	110.9	60.7
VINCI Energies	Energy	100%	99.5	5.2	70.0	62.5
VINCI Construction	Construction	100%	148.8	110.6	81.1	71.7

* As at 31 December 2002, VINCI Concessions held only a 17% interest in ASF.

** Shares transferred to VINCI Concessions on 13 February 2003 as part of the legal reorganisation mentioned in the notes to the consolidated accounts contained elsewhere in this Offering Circular.

Strategy

The merger with GTM in 2000 made VINCI the world leader in concessions, construction and related services. Since then, VINCI has pursued a strategy of controlled growth through a targeted acquisition policy. In parallel, it has consolidated its management model, which consists of empowering managers and controlling overheads and risks.

During 2002, this strategy led to:

– Moderate external growth, with the acquisition of medium-sized firms in Europe. Examples include VINCI Construction's takeover of Crispin & Borst, a company specialising in building maintenance, and VINCI Energies' takeover of Spark Iberica, a high voltage cable installer in Spain.

- Further vertical integration at Eurovia, with the acquisition of quarries and the development of recycling facilities to give the company control over its material supplies wherever it operates.

- Continued growth in concessions. VINCI Park acquired new capacity, especially in France and the UK, and VINCI acquired a 17% interest in ASF, positioning itself for the second phase of that company's privatisation, which is still 51% state owned. This strategy enabled VINCI to improve once again the profitability of its business activities in 2002. The company intends to pursue this strategy throughout 2003.

VINCI has developed a management model for its building, roads and electrical engineering businesses that generates recurring income, a sound financial position and a high return on equity. Two series of actions are expected to continued improvement in this area:

- Productivity gains are now a key focus at all sites following the implementation of more rigourous procedures during project preparation and planning. This action is expected to enhance both the intrinsic profitability of the segments involved and the safety of employees.

- VINCI intends to maintain what it considers to be a reasonable acquisition policy, targeting France and the rest of Europe in particular, especially those countries about to join the European Union. The implementation of VINCI's know-how in the companies acquired is also expected to contribute to growth in income. It is further expected that VINCI Energies, which operates in an industry that is still consolidating, will benefit more particularly from this policy.

A three-part strategy for transport infrastructure concessions

VINCI is of the opinion that the transport infrastructure concessions sector has high growth potential. Governments are no longer in a position – or do not want – to finance certain infrastructure projects themselves, and are calling more and more frequently on the private sector. VINCI intends therefore to pursue a three-part strategy.

For existing privatisation projects, VINCI intends to become the industry benchmark for motorways in France, followed by the rest of Europe. It aims to achieve this by developing alliances with the operators of contiguous networks. In particular, an alliance with ASF would allow VINCI to consolidate its technical and financial position in Europe to design, build and operate major transport infrastructure.

The second part of VINCI's strategy is to focus on the dynamic management of a balanced portfolio of concessions in terms of maturity and risks. While mature concessions are currently generating income the Group relies on the projects currently in development to generate future income. By constantly analysing its assets, VINCI expects to be able to finance its growth in this sector. This was the case of Cofiroute in 2002, for example, when it sold the interest it owned in the SR91 express lanes in California, but retained the management contract.

In the longer term, VINCI's goal is to capitalise on its know-how in concessions in order to develop mobility-related services for the future. These services are expected to be of benefit to concession-awarding authorities and customers alike. Facing the growing congestion on urban and suburban road networks, municipalities will need an integrated traffic and car park management service that is seamless to customers – a trend that has already started in the UK.

Objectives and prospects for 2003

The value of VINCI's order backlog (excluding concessions) came to €11.6 billion at 31 December 2002, up 7% on the figure at the end of 2001. It represents nearly nine months of forecast business.

In 2003, VINCI will continue its strategy of shifting the focus of its activities towards high value-added and good visibility, while carrying out prudent growth in concessions and developing the services component in its construction, roads and energy activities.

The group will maintain its policy of selective order taking and risk control. VINCI's objectives are to continue to increase operating margins in all core businesses, mainly through the progressive improvement of under-performing entities.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2002

REPORT OF THE STATUTORY AUDITORS

Report of the Statutory Auditors on the consolidated financial statements
(Year ended 31 December 2002)

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 2002. 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.

We conducted our audit in accordance with 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 mis-statement. 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 at 31 December 2002 and the results of the operations of the companies included in the consolidation for the year then ended, in accordance with accounting principles generally accepted in France.

Without calling into question the above opinion, we draw to your attention Note B to the accounts, which describes two changes in accounting method. These concern the presentation of special concession amortisation provided by motorway concession companies and of deferred expenses related to site installation costs.

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.

Paris and Neuilly sur Seine, 3 April 2003
The Statutory Auditors

RSM Salustro Reydel	Deloitte Touche Tohmatsu
Bernard Cattenoz	Thierry Benoit
Benoît Lebrun	Dominique Descours

Consolidated financial statements at 31 December 2002

The last three years

in millions of euros	2002	2001 pro forma [a]	2000 pro forma [a]
Consolidated net sales	**17,553.8**	**17,172.4**	**17,331.3**
Of which net sales outside France	7,236.2	6,570.5	6,641.0
% of net sales	*41.2%*	*38.3%*	*38.3%*
Gross operating surplus	1,664.0	1,536.4	1,433.9
% of net sales	*9.5%*	*8.9%*	*8.3%*
Operating income	1,067.3	979.8	900.7
% of net sales	*6.1%*	*5.7%*	*5.2%*
Operating income less net financial expense/plus net financial income	**875.1**	**850.1**	**788.6**
Net income	**477.8**	**453.5**	**423.0**
Earnings per share (in euros)	5.62 [b]	5.65	5.42
Dividend per share, excluding tax credit (in euros)	1.80 [c]	1.70	1.65
Shareholders' equity	2,597.4	2,372.7	1,834.1
Provisions for liabilities	1,627.9	1,662.2	1,950.3
Net financial (debt)/surplus	(2,492.9)	(2,071.7)	(1,855.4)
Cash flow from operations	**1,224.1**	**1,080.7**	**1,056.1**
Net capital expenditure	(861.4)	(1,109.7)	(1,061.1)
Net financial investments	(1,188.4)	(283.9)	24.8
Average number of employees	**127,380**	**129,499**	**122,070**

(a) Data presented in compliance with note B.1 "Changes in method" and "Method for preparing pro forma accounts", note B.2.
(b) €5.76 per share on the basis of the number of shares on 28 February 2003 (82,910,368).
(c) Subject to approval by the Shareholders Meeting.

Consolidated statement of income

in millions of euros	Notes	2002	2001 pro forma*	2001	2000 pro forma*	2000
Net sales	*1–2*	**17,553.8**	**17,172.4**	**17,172.4**	**17,331.3**	**14,126.8**
Other revenue		890.1	1,019.6	1,019.6	774.3	614.8
Operating income		**18,443.9**	**18,192.0**	**18,192.0**	**18,105.6**	**14,741.6**
Operating expense		(16,779.9)	(16,655.5)	(16,635.1)	(16,671.7)	(13,620.0)
Gross operating surplus	*2–3*	**1,664.0**	**1,536.4**	**1,556.9**	**1,433.9**	**1,121.7**
Depreciation and provisions		(596.8)	(556.6)	(498.5)	(533.2)	(399.3)
Operating income	*2-3-5*	**1,067.3**	**979.8**	**1,058.4**	**900.7**	**722.4**
Financial (expense)/income		(152.9)	(125.6)	(125.6)	(116.2)	(63.1)
Depreciation and provisions		(39.2)	(4.1)	(82.7)	4.1	(31.7)
Net financial (expense)/income	*6*	**(192.1)**	**(129.7)**	**(208.3)**	**(112.1)**	**(94.8)**
Operating income less net financial expense/ plus net financial income		**875.1**	**850.1**	**850.1**	**788.6**	**627.6**
Exceptional items		(87.4)	(54.9)	(54.9)	1.7	(85.0)
Depreciation and provisions		94.6	47.9	47.9	(83.8)	(87.8)
Net exceptional expense	*7*	**7.1**	**(6.9)**	**(6.9)**	**(82.1)**	**(172.8)**
Income tax	*8*	(223.1)	(182.2)	(182.2)	(109.3)	(35.7)
Amortisation of goodwill	*12*	(102.3)	(122.3)	(122.3)	(94.9)	(90.4)
Net income of consolidated companies		**556.8**	**538.6**	**538.6**	**502.2**	**328.7**
Share in net earnings of companies accounted for by the equity method	*16*	0.8	1.5	1.5	5.4	26.9
Minority interest	*23*	(79.8)	(86.6)	(86.6)	(84.6)	(55.8)
Net income		**477.8**	**453.5**	**453.5**	**423.0**	**299.8**
Earnings per share (in euros)	*9*	5.62	5.65	5.65	5.42	5.98
Diluted earnings per share (in euros)	*9*	5.21	5.39	5.39	5.31	5.80

* In compliance with the change in method described in note B.1, provisions for special concession amortisation recorded by Cofiroute as financial expense have been restated as operating expense (€86 million in 2002, €78.6 million in 2001 and €65.3 million in 2000). In addition, site installation costs, previously recorded as deferred expense, are now accounted for as operating expense (€20.5 million in 2001 and €25.8 million in 2000).

Consolidated balance sheet

Assets in millions of euros	Notes	2002	2001 pro forma*	2001	2000 pro forma*	2000
Intangible assets other than goodwill	*11*	192.3	223.7	223.7	104.2	104.2
Goodwill	*12*	921.6	900.2	900.2	800.3	800.3
Concession fixed assets	*2-3-13*	4,706.4	4,421.8	5,484.9	4,071.8	5,056.3
Tangible assets	*2-4-14*	1,926.7	1,921.8	1,921.8	1,860.6	1,860.6
Financial assets						
Investments in subsidiaries and affiliates	*15*	*1,302.1*	*312.8*	*312.8*	*163.4*	*163.4*
Investments accounted for by the equity method	*16*	*107.3*	*135.4*	*135.4*	*117.4*	*117.4*
Other financial fixed assets	*17*	*126.4*	*245.0*	*245.0*	*324.7*	*324.7*
		1,535.8	**693.2**	**693.2**	**605.5**	**605.5**
Deferred charges	*18*	51.4	53.7	74.5	2.5	37.7
Total fixed assets		**9,334.2**	**8,214.5**	**9,298.4**	**7,444.9**	**8,464.6**
Inventories and work in progress	*19*	423.7	405.1	405.1	459.8	459.8
Trade accounts receivable and related accounts	*19*	6,998.3	7,270.8	7,250.0	7,357.9	7,322.7
Short-term financial receivables	*20-27*	262.3	296.4	296.4	146.9	146.9
Marketable securities	*21*	2,205.7	2,163.2	2,163.2	1,340.2	1,340.2
Cash	*27*	898.0	746.0	746.0	777.7	777.7
Total current assets		**10,788.0**	**10,881.6**	**10,860.8**	**10,082.5**	**10,047.3**
Deferred tax	*8*	159.5	143.5	143.5	251.7	251.7
Total assets		**20,281.6**	**19,239.6**	**20,302.7**	**17,779.0**	**18,763.5**

Shareholders' equity and liabilities in millions of euros	Notes	2002	2001 pro forma*	2001	2000 pro forma*	2000
Shareholders' equity						
Capital stock		*828.7*	*828.8*	*828.8*	*791.5*	*791.5*
Consolidated retained earnings		*1,322.2*	*1,041.8*	*1,041.8*	*581.6*	*704.8*
Currency translation reserves		*(31.2)*	*48.5*	*48.5*	*38.0*	*38.0*
Net income for the year		*477.8*	*453.5*	*453.5*	*423.0*	*299.8*
		2,597.4	**2,372.7**	**2,372.7**	**1,834.1**	**1,834.2**
Minority interest	*23*	511.9	511.4	511.4	482.4	482.4
Investment subsidies	*24*	472.5	425.5	425.5	409.7	409.7
Provisions for pension commitments	*25*	491.8	472.5	472.5	429.2	429.2
Provisions for liabilities	*2-26*	1,627.9	1,662.2	1,662.2	1,950.3	1,950.3
Special concession amortisation		—	—	1,063.1	—	984.5
Debt						
Subordinated debt, bonds and debentures		*4,126.6*	*2,942.3*	*2,942.3*	*1,857.9*	*1,752.3*
Other long-term debt		*1,134.2*	*1,060.4*	*1,060.4*	*1,173.7*	*1,145.2*
Short-term debt (less than 1 year)		*598.0*	*1,274.7*	*1,274.7*	*1,088.6*	*1,222.7*
	27	**5,858.8**	**5,277.4**	**5,277.4**	**4,120.2**	**4,120.2**
Other long-term liabilities		59.5	50.5	50.5	60.9	60.9
Accounts payable and similar accounts	*19*	8,500.9	8,353.9	8,353.9	8,259.8	8,259.8
Deferred tax	*8*	160.9	113.7	113.7	232.3	232.3
Total shareholders' equity and liabilities		**20,281.6**	**19,239.6**	**20,302.7**	**17,779.0**	**18,763.5**

* In compliance with the change in method described in note B.1, special concession amortisation recorded by Cofiroute (€1,063.1 million for the year ended 31 December 2001 and €984.5 million for the year ended 31 December 2000) is now accounted for as depreciation of concession fixed assets. Site installation costs (€20.8 million for the year ended 31 December 2001 and €35.2 million for the year ended 31 December 2000), previously recorded as deferred expense, are now accounted for as trade accounts receivable and related accounts.

Consolidated cash flow statement

in millions of euros	Notes	2002	2001 pro forma*	2001	2000 pro forma*	2000
Operating transactions						
Gross operating surplus		1,664.0	1,536.4	1,556.9	1,433.9	1,121.7
Financial and exceptional transactions		(259.7)	(284.0)	(284.0)	(245.3)	(190.1)
Tax for the year		(185.1)	(176.7)	(176.7)	(135.9)	(67.3)
Operating cash flow	*10*	**1,219.2**	**1,075.7**	**1,096.2**	**1,052.7**	**864.2**
Net change in working capital requirement	*19*	353.4	174.9	154.5	(24.0)	107.7
		1,572.5	**1,250.6**	**1,250.6**	**1,028.8**	**972.0**
Net capital expenditure						
Capital expenditure	*2*	(557.5)	(548.1)	(548.1)	(588.0)	(511.8)
Fixed asset disposals		102.9	75.3	75.3	62.8	50.6
		(454.6)	**(472.8)**	**(472.8)**	**(525.2)**	**(461.2)**
Free cash flow *before investment in concessions*		**1,117.9**	**777.8**	**777.8**	**503.6**	**510.7**
Investment in concessions *net of subsidies*	*2-3*	**(406.8)**	**(636.9)**	**(636.9)**	**(535.9)**	**(257.4)**
Free cash flow *after investment in concessions*	**(I)**	**711.1**	**141.0**	**141.0**	**(32.3)**	**253.3**
Net financial investment	*2*					
Acquisition of investments and securities		(1,218.4)	(418.8)	(418.8)	(292.5)	(2,349.2)
VINCI shares		(26.2)	(81.9)	(81.9)	(145.2)	(145.2)
Proceeds from the disposal of securities		56.2	216.9	216.9	462.4	345.1
		(1,188.4)	**(283.9)**	**(283.9)**	**24.8**	**(2,149.2)**
Net change in financial fixed assets		132.8	32.4	32.4	(23.2)	7.6
	(II)	**(1,055.7)**	**(251.5)**	**(251.5)**	**1.5**	**(2,141.6)**
Financing transactions						
VINCI stock issues		147.7	160.0	160.0	47.0	2,163.3
Reduction in VINCI capital by cancellation of treasury stock		(195.5)				
Minority interest in capital increases of subsidiaries		2.2	5.6	5.6	4.3	4.3
Dividends paid by VINCI		(131.3)	(119.5)	(119.5)	(59.1)	(59.1)
Dividends paid to minority interest in subsidiaries		(50.8)	(45.7)	(45.7)	(44.1)	(28.0)
Dividends received from companies accounted for by the equity method		4.9	5.0	5.0	3.4	10.6
Other long-term liabilities		(1.1)	10.0	10.0	4.8	7.0
	(III)	**(223.8)**	**15.4**	**15.4**	**(43.7)**	**2,098.1**
Cash flows for the financial year	**(I + II + III)**	**(568.4)**	**(95.1)**	**(95.1)**	**(74.5)**	**209.9**
Net financial (debt)/surplus on 1 January		**(2,071.7)**	**(1,855.4)**	**(1,855.4)**	**(2,070.5)**	**53.4**
Impact of exchange rates, scope of consolidation and other		121.0	(203.1)	(203.1)	144.6	(2,263.7)
Restatement of VINCI shares as marketable securities		26.2	81.9	81.9	145.0	145.0
Net financial (debt)/surplus on 31 December		**(2,492.9)**	**(2,071.7)**	**(2,071.7)**	**(1,855.4)**	**(1,855.4)**
of which VINCI shares		*187.8*	*356.2*	*356.2*	*274.2*	*274.2*

* In compliance with the change in method described in note B.1, site installation costs, previously recorded as deferred expense, are now accounted for as operating expense (€20.5 million in 2001 and €25.8 million in 2000).

Changes in consolidated shareholders' equity

in millions of euros	Capital stock	Retained earnings	Currency differences	Net income	Total
On 31 December 2000	**791.5**	**704.8**	**38.0**	**299.8**	**1,834.2**
Capital increases resulting from mergers	2.6	12.3	–	–	**14.9**
Other capital increases	34.7	125.3	–	–	**160.0**
Allocation of net income and dividend payment	–	180.3	–	(299.8)	**(119.5)**
Restatements resulting from the application of the derogatory method	–	14.6	–	–	**14.6**
Change in method and miscellaneous	–	4.5	(4.9)	–	**(0.4)**
Currency differences	–	–	15.4	–	**15.4**
Net income after minority interest	–	–	–	453.5	**453.5**
On 31 December 2001	**828.8**	**1,041.8**	**48.5**	**453.5**	**2,372.7**
Reduction in capital by cancellation of treasury stock	(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 after minority interest	–	–	–	477.8	**477.8**
On 31 December 2002	**828.7**	**1,322.2**	**(31.2)**	**477.8**	**2,597.4**

In compliance with Article 215 of Regulation 99-02, the goodwill arising 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 and Santerne represents an annual theoretical amortisation of €5.2 million.

Notes to the consolidated financial statements

A. Key events

Key events of 2002

■ 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 for an average of €26.69 per share. The acquisition cost a total of €1,044.8 million.

■ Creation of VINCI Concessions

As part of the programme to bring the group's legal structure into line with the operational organisation introduced in 2001, it was decided to transfer all concession activities to a new holding company called VINCI Concessions. As a result, VINCI's interest in ASF was sold to VINCI Concessions in December 2002 and the airport services business, previously held by VINCI Airports, was transferred directly to VINCI. These transactions were rounded off by transferring VINCI's interests in Cofiroute, VINCI Park, VINCI Infrastructures and VINCI Airports to VINCI Concessions at the beginning of 2003.

■ Convertible and non-convertible bond issues

On 22 April 2002, VINCI issued €500.25 million in bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds). The terms and conditions of the issue are described in note 27. The issue is part of VINCI's plan to refinance previous acquisitions.

On 10 July 2002, VINCI issued €600 million in bonds maturing on 22 July 2009. The issue price was set at 99.58% of nominal value, and the coupon at 5.857% (see note 27).

On 27 November 2002, an additional round of bonds amounting to €250 million was issued with the same characteristics as the 10 July issue except the issue price, which was set at 102.554% of nominal value.

■ Reduction of capital stock

On 17 December 2002, the Board of Directors decided to reduce VINCI's capital stock by cancelling 3,083,593 shares held in treasury (i.e. 3.6% of capital stock). The transaction reduced shareholders' equity by €195.5 million and capital stock by €30.8 million.

■ G+H Montage

The German subsidiary G+H Montage was reorganised to make the company more responsive to changes in its core businesses. The reorganisation consisted of splitting the company into two divisions, one specialised in industrial insulation (Isolierung), which was transferred to VINCI Energies, and the other in construction (Bautec), which was transferred to VINCI Construction.

B. Accounting policies

General principles

VINCI's consolidated financial statements are prepared in accordance with the rules of consolidation laid down by Regulation 99-02 of the French Accounting Regulations Committee.

1. Changes in method

Application of Regulation 2000.06 of the French Accounting Regulations Committee on liabilities

The application as of 1 January 2002 of Regulation 2000.06 of the French Accounting Regulations Committee on liabilities had no significant impact on VINCI's consolidated capital stock at that date.

Special concession amortisation

- To facilitate comparison with the financial statements of other French motorway concession companies, VINCI changed its method for recording special concession amortisation at subsidiary Cofiroute as of 1 January 2002. Special concession amortisation, previously recorded under liabilities in the balance sheet, now appears under depreciation of fixed assets in the concession business.
- Provisions for amortisation previously accounted for as financial expense are now recorded as operating expense.

This change in method had no impact on net income or shareholders' equity.

Deferred expense

To improve the presentation of consolidated financial statements, site installation costs, previously recorded as fixed assets under deferred expense, are now accounted for under working capital requirement. The change had no impact on net income or shareholders' equity.

To facilitate comparison with previous years, pro forma financial statements have been prepared in compliance with the principles described in note B.2 below ("Method for preparing pro forma accounts").

2. Consolidation methods

Scope of consolidation

Companies over which VINCI exercises majority control are fully consolidated. Those in which the VINCI's interest represents less than 50%, but over which it exercises de facto management control, are also fully consolidated. Those over which VINCI exercises significant influence are consolidated by the equity method.
Proportionate consolidation is used for jointly-controlled entities, regardless of the percentage of ownership. This applies in particular to the Stade de France consortium, in which VINCI holds 66.67%.

The consolidated financial statements include the financial statements of all companies with net sales greater than €2 million, and the financial statements of subsidiaries whose net sales are below this figure but whose impact on VINCI's financial statements is significant. In compliance with standard practice in the sector, coating stations held jointly 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, are consolidated proportionately. Other joint ventures are consolidated according to a semi-proportionate method that involves recording only VINCI's share of sales and expenses in the income statement, but the full current accounts of associates in the balance sheet.

At 31 December 2002, VINCI's scope of consolidation included 1,468 companies (compared with 1,371 a year earlier). The breakdown by method of consolidation is as follows:

	31 Dec. 2002			31 Dec. 2001		
	Total	France	Other	Total	France	Other
Full consolidation	**1,179**	787	392	**1,124**	758	366
Proportionate consolidation	**261**	117	144	**212**	64	148
Equity method	**28**	14	14	**35**	17	18
	1,468	**918**	**550**	**1,371**	**839**	**532**

The main companies added to the consolidation scope in 2002 were TMS, a VINCI Energies subsidiary specialised in automated manufacturing systems for the automotive industry, and Crispin & Borst, a UK subsidiary of VINCI Construction specialised in building maintenance.

Note also the full-year impact in 2002 of airport services company WFS, acquired by VINCI in September 2001 and first consolidated in the last quarter of that year.

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 in 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 remain 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 facilitate comparison between the financial statements of the last three years, pro forma financial statements have been prepared for 2001 and 2000.

The pro forma financial statements for 2001 take into account: changes in the method for recording special concession amortisation and site installation costs, as described in note B.1. They also take into account the impact on the business lines of internal reorganisation measures taken since 1 January 2002.

The pro forma financial statements for 2000 take into account:

• The consolidation of GTM over the full year, full consolidation of Cofiroute, and the consolidation on a proportionate basis of 66.67% of Stade de France. The pro forma accounts were drawn up according to the methodology described in the Report of the Board of Directors, on page 54 of the 2000 Annual Report, and in compliance with the accounting principles described below, within the framework of the special derogatory method provided for by paragraph 215 of Regulation 99-02 of the French Accounting Regulations Committee.

• Changes in the method for recording special concession amortisation and site installation costs, as described in note B.1. They also take into account the impact on the business lines of internal reorganisation measures taken since 1 January 2002.

3. Valuation rules and principles

Intangible fixed assets

Intangible fixed assets consist essentially of customer bases and software. Customer bases are recorded at their acquisition cost and amortised according to the best estimates of their lifespan, between 10 and 20 years. Software is depreciated over its lifespan. In some cases, the acquisition of companies can result in the recording of intangible assets that cannot be amortised, such as market share, when these assets can be evaluated separately and in circumstances making it 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 as at the date a company is first consolidated, between the cost of acquiring the shares in that company and the fair value of the assets and liabilities on the date of acquisition.

Goodwill is recorded under assets in the balance sheet under "Goodwill" and amortised over a period not exceeding 20 years, with the following exceptions:

- Goodwill arising from the acquisition of companies that operate quarries is amortised over the expected operating life of the quarry, up to a maximum of 40 years;
- Goodwill arising on the acquisition of companies that operate parking facilities is amortised over the average residual term of the relevant contracts.

The value in use of goodwill is subject to review whenever events or circumstances occur that are likely to impair the value of a given asset. 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 value in use, 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 value in use is recorded in the income statement.

Concession fixed assets

Infrastructure operated through public service delegation or concession contracts is included under a specific heading in the assets side of the balance sheet. It is depreciated from the date it is put into service until the contract expires. Depreciation is calculated on the basis of the cost of works, less investment subsidies received and, when applicable, indemnities paid when the infrastructure 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. Straight-line depreciation is generally used for concessions that have reached maturity, but the declining-balance method can be used in the early period.

In the event that the useful life of the infrastructure exceeds the duration of the concession, special concession amortisation is recorded over a shorter period. Special concession amortisation is wholly recorded in operating income (see note B.1 on changes in accounting methods).

Tangible fixed assets

Land, buildings and equipment are generally valued at their acquisition or production cost. For investment buildings, finance costs associated with the construction period are capitalised.

Depreciation is generally calculated using the straight-line method. The reducing-balance method may however be used when it appears more appropriate for the conditions in which the asset is used:

Buildings in operational use	15 to 40 years
Civil engineering equipment	2 to 10 years
Vehicles	3 to 5 years
Fixtures and furnishings	8 to 10 years
Office furniture and equipment	3 to 10 years

Depreciation of fixed assets (excluding goodwill)

Tangible and intangible fixed assets (excluding goodwill) are depreciated whenever it appears likely that their value in use has been permanently reduced to less than book value as a result of unfavourable events or circumstances during the year. Value in use is derived from 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 obsolescence, or on the market price of comparable goods in recent transactions.

Whenever an asset's value is impaired, the difference between book value and value in use is recorded in the income statement.

Lease-financing transactions and rental contracts

Fixed assets financed through leasing arrangements are recorded as purchases when the terms of the contract are those of a capital lease contract. A capital lease contract is a contract in which the lessor leases the right to use a given asset over a given period to the lessee in exchange for payment, and in which the lessor transfers to the lessee virtually all of the advantages and risks of ownership of the asset.

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.

Rental contracts that do not meet the definition of a lease-financing contract are recorded as operating lease contracts and the rental payments due are accounted for as expenses. See note 31.2 for information concerning the obligations and commitments relating to these contracts.

Financial fixed assets

Shares in non-consolidated companies and other financial fixed assets are recorded in the balance sheet at net acquisition cost less provision for depreciation when applicable. A provision is made on shares in non-consolidated companies whenever value in use falls below book value.

Value in use is determined on the basis of the share 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.

Inventory and work in progress

Inventory and work in progress is valued at the lower of cost and realisable value.

In property activities, the financing costs of investment buildings during the construction phase are included in production costs.

Accounts receivable and other operating receivables

Accounts receivable and other operating receivables are valued based on their nominal value less provisions to take into account the probability of recovery.

Marketable securities

Marketable securities are recorded at acquisition cost and valued at the lower of book value and market value.

Stock subscription or purchase options

Stock subscription options granted to VINCI employees are not accounted for on the date granted, but give rise to a capital increase – on the exercise date – corresponding to the number of shares subscribed by the beneficiaries upon the exercise of their options.

VINCI shares held in treasury for allocation to employees as part of the stock purchase plans are accounted for as marketable securities according to the same methods of valuation and depreciation as for other marketable securities.

Provisions for pension commitments

Pension commitments (both lump-sum payments on retirement and supplementary pension benefits) are assessed by means of an actuarial forecasting 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.

On the other hand, commitments relating to lump-sum payments on retirement for manual construction workers are met by contributions to an insurance scheme and are accounted for as an expense when contributions are payable.

Provisions for liabilities and charges

Provisions for liabilities and charges are of a contingent nature as regards both the amount set aside and the date at which that amount will be needed. They are set aside to cover liabilities and charges that have (by the end of the financial year) become either likely or certain to occur as a result of a past or present event.

Provisions for restructuring

The cost of restructuring measures is entirely provisioned in the financial year in which these measures are announced.

Bond issue costs and redemption premiums

Bond issue costs and redemption premiums are amortised in equal portions over the life of the issue.

OCEANE bond redemption premiums

Redemption premiums on OCEANE bond issues are provisioned at the end of the year, whenever the VINCI stock price falls below the bond's redemption value. Annual provisions are made in proportion to the number of years to maturity.

Translation of foreign currency items

Consolidated balance sheet items denominated in foreign currencies are translated at year-end exchange rates or at the rate of the hedging instrument used. 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 hedging derivatives to manage exchange rate liability on commercial transactions and interest rate liability on debt. Exchange rate liability is managed using futures, currency swaps and option purchases; interest rate liability is managed using swap, cap and floor purchases.

When exchange or interest rate transactions are carried out for hedging purposes, gains and losses are booked over the same period as the event covered.

Otherwise, when the market value is lower than the initial contract value, the unrealised capital loss is recorded as a provision for a liability and/or as a provision for depreciation.

Net sales and other revenue

Consolidated net sales are the total amount of works, products and services carried out by the consolidated companies in the exercise of their business, including work carried out by the group on concession infrastructure on behalf of the body awarding the concession and recorded in VINCI's balance sheet. This includes the following revenue, after elimination of inter-company transactions:

• Revenue from fully consolidated companies;

• Revenue from jointly-controlled companies, consolidated proportionately, based on VINCI's share in the company;

• Revenue from joint-venture companies, based on VINCI's share in the company.

In concessions, net sales mainly include toll revenue from motorways and other infrastructure under concession, as well as revenue from car parks and airport facilities.

The following items are excluded from net sales and are recorded as other operating revenue:

• Various fees and income collected on behalf of third parties;

• Revenue from rentals (e.g. buildings and telecommunication links).

Long-term contracts

VINCI recognises income from long-term contracts according to the percentage of completion method, in compliance with Opinion 99-08 of the French Accounting Regulations Committee.

For construction projects in which VINCI's share is less than €10 million, income arising is generally recognised in line with contract progress.

If the estimate of the ultimate out-turn of a contract indicates a loss, a provision is made for the loss on the completed contract based on the most probable estimates of income, including, where appropriate, rights to additional revenue or claims, based on a reasonable assessment.

Operating income
less net financial expense/plus net financial income

This item reflects the activities of VINCI entities and the cost of financing those activities, including the costs related to employee profit-sharing.

It does not include items of an exceptional nature, nor those not directly related to operations, such as restructuring costs, costs and provisions associated with the disposal of non-operating assets, the costs of closing companies or industrial sites and debt waivers 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 that result from these temporary differences, from tax loss carry forwards and from deferred tax credits are recognised only if they are likely to crystallise in the future. This likelihood is assessed at year-end based on the projected earnings of the tax entities in question.

In compliance with applicable rules, no deferred taxes are recognised on gains generated by the sale of consolidated assets by one VINCI company to another.

Earnings per share

Earnings per share correspond to net income after minority interest, divided by the average number of shares outstanding during the year. Diluted earnings per share are calculated based on the average number of shares outstanding, adjusted for financial instruments, such as convertible bonds or stock subscription options, issued by VINCI and likely to increase the number of shares outstanding.

C. Information by business line

Data for 2000 and 2001 in the tables below are based on pro forma data drawn up according to the principles described in note B.2, "Method for preparing pro forma accounts".

The following tables present financial information by business line and by geographical area.

- **Concessions:** management of motorway infrastructure, major infrastructure under concession, car parks and airports, as well as airport support services.
- **Energy:** electrical works and engineering, information and communication technolog and thermal equipment.
- **Roads:** roadworks, materials production and environmental activities.
- **Construction:** design and construction of buildings, civil engineering, hydraulic works and facilities management.

Information by business line is based on the same accounting methods as those used in the consolidated financial statements.

1. Net sales

1.1. Breakdown by business line

in millions of euros	2002	2001 pro forma	2000 pro forma
Concessions	1,850.7	1,462.1	1,263.4
Energy	3,043.9	2,851.9	2,951.6
Roads	5,209.2	5,498.4	5,354.5
Construction	7,350.2	7,198.5	7,455.1
Holding company, miscellaneous and eliminations	99.8	161.5	306.7
	17,553.8	**17,172.4**	**17,331.5**

The above data for each business line is stated before elimination of transactions between 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	2002	%	2001	%	2000 pro forma	%
France	**10,317.6**	**59%**	**10,601.9**	**62%**	**10,690.3**	**62%**
Germany	1,506.7	9%	1,475.8	9%	1,683.2	10%
UK	1,404.3	8%	1,116.6	7%	1,167.9	7%
Benelux	820.6	5%	744.5	4%	848.2	5%
Other European countries	1,539.1	8%	1,343.1	8%	1,229.7	7%
Europe excluding France	**5,270.7***	**30%**	**4,680.0**	**27%**	**4,929.0**	**28%**
North America	1,005.5	6%	834.5	5%	710.6	4%
Rest of the world	960.0	5%	1,056.0	6%	1,001.4	6%
Total	**17,553.8**	**100%**	**17,172.4**	**100%**	**17,331.3**	**100%**

* Of which €4,297 million in the euro zone.

1.2.2. Breakdown of net sales by country of origination

in millions of euros	2002	%	2001	%
France	**10,644.4**	**61%**	**11,073.1**	**64%**
Germany	1,505.2	9%	1,531.4	9%
UK	1,368.5	8%	1,117.5	7%
Benelux	1,048.0	6%	1,077.3	6%
Other European countries	1,409.1	8%	1,033.0	6%
Europe excluding France	**5,330.7***	**30%**	**4,759.2**	**28%**
North America	1,075.8	6%	847.2	5%
Rest of the world	502.9	3%	493.0	3%
Total	**17,553.8**	**100%**	**17,172.4**	**100%**

* Of which €4,081 million in the euro zone.

Because of the merger with GTM, the breakdown of net sales by country of origination is not available in 2000.

2. Other information by business line

in millions of euros	Concessions	Energy	Roads	Construction	Holding company, miscellaneous and 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
Operating income*	566.6	117.8	165.7	212.3	4.9	1,067.3
Net income	169.9	75.1	96.3	150.4	(13.9)	477.8
Investment						
Capital expenditure (including concessions)	*456.6*	*93.5*	*150.7*	*260.6*	*2.9*	*964.3*
Financial investments	*69.9*	*23.9*	*28.5*	*30.1*	*1,066.0*	*1,218.4*
Free cash flow**	*66.0*	*67.0*	*145.3*	*355.6*	*77.2*	*711.1*
Balance sheet						
Net tangible fixed assets						
Private sector	*281.1*	*235.7*	*607.2*	*746.0*	*56.7*	*1,926.7*
Concessions	*4,703.5*	*—*	*0.3*	*2.6*	*—*	*4,706.4*
Provisions	**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	6,817.8	68.1	763.6	(93.7)	186.8	7,742.6
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

* In compliance with the change in method described in note B.1, special concession provisions recorded by Cofiroute (amounting to €86 million on 31 December 2002) are accounted for under operating expense.
** After investment in concessions.

in millions of euros	Concessions	Energy	Roads	Construction	Holding company, miscellaneous and eliminations	Total
2001 pro forma						
Statement of income						
Net sales	1,462.1	2,851.9	5,498.4	7,198.5	161.5	17,172.4
Gross operating surplus	719.1	138.2	365.6	322.7	(9.2)	1,536.4
Operating income*	524.6	70.1	172.9	201.0	11.2	979.8
Net income	163.3	46.5	87.6	143.7	12.4	453.5
Investment	**816.2**	**193.1**	**173.8**	**263.0**	**157.7**	**1,603.8**
Capital expenditure (including concessions)	*685.3*	*91.6*	*157.0*	*236.3*	*14.8*	*1,185.0*
Financial investments	*130.9*	*101.5*	*16.8*	*26.7*	*142.9*	*418.8*
Free cash flow**	(77.1)	37.5	55.8	111.7	13.0	140.9
Balance sheet						
Net tangible fixed assets						
Private sector	*281.3*	*207.8*	*671.3*	*706.6*	*54.8*	*1,921.8*
Concessions	*4,418.7*	*—*	*0.3*	*2.8*	*—*	*4,421.8*
Provisions	**113.7**	**185.8**	**290.7**	**835.6**	**236.4**	**1,662.2**
Operating	*104.1*	*143.5*	*230.0*	*659.9*	*42.3*	*1,179.8*
Financial	*—*	*1.7*	*0.2*	*9.3*	*9.8*	*21.0*
Exceptional	*9.6*	*40.6*	*60.5*	*166.4*	*184.3*	*461.4*
Working capital requirement	(110.0)	(210.0)	36.1	(324.0)	(70.0)	(677.9)
Capital employed	5,484.1	148.3	1,016.5	149.0	137.1	6,935.0
Net debt (excluding treasury stock)	(2,907.5)	270.1	79.0	749.3	(618.9)	(2,427.9)
Employees	19,314	25,633	38,084	45,864	604	129,499

* In compliance with the change in method described in note B.1, special concession provisions recorded by Cofiroute (amounting to €78.6 million on 31 December 2001) are accounted for under operating expense.
** After investment in concessions.

3. Information relating specifically to the concessions business line

in millions of euros	Cofiroute	VINCI Park	VINCI Infra-structures	VINCI Airports	VINCI Airports Services	VINCI Concessions holding company	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**
Operating income*	424.4	113.6	19.6	2.8	9.0	(2.8)	**566.6**
Net income	141.4	48.0	(6.1)	3.4	(14.0)	(2.8)	**169.9**
Investment	*237.3*	*115.5*	*120.9*	*36.1*	*16.7*	–	***526.5***
Free cash flow**	*160.0*	*63.5*	*(125.5)*	*(48.8)*	*16.8*	–	***66.0***
Balance sheet							
Net tangible fixed assets	2,883.8	1,012.0	996.7	39.4	52.6	–	**4,984.6**
Provisions	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	*2,723.6*	*1,388.6*	*1,099.2*	*205.8*	*355.7*	*1,045.0*	***6,817.9***
Net debt	*(1,635.9)*	*(517.7)*	*(477.0)*	*(2.4)*	*(300.2)*	*(39.5)*	***(2,972.7)***
Employees	1,963	5,581	165	31	13,364	–	**21,104**

in millions of euros	Cofiroute	VINCI Park	VINCI Infra-structures	VINCI Airports	VINCI Airports Services	VINCI Concessions holding company	Total
2001 pro forma							
Statement of income							
Net sales	740.8	467.3	61.4	15.5	162.6	14.5	**1,462.1**
Gross operating surplus	512.3	180.4	26.6	6.7	5.1	(12.0)	**719.1**
Operating income*	399.5	118.5	15.2	2.4	1.4	(12.4)	**524.6**
Net income	130.5	48.1	(2.4)	4.5	(5.3)	(12.1)	**163.3**
Investment	*317.0*	*127.0*	*269.9*	*8.7*	*92.9*	*0.6*	***816.1***
Free cash flow**	92.5	51.8	(207.7)	4.4	(18.3)	–	**(77.3)**
Balance sheet							
Net tangible fixed assets	2,771.3	935.5	910.7	31.9	50.5	–	**4,699.9**
Provisions	74.8	26.0	6.2	0.0	6.7	–	**113.7**
Working capital requirement	*(57.2)*	*(80.5)*	*32.3*	*(13.1)*	*8.5*	–	***(110.0)***
Capital employed	*2,658.5*	*1,344.2*	*994.3*	*133.5*	*353.6*	–	***5,484.1***
Net debt	*(1,684.7)*	*(507.3)*	*(443.8)*	*81.4*	*(356.5)*	*3.4*	***(2,907.5)***
Employees	1,981	4,868	164	22	12,167	112	**19,314**

* In compliance with the change in method described in note B.1, special concession provisions recorded by Cofiroute (amounting to €86 million on 31 December 2002 and to €78.6 million on 31 December 2001) are accounted for under operating expense.
** After investment in concessions.

4. Other information by geographical area

in millions of euros	France	Germany	UK	Benelux	Other European countries	North America	Rest of the world	Total
2002								
Gross tangible fixed assets	2,504.0	318.9	196.5	646.1	412.0	299.6	153.8	4,530.9
Depreciation	(1,512.3)	(219.0)	(57.5)	(371.3)	(215.3)	(142.9)	(85.9)	(2,604.2)
Net tangible fixed assets	**991.7**	**99.9**	**139.0**	**274.8**	**196.7**	**156.7**	**67.9**	**1,926.7**
Employees	70,557	9,523	7,249	4,769	10,166	14,914	10,202	127,380
2001								
Gross tangible fixed assets	2,488.1	345.9	213.9	589.1	309.4	336.5	188.7	4,471.6
Depreciation	(1,491.3)	(243.4)	(64.2)	(343.9)	(93.2)	(128.5)	(185.3)	(2,549.8)
Net tangible fixed assets	**996.8**	**102.5**	**149.7**	**245.2**	**216.2**	**208**	**3.4**	**1,921.8**
Employees	72,289	10,240	6,397	4,318	9,822	15,944	10,489	129,499

D. Notes to the statement of income

5. Operating income

5.1. Breakdown of operating expense by type

in millions of euros	2002	2001	2000
Purchases	4,573.4	4,799.8	4,257.2
Outside services	7,196.1	6,641.7	5,326.2
Wages, salaries and benefits	4,644.2	4,375.4	3,494.9
Employee profit-sharing	40.1	34.9	32.4
Other expenses	326.1	783.3	509.3
	16,779.9	**16,635.1**	**13,620.0**

5.2. Depreciation and provisions

in millions of euros	2002	2001	2000
Depreciation			
Intangible fixed assets	20.8	19.7	13.1
Concession fixed assets*	170.0	73.9	48.2
Tangible fixed assets	417.8	385.3	294.0
Deferred expenses	—	21.8	20.4
	608.6	**500.8**	**375.7**
Provision allocations/(reversals)			
Write-down of assets	2.4	24.7	(1.5)
Operating liabilities and charges	(14.2)	(27.1)	25.1
	(11.8)	**(2.4)**	**23.6**

* In compliance with the change in method described in note B.1, special concession provisions recorded by Cofiroute (amounting to €86 million on 31 December 2002) are accounted for under operating expense.

6. Net financial income/(expense)

in millions of euros	2002	2001*	2000*
Net financial expense**	(188.3)	(153.1)	(81.7)
Special concession provisions	–	(78.6)	(33.9)
Dividends received	15.7	14.5	13.5
Financial provision allocation/(reversals)	(5.9)	4.6	2.1
Foreign currency translation and other gains/(losses)	(13.6)	4.3	5.2
Total	**(192.1)**	**(208.3)**	**(94.8)**
Restatement of special concession provisions	–	78.6	33.9
Restated total	**(192.1)**	**(129.7)**	**(60.9)**

* After restatement of special concession provisions recorded by Cofiroute as operating expense (see note B.1).
** Of which amortisation of redemption premiums on OCEANE bonds issued in 2001 (€8.6 million) and 2002 (€27.5 million).

Net financial expense over the year was mainly attributable to concessions, which accounted for €141.2 million (including €87.2 million for Cofiroute).

Foreign currency translation resulted in a €17 million loss, reflecting mainly the dollar's decline and the financing of the Chillan-Collipulli motorway, which was indexed to local inflation. The figure includes the impact of hedging transactions entered into by VINCI.

7. Net exceptional expense

in millions of euros	2002	2001	2000
Net gains from asset disposals	24.4	56.9	63.0
Net restructuring costs	(65.3)	(17.8)	(91.7)
Other exceptional gains and losses (net of provisions)	48.0	(46.0)	(144.2)
	7.1	**(6.9)**	**(172.8)**

• 2002

The construction business and its German subsidiaries accounted for most of the restructuring costs, due mainly to the reorganisation of G+H Montage into two operating divisions (see Key Events).

Other exceptional income included a prior year tax credit arising from tax consolidation in the UK (€35.1 million) and reversals of exceptional provisions following the favourable resolution of several long-standing disputes.

• 2001

Net gains from asset disposals included the impact of the end of lease-financing arrangements for the VINCI head office in Rueil (€28 million).

Other exceptional expense included mainly the write-down of TBI shares (€34.2 million) and the amortisation of the actuarial difference resulting from the liquidation of supplementary pension commitments in Germany (€40 million). Other exceptional income included a prior year tax credit from tax consolidation in the UK (€25.7 million).

8. Income tax

8.1. Analysis of net tax charges

in millions of euros	2002	2001	2000
Current tax	(205.0)	(176.7)	(67.3)
Deferred tax	(18.1)	(5.5)	31.6
	(223.1)	**(182.2)**	**(35.7)**

Current tax includes €110.6 million payable by Cofiroute (up from €106 million in 2001) and €10 million payable by the VINCI holding company (down from €30 million in 2001), which heads the consolidated tax group including 505 companies in France. The parent company and its subsidiaries are periodically subject to tax audits by the tax authorities.

8.2. Effective tax rate

The differences recognised in 2002 and 2001 between the theoretical tax rate in force in France and the effective tax rate are as follows:

in millions of euros	2002	2001
Net income before tax and amortisation of goodwill	882.2	843.1
Theoretical tax rate in France	35.43%	36.42%
Expected theoretical tax charge	**312.6**	**307.1**
Impact of taxes due on revenues subject to a lower tax rate	(21.0)	(11.0)
Impact of tax loss carry forwards and other unrecognised temporary differences or previously restricted differences	(22.4)	(48.0)
Tax rate differences (foreign countries)	(24.1)	(26.2)
Permanent differences and miscellaneous	(22.0)	(39.6)
Tax charge actually recognised	**223.1**	**182.3**
Effective tax rate	**25.29%**	**21.61%**

8.3. Analysis of deferred tax assets and liabilities at 31 December 2002

in millions of euros	Assets	Liabilities	Net
From tax loss carry forwards	—	—	—
From temporary differences	159.5	(160.9)	(1.4)
Net deferred taxes	**159.5**	**(160.9)**	**(1.4)**

8.4. Unrecognised deferred tax assets

At 31 December 2002, deferred tax assets that were unrecognised, due to the uncertainty of their realisation, amounted to €199 million and were mainly in respect of the German subsidiaries (€98 million of the deferred tax assets consisted of tax loss carry forwards generated by these subsidiaries).

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, which is recorded under marketable securities and is held by the company mainly for allocation to employees as part of stock purchase options.
Diluted earnings per share takes into account share equivalents that have a weighted dilution effect over the year. In addition, net income is restated for financial savings, net of tax, resulting from the potential conversion into shares of convertible bonds. Dilution resulting from the exercise of share subscription options is determined, in compliance with principles 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 over the last three years:

2002	Net income*	Number of shares	Earnings per share**
Net earnings per share	**477.8**	**85,019,698**	**5.62**
Stock subscription options	—	2,176,980	—
Convertible bonds	26.6	9,579,075	—
Diluted net earnings per share	**504.4**	**96,775,753**	**5.21**
2001			
Net earnings per share	**453.5**	**80,299,357**	**5.65**
Stock subscription options	—	2,609,075	—
Convertible bonds	7.4	2,555,556	—
Diluted net earnings per share	**460.9**	**85,463,988**	**5.39**
2000			
Net earnings per share	**299.8**	**50,132,468**	**5.98**
Stock subscription options	—	1,574,348	—
Convertible bonds	—	—	—
Diluted net earnings per share	**299.8**	**51,706,816**	**5.80**

* 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	2002	2001	2000
Net income of consolidated companies	**556.8**	**538.6**	**328.7**
Deferred taxes	18.1	5.5	(31.6)
Net amortisation/depreciation allocations	720.5	632.9	464.0
Net allocations to provisions	(54.7)	(19.0)	166.2
Gross cash flow from operations	**1,240.7**	**1,158.0**	**927.2**
Net gains from asset disposals	(21.5)	(61.9)	(63.0)
Cash flow (excl. dividends from companies consolidated by equity method)	**1,219.2**	**1,096.2**	**864.2**
Dividends from companies accounted for by equity method	4.9	5.0	10.6
Cash flow from operations	**1,224.1**	**1,101.1**	**874.8**

Net amortisation/depreciation allocations for the year included €47 million in exceptional goodwill impairment, as described in note 12.

E. Notes to the balance sheet

11. Intangible fixed assets other than goodwill

Changes between 2001 and 2002 were as follows:

in millions of euros	Gross book value	Amortisation	Net book value
At 31 December 2000	**219.6**	**(115.4)**	**104.2**
Changes in consolidation scope	112.6	3.0	**115.6**
Increases during the year	25.7	(21.2)	**4.5**
Reductions during the year	(11.4)	4.5	**(6.9)**
Foreign currency differences	7.4	(1.2)	**6.2**
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)**
Reductions during the year	(9.1)	7.1	**(2.0)**
Foreign currency differences	(24.7)	3.1	**(21.6)**
At 31 December 2002	**363.7**	**(171.5)**	**192.3**

Intangible fixed assets at 31 December 2002 included €113.9 million net in respect of the market share of WFS's cargo handling business, which was acquired in 2001.

Other intangible fixed assets consisted mainly of customer bases and software.

12. Goodwill

Changes between 2001 and 2002 were as follows:

in millions of euros	Gross book value	Amortisation	Net book value
At 31 December 2000	**1,257.2**	**(456.9)**	**800.3**
Goodwill acquired during the year	195.8	–	**195.8**
Amortisation and provisions	–	(122.3)	**(122.3)**
Foreign currency translation differences	10.1	(3.3)	**6.8**
Deconsolidations	15.4	4.2	**19.6**
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)**
Foreign currency translation differences	(41.8)	15.6	**(26.2)**
Deconsolidations	(0.8)	10.1	**9.3**
At 31 December 2002	**1,576.5**	**(654.9)**	**921.6**

Goodwill acquired during the year totalled €140.6 million and consisted mainly of acquisitions made by the energy business line (€65.5 million, including €48.6 million for TMS) and the concession business line (€68.4 million, including €11.5 million for SEN and €14.5 million for acquisitions by VINCI Park).

Main goodwill items were as follows:

in millions of euros	Gross book value	31 Dec. 2002 Amortisation	Net book value	31 Dec. 2001 Net book value
VINCI Park (ex. Sogeparc)	412.9	(55.2)	357.7	365.1
VINCI Airports US (WFS/Acac)	164.5	(46.0)	118.5	123.5
Norwest Holst	111.7	(83.5)	28.2	36.1
Teerbau GmbH	82.8	(38.6)	44.2	49.7
Entreprise Jean Lefebvre	74.4	(31.5)	42.9	46.5
TMS	48.6	(10.0)	38.6	—
Emil Lundgren AB	26.2	(3.9)	22.3	23.6
Moter SA	25.0	(14.7)	10.3	—
SEN	21.6	(1.5)	20.0	12.0
Carrière de Luché	20.9	(4.3)	16.6	—
Other goodwill under €10 million*	587.9	(365.7)	222.2	243.7
Total	**1,576.5**	**(654.9)**	**921.6**	**900.2**

* In net book value over the last two years.

An analysis has been carried out to identify significant potential impairment of goodwill. Based on tests to assess value according to discounted future operating cash flows, VINCI has decided to recognise €27.5 million in exceptional amortisation in 2002, including €20 million for CFE and €7.5 million for TMS. The company used a discount rate of 7.5% to determine the fair value of the assets subjected to an impairment test.

13. Fixed assets relating to concessions

Concession fixed assets comprise both investments by VINCI as part of commitments in connection with concession contracts and the fixed value of infrastructure under concession.

13.1. Movements in 2001 and 2002

in millions of euros	Gross book value	Amortisation	Net book value
At 31 December 2000	**5,657.5**	**(601.2)**	**5,056.3**
Change in consolidation scope	(85.7)	19.5	**(66.2)**
Acquisitions	593.2	—	**593.2**
Disposals	(14.8)	9.8	**(4.9)**
Depreciation and provisions	—	(78.9)	**(78.9)**
Foreign currency translation differences	(13.3)	(1.3)	**(14.6)**
At 31 December 2001	**6,137.0**	**(652.1)**	**5,484.9**
Changes in consolidation scope	119.1	(32.9)	**86.2**
Special concession amortisation*	—	(1,063.0)	**(1,063.0)**
Acquisitions	460.4	—	**460.4**
Disposals	(41.1)	30.1	**(11.0)**
Depreciation and provisions	—	(175.2)	**(175.2)**
Foreign currency translation differences	(80.4)	4.5	**(75.9)**
At 31 December 2002	**6,595.0**	**(1,888.6)**	**4,706.4**

* In compliance with the change in method described in note B.1, special concession provisions recorded by Cofiroute previously accounted for under liabilities in the balance sheet are now accounted for under amortisation of concession fixed assets..

Capital expenditure for the year mainly includes €237.2 million by Cofiroute (principally the A85 motorway and the VL1 tunnel for the A86), €100.4 million on the Rion-Antirion bridge, €65.5 million by VINCI Park and €18.9 million on the Chillan-Collipulli motorway.

13.2. Breakdown by business segment

in millions of euros	Gross book value	31 Dec. 2002 Amortisation	Net book value	31 Dec. 2001** pro forma	31 Dec. 2001**	31 Dec. 2000**
Car parks	1,228.1	(423.2)	**804.9**	**723.4**	**723.4**	**796.8**
Cofiroute	4,279.1	(1,413.2)	**2,865.9**	**2,754.2 ***	**3,817.3**	**3,535.0**
Other concessions	1,087.7	(52.2)	**1,035.5**	**944.2**	**944.2**	**724.0**
	6,594.9	**(1,888.6)**	**4,706.4**	**4,421.8**	**5,484.9**	**5,055.8**

* After deduction of €1,063 million in respect of restated special concession amortisation.
** In net book value.

14. Tangible fixed assets

14.1. Movements in 2001 and 2002

in millions of euros	Gross book value	Depreciation	Net book value
At 31 December 2000	**4,375.3**	**(2,514.7)**	**1,860.6**
Changes in consolidation scope	52.0	27.6	**79.6**
Acquisitions	497.1	–	**497.1**
Disposals	(484.0)	340.2	**(143.7)**
Depreciation and provisions	–	(388.8)	**(388.8)**
Foreign currency translation differences	31.2	(14.2)	**17.0**
At 31 December 2001	**4,471.6**	**(2,549.8)**	**1,921.8**
Changes in consolidation scope	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)**
Foreign currency translation differences	(93.3)	46.1	**(47.2)**
At 31 December 2002	**4,530.9**	**(2,604.2)**	**1,926.7**

14.2. Breakdown by type of asset

in millions of euros	Gross book value	31 Dec. 2002 Depreciation	Net book value	31 Dec. 2001 Net book value	31 Dec. 2000 Net book value
Land	242.6	(34.4)	**208.2**	**215.0**	**231.7**
Buildings	913.2	(365.1)	**548.1**	**475.8**	**536.6**
Plant and equipment	2,421.4	(1,602.9)	**818.5**	**814.9**	**828.6**
Fixtures and other	914.3	(600.8)	**313.5**	**379.6**	**224.1**
Assets under construction	39.4	(1.0)	**38.4**	**36.5**	**39.6**
	4,530.9	**(2,604.2)**	**1,926.7**	**1,921.8**	**1,860.6**

15. Investments held as fixed assets

At 31 December 2002, investments held as fixed assets broke down as follows:

in millions of euros	% held	31 Dec. 2002 Net book value	Market value	Stock price
Listed equity (ASF)	16.9%	1,044.8	901.5	23.03 euros
Portfolio investment (TBI)	14.9%	83.1	56.2	0.4394 pence
Other long-term investments (unlisted)	–	174.2	–	–
Total	**–**	**1,302.1**	**–**	**–**

VINCI estimates that the market value of the TBI and ASF shares at 31 December 2002 is not representative of their fair value. This is why their net book value (€26.69 per share and 65 pence per share respectively) has not been adjusted.

It should be noted that an exceptional €34 million provision was recorded on 31 December 2001 to bring TBI's net book value into line with fair value, based on discounted future cash flow.

16. Investments accounted for by the equity method

16.1. Movements in 2001 and 2002

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Value at the beginning of the year	**135.4**	**117.4**	**234.1**
Impact of GTM consolidation	–	–	491.7
Change in consolidation method	(5.5)	(5.4)	(492.6)
Capital increase in equity affiliates	–	0.0	43.1
Group share of net income for the year *of which concessions*	0.8 *(2.5)*	1.5 *1.6*	26.9 *26.2*
Dividends paid	(4.9)	(5.0)	(10.6)
Other changes in consolidation scope and foreign currency translation	(18.5)	26.8	(175.3)
Value at the end of the year	**107.3**	**135.4**	**117.4**
of which concessions	86.1	105.2	78.1

In 2000, the main change in consolidation method involved Cofiroute (€475 million), which went from consolidation by the equity method to full consolidation following the VINCI-GTM merger.

VINCI's share of the capital increase of ADP Management in 2000 amounted to €43 million.

The value of shares in companies belonging to GTM's industrial division (accounted for by the equity method in the balance sheet at the beginning of 2000 and deconsolidated after they were sold in October 2000), came to €177.6 million.

16.2. Financial details on companies accounted for by the equity method

Investments in companies accounted for by the equity method consist mainly of concession operators over which VINCI has significant influence: the Severn River Crossings (UK), Mexican airports managed by ASUR and GACN, the bridges on the Tagus River in Portugal (Lusoponte) and the Prado-Carénage tunnel in Marseilles (SMTPC).

The key figures for these companies in 2002 are as follows (on a 100% basis):

in millions of euros	Severn River Crossing	ITA (ASUR)	SETA (GACN)	Lusoponte	SMTPC
% holding	**35.00%**	**24.50%**	**37.25%**	**30.70%**	**31.35%**
Net sales *Group share*	112.2 *39.3*	3.9 *1.0*	5.9 *2.2*	67.5 *20.7*	23.7 *7.4*
Operating income	69.7	(1.5)	2.3	31.6	11.8
Operating income less net financial expense	15.3	(1.3)	(5.1)	(3.9)	4.0
Net income/(loss)	0.0	(36.2)	(0.1)	14.6	3.9
Group share of net income/(loss)	**0.0**	**(8.9)**	**(0.0)**	**4.5**	**1.2**
Shareholders' equity at 31 December 2002	0.0	91.3	39.4	8.4	2.9
Group share of shareholders' equity	**0.0**	**22.4**	**14.7**	**2.6**	**0.9**
Net debt at 31 December 2002	774.0	0.3	46.2	401.8	130.3
Shareholder loans (VINCI share)	5.1	—	—	11.5	0.6
Book value of equity affiliates in parent company accounts	0.1	14.8	14.5	18.3	5.7

17. Other financial assets and long-term financial receivables

This item includes:

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Long-term financial receivables	104.7	221.6	303.4
Other net financial assets	21.7	23.4	21.3
Total	**126.4**	**245.0**	**324.7**

Loans granted to OPL by Entreprise Jean Lefebvre as part of export loan securitisation transactions in previous years, and amounting to €93 million, were redeemed early in November 2002.

Vendor loans amounting to €35 million on the sale of barges to Stolt Offshore SA, as part of the sale of ETPM, were redeemed in 2002.

Other financial fixed assets include:

- €8.5 million in subordinated convertible notes in SMTPC (Prado-Carénage tunnel in Marseilles).
- Loans to non-consolidated subsidiaries.

18. Deferred expenses

In compliance with the change in method described in note B.1, site installation charges are now recorded under working capital requirements. Consequently, deferred charges booked as fixed assets in the balance sheet mainly include issue costs and redemption premiums. The impact of the new accounting method is reflected in the pro forma balance sheet and represented €20 million at 31 December 2001.

19. Working capital requirement

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000	2002/2001 change in scope of consolidation	operations
Inventories and work in progress (net value)	423.7	405.1	459.8	18.0	0.6
Trade accounts receivable	7,431.8	7,676.1	7,724.4	273.7	(518.0)
Provision for accounts receivable	(433.5)	(426.1)	(401.7)	(5.2)	(2.2)
Inventory and accounts receivable (I)	**7,422.0**	**7,655.1**	**7,782.5**	**286.5**	**(519.6)**
Trade and other accounts payable	8,500.9	8,353.9	8,259.8	313.2	(166.2)
Accounts payable (II)	**8,500.9**	**8,353.9**	**8,259.8**	**313.2**	**(166.2)**
Working capital requirement (I-II)	**(1,078.9)**	**(698.7)**	**(477.3)**	**(26.8)**	**(353.4)**

The improvement in working capital requirement in 2002 is attributable largely to the construction business line (€242 million), but reflects continuous efforts by all divisions to improve cash management and includes advance payments received in respect of civil engineering contracts won at the end of the year.

20. Short-term financial receivables

Short-term financial receivables include the current accounts of several non-consolidated companies.

21. Marketable securities

Marketable securities break down as follows:

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Marketable securities	2,205.7	2,163.2	1,303.9
Including treasury stock	*187.8*	*356.2*	*274.2*

At 31 December 2002, treasury stock consisted of 4,199,699 shares making up 5.07% of the capital stock. These shares were acquired at an average price of €44.98 per share and were held with a view to allocation to VINCI managers under various stock purchase options schemes.
In 2002, 691,690 shares were purchased for €46.3 million at an average price of €66.99.

In January 2002, VINCI sold 6,142,857 Stolt Offshore shares, previously recorded as marketable securities, to Stolt Offshore for €119.3 million. This was the price Stolt Offshore had agreed to pay, and had guaranteed by means of a put option granted to VINCI, when it sold ETPM.
Other marketable securities consist primarily of negotiable debt instruments and cash instruments (mutual funds).

22. Change in shareholders' equity

At 31 December 2002, capital stock consisted of 82,873,367 shares of €10 nominal value.
On 17 December 2002, the VINCI Board of Directors decided to reduce VINCI's capital stock by cancelling 3,083,593 shares held in treasury, representing 3.6% of shareholders' equity. The transaction reduced shareholders' equity by €195.5 million, and capital stock by €30.8 million.

Capital increases over the period corresponded to shares issued as part of the group savings scheme or the exercise of stock subscription options.
In compliance with paragraph 21523 b of Opinion 2000-12 of the French Accounting Regulations Committee on the derogatory method, a €10.5 million net of tax adjustment was deducted directly from shareholders' equity, to correct for the change in the consolidated value of subsidiaries Blythe Construction, Inc. and Hubbard, acquired in 2000 as part of the merger with GTM. Shareholders' equity was increased by €10 million, in accordance with Opinion 2002-E of the Urgent Issues Committee dated 18 December 2002 concerning the method for recording the tax impact of internal disposals and deductible provisions for depreciation or liability on the shares of consolidated companies in the consolidated financial statements.

23. Minority interest

In 2001 and 2002, movements in minority interest were as follows:

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Value at the beginning of the year	**511.4**	**482.4**	**26.1**
Changes in consolidation scope	(30.7)	(17.3)	423.9
Capital increases subscribed by third parties	2.2	5.6	4.3
Minority interest share in the year's net income	79.8	86.6	55.8
Dividends paid	(50.8)	(45.9)	(27.8)
Value at the end of the year	**511.9**	**511.4**	**482.4**

At 31 December 2002, minority interest in Cofiroute amounted to €335.7 million (up from €299 million at 31 December 2001) and minority interest in CFE totalled €86 million (down from €93.7 million at 31 December 2001).

24. Investment subsidies

This item consists of investment subsidies for infrastructure concession contracts, including €291.8 million for the Rion-Antirion bridge in Greece and €127.4 million for the Stade de France stadium near Paris.

25. Provisions for pension liabilities

Provisions for pension liabilities concern mainly France and Germany and are calculated on the basis of the following assumptions:

	2002	2001
Discount rate	5.0% – 5.5%	5.5%
Inflation	1.5% – 2.0%	1.5% – 2.0%
Salary increase	2% – 3%	2% – 3%
Pension increase	1.5% – 2.0%	1.5% – 2.0%
Amortisation period of initial actuarial debt	10 – 15 years	10 – 15 years

For the other countries, the actuarial assumptions are selected on the basis of local conditions in force. They are adjusted to reflect interest rate and mortality trends.

Commitments are covered by pension funds in the UK only. Pension liabilities (before tax) break down as follows:

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Commitments in France			
Lump-sum payments on retirement	124.8	113.3	107.0
Pensions and other retirement commitments	80.4	74.5	81.1
of which – current employees	*45.3*	*40.4*	*47.0*
– retired employees	*35.0*	*34.1*	*34.1*
Total	**205.2**	**187.8**	**188.0**
of which – covered by provisions	*161.3*	*151.9*	*152.5*
– covered by insurance schemes	*33.3*	*35.9*	*35.6*
Commitments outside France			
Pensions and other retirement commitments	561.7	523.4	462.4
of which – current employees	*277.4*	*251.7*	*243.2*
– retired employees	*284.3*	*271.6*	*219.1*
Total	**561.7**	**523.4**	**462.4**
of which – covered by provisions	*330.5*	*320.6*	*276.8*
– covered by pension funds	*167.9*	*202.7*	*185.6*
Total commitments	**766.9**	**711.2**	**650.4**
of which – covered by provisions	*491.8*	*472.5*	*429.3*
– covered by insurance schemes	*33.3*	*35.9*	*35.6*
– covered by pension funds	*167.9*	*202.7*	*185.6*

Actuarial differences not covered by provisions totalled €73.9 million at 31 December 2002, of which €60 million in respect of UK pension funds. The differences will be amortised over the residual working life of current employees (15 years on average, i.e. a potential charge of €4.9 million a year as from 2003). Commitments covered by insurance policies are mainly in respect of supplementary pension benefits for VINCI corporate executives and senior managers. Commitments covered by pension funds are mainly in respect of UK subsidiary VINCI PLC.

The cost of pensions (before tax) charged in 2002 and 2001 break down as follows:

in millions of euros	2002	2001
Cost of services rendered	(21.3)	(16.9)
Discounting cost	(39.5)	(37.2)
Pension fund yields	17.4	18.8
Amortisation of actuarial gains and losses	(2.1)	(49.9)
Other	0.1	(6.8)
Net cost over the year (before tax)	**(45.4)**	**(91.9)**

In 2001, pension costs included an exceptional €40 million charge for the amortisation of the actuarial difference resulting from the liquidation of the supplementary pension scheme in Germany.

26. Provisions for liabilities and charges

Movements in provisions for liabilities and charges over the year were as follows:

in millions of euros	31 Dec. 2001	Allocations	Use	Reversals	Change in method	Changes in consol. and other	31 Dec. 2002
After-sales service	260.7	72.9	(76.8)	(10.8)	–	0.6	246.6
Anticipated losses on contracts and worksite liability	308.6	212.5	(194.8)	(26.1)	–	12.5	312.7
Major repairs	146.4	55.9	(56.2)	(1.8)	–	4.3	148.6
Litigation and other operating liabilities	464.2	169.0	(166.7)	(5.5)	(1.2)	(0.1)	459.7
Operating liabilities	**1,179.9**	**510.3**	**(494.5)**	**(44.2)**	**(1.2)**	**17.3**	**1,167.6**
Financial liabilities	**20.9**	**35.4**	**(3.3)**	**–**	**–**	**(3.2)**	**49.8**
Restructuring	81.4	45.2	(53.7)	(3.7)	–	2.4	71.6
Other exceptional liabilities	380.1	77.8	(105.8)	(6.9)	–	(6.3)	338.9
Exceptional liabilities	**461.4**	**123.0**	**(159.5)**	**(10.6)**	**0.0**	**(3.9)**	**410.5**
	1,662.2	**668.7**	**(657.3)**	**(54.8)**	**(1.2)**	**10.2**	**1,627.9**

Allocations (net of reversals for liabilities not required) totalled €613.9 million and break down as follows:

in millions of euros	Allocations	Reversals	Total
Operating income/(expense)	(510.3)	44.2	(466.1)
Financial income/(expense)	(35.4)	–	(35.4)
Exceptional income/(expense)	(123.0)	10.6	(112.4)
	(668.7)	**54.8**	(613.9)

Provisions for after-sales service cover the commitments of VINCI businesses as part of statutory ten-year warranties on completed projects. These provisions are estimated on a statistical basis having regard to experience in previous years, or on an individual basis in the case of identified problems.

Provisions for anticipated losses on contracts and worksite liability 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 as part of completion warranties.

Provisions for major repairs mainly concern Cofiroute. They are calculated at the end of each year based on a works plan covering several years drawn up by Cofiroute's engineering services and revised annually to take into account changes in costs and in the corresponding spending.

Provisions for litigation and other operating liabilities provide for disputes with customers, where the investigative period usually overruns the end of the financial year.

Provisions for exceptional liabilities cover liabilities of a non-recurring nature, such as restructuring costs (€71.6 million at 31 December 2002, including €33.3 million for construction, €24.5 million for energy and €10.8 million for roads).

27. Net debt/(surplus)

27.1. Cash management

Net cash surpluses generated by divisions and subsidiaries are transferred to the holding company, 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, while avoiding risk to capital. These transactions are carried out only with counterparties approved as part of a previously determined plan to spread risk. Given the wide choice of counterparties, selected on the basis of their agency ratings, VINCI considers that it is not exposed to a concentration of credit risk.

27.2. Analysis of net debt by type

At the end of 2002, VINCI recorded €2,680.7 million in net debt, before the impact of treasury stock, up from €2,429.9 million a year earlier.
Net debt breaks down as follows:

in millions of euros	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
Subordinated debt with indefinite maturity	(15.6)	(19.2)	(23.7)
Bond issues **(A)**	(4,126.5)	(2,942.3)	(1,857.9)
Other borrowing and debt **(B)**	(1,118.6)	(1,041.2)	(1,150.0)
I - Total long-term debt	**(5,260.7)**	**(4,002.7)**	**(3,031.6)**
Bank overdrafts and other short-term borrowings **(C)**	(598.0)	(1,274.7)	(1,088.6)
II - Gross debt	**(5,858.7)**	**(5,277.4)**	**(4,120.2)**
Marketable securities and other short-term receivables, excluding treasury stock	2,280.0	2,101.5	1,212.9
Cash	898.0	746.0	777.7
III - Net financial debt	**(2,680.7)**	**(2,429.9)**	**(2,129.6)**
Treasury stock held	187.8	358.2	274.2
IV - Net financial debt after treasury stock	**(2,492.9)**	**(2,071.7)**	**(1,855.4)**

In 2002, despite significant financial investments (notably the purchase of a 17% interest in ASF for €1,044.8 million), the increase in net consolidated debt was limited by substantial operating cash flow (see Cash flow statement). Strong long-term ratings by Standard & Poor's (BBB+ stable) and Moody's (Baa1 stable) also enabled VINCI to strengthen its debt structure, by drawing primarily on the bond market and thereby extend average debt life.

A. Bond issues

Bond issues break down as follows:

in millions of euros	Nominal 2002	Nominal 2001
1% OCEANE - 2007	517.5	517.5
2% OCEANE - 2018	500.3	0.0
5.875% bond - 2009	850.0	0.0
5.2% bond - 2005 (ex GTM)	137.2	137.2
I - Sub-total of VINCI parent company bonds	**2,005.0**	**654.7**
8.2% bond - 2005	152.5	152.5
7.5% bond - 2006	243.9	243.9
6.8% bond - 2007	304.9	304.9
5.9% bond - 2008	350.6	350.6
6.0% bond - 2009	300.0	300.0
5.875% bond - 2016	300.0	300.0
Others	72.6	143.1
II - Sub-total of Cofiroute bonds	**1,724.5**	**1,795.0**
III - Other bonds	**332.8**	**458.1**
IV - Accrued interest	**64.2**	**34.5**
Total bond issues	**4,126.5**	**2,942.3**

1. On 11 July 2001, VINCI issued bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds) under the following terms:

- Total amount issued: €517.5 million;
- Total bonds issued: 5,750,000;
- Nominal value: €90;
- Maturity: 1 January 2007;
- Coupon: 1%;
- Gross actuarial yield to maturity: 4.35 %;
- Conversion ratio: one VINCI share for one bond;
- Redemption price at maturity: €108.12, i.e. a 20.13% premium;
- Early redemption at VINCI's discretion, as 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%.

2. On 22 April 2002, VINCI issued bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds) under the following terms:

- Total amount issued: €500.25 million;
- Total bonds issued: 5,558,334;
- Nominal value: €90;
- Maturity: 1 January 2018;
- Coupon: 2%;
- Gross actuarial yield to maturity: 3.875%;
- Conversion ratio: one VINCI share for one bond;
- Redemption price at maturity: €125.46, i.e. a 39.4% premium;
- Early redemption at VINCI's discretion as 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 the bondholder's discretion on the following dates: 2 May 2006, 2 May 2010 and 2 May 2014, at anticipated redemption price.

3. On 22 July 2002, VINCI issued €600 million in bonds maturing on 22 July 2009. The bonds were issued at 99.58% nominal value, with a 5.875% coupon. An additional round of bonds amounting to €250 million was issued on 27 November 2002 with the same terms as the initial issue, except the issue price, which was 102.554% nominal value.

4. Debentures issued by Cofiroute are bonds offering traditional contractual conditions, which reflect Cofiroute's rating, i.e. A+/Stable/A1 by Standard & Poor's.

B. Bank credit and other debt

Bank credit and other debt comprises mainly syndicated loans, and loans granted by various financial establishments (in particular the European Investment bank), as part of concession infrastructure projects.

C. Bank overdrafts and other short-term borrowing (< 1 year)

At 31 December 2002, total treasury notes outstanding had been reduced from €529 million a year earlier to €18 million. All treasury notes were denominated in US dollar issues and totalled $19 million.

27.3. Liquidity analysis

A. Breakdown of long-term debt by maturity

in millions of euros	31 Dec. 2002	31 Dec. 2001
Maturities of more than 1 year and up to 2 years	201.4	123.4
Maturities of more than 2 years and up to 5 years	1,622.6	1,331.4
Maturities of more than 5 years and up to 10 years	1,752.7	1,355.9
Maturities of more than 10 years	1,424.5	737.9
Indefinite maturities	41.8	281.7
Debt > 1 year	***5,043.0***	***3,830.3***
Debt < 1 year	***217.7***	***172.4***
Total	**5,260.7**	**4,002.7**

Bonds issued in 2002 extended the average life of VINCI's long-term debt. VINCI's policy is to adapt its debt repayment profile to the nature of the business financed, in particular to the incremental cash flow generated by its concessions.

B. Liquidity risk

VINCI can draw on €700 million in treasury notes to cover short-term financing needs. The programme is rated A2 by Standard & Poor's and P2 by Moody's. At 31 December 2002, €18 million had been drawn.

VINCI can also draw on credit lines, which amounted to €1,421 million at 31 December 2002. Part of these credit lines (€1,093 million) is subject to the usual covenants, particularly as regards financial aggregates such as minimum shareholders' equity and the ratio of net debt to EBITDA. None of the clauses tie fund availability to VINCI's credit rating.

These confirmed credit lines have different maturities based on the following profile:

in millions of euros	31 Dec. 2002
More than 1 year and up to 2 years	531
More than 2 years and up to 5 years	840
More than 5 years	50
Total	**1,421**

It should be noted that none of the credit lines had been used at 31 December 2002.

27.4. Breakdown of long-term debt into fixed and variable rates

VINCI has relied mainly on bond markets to finance concession transactions over the long term. As a result, a majority of its long-term debt (before hedging) carries fixed rates. VINCI's policy is to optimise its debt structure on the basis of prevailing interest rates through hedging instruments (see note 28.2 for breakdown of hedging instruments).

The breakdown of long-term debt into fixed and variable rates, before and after hedging, is as follows:

	At 31 Dec. 2002			At 31 Dec. 2001		
in millions of euros	Share	%	Rate	Share	%	Rate
Fixed rate	4,402.7	84%	*5.63%*	3,278.2	82%	*6.41%*
Variable rate	858.0	16%	*3.65%*	724.5	18%	*4.25%*
Total before hedging	**5,260.7**	**100%**	***5.30%***	**4,002.7**	**100%**	***6.02%***

	At 31 Dec. 2002			At 31 Dec. 2001		
in millions of euros	Share	%	Rate	Share	%	Rate
Fixed rate	3,385.2	64%	*5.79%*	2,247.3	56%	*7.12%*
Variable rate	1,875.5	36%	*3.10%*	1,755.4	44%	*4.13%*
Total after hedging	**5,260.7**	**100%**	***4.83%***	**4,002.7**	**100%**	***6.10%***

In 2002, VINCI significantly reduced the average cost of debt after hedging compared with 2001. This mainly reflected the drop in long rates, from which it benefited through financial instruments issued in 2002 by the parent company. VINCI's interest-rate risk management policy also aims to balance the split between fixed and variable rates by taking advantage of opportunities in financial markets.

By keeping some 40% of debt in variable rates, VINCI was able to take advantage of historically low interest rates in 2002, especially in the second half. The annual average cost of long-term debt after hedging fell from 5.3% to 4.83%

VINCI thus remains exposed to interest rate trends. A 1% increase in variable rates on long-term debt would increase annual interest expense by around €19 million.

27.5. Breakdown of long-term debt by currency

in millions of euros	31 Dec. 2002	31 Dec. 2001
Euro	4,757.8	3,381.8
US dollar **(A)**	85.7	131.8
Sterling	86.6	95.2
Chilean peso **(B)**	186.4	231.6
Canadian dollar	118.4	146.2
Other	25.1	16.1
Total	**5,260.7**	**4,002.7**

A. Outstandings denominated in dollars declined in 2002 on the refinancing by VINCI of the bonds issued by WFS before it joined VINCI.

B. Debts outstanding in Chile consist mainly of a loan taken out by concession company Autopista del Bosque. The loan, which is indexed on local inflation, has generated around €5 million in charges over the year.

28. Management of market risk

Operating divisions manage financial risk within VINCI with the help of the holding company's specialised support functions responsible for risk management.
VINCI uses derivatives to cover its exposure to currency and interest rate risk. Derivatives are also used to hedge against financial risk related to assets, liabilities and future transactions related to the company's business. VINCI mainly uses traditional hedging instruments for which the risks are well understood.

28.1. Currency risk

Nature of risk exposure
VINCI does 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 are far larger than costs in euros. Consequently, VINCI's exposure to exchange rate risk on business transactions is limited.
In addition, it is worth pointing out that approximately 83% of VINCI's business is generated in the euro zone.

Hedging rules
Given the nature of foreign currency transactions and VINCI's decentralised organisation, net exposure to exchange rate risk is monitored in the first instance by the different divisions. Hedging activities are carried out centrally, on behalf of the subsidiaries, by the VINCI parent company, using mainly traditional hedging instruments (e.g. futures and options).

Currency 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 2002	Notional amounts 2001
Currency futures		
US dollar	25.9	101.2
Sterling	89.0	7.4
Other currencies	14.1	10.8
Total currency futures	**129.0**	**119.4**
Purchase contracts	*24.9*	*7.8*
Sales contracts	*104.1*	*111.6*
Currency options	**32.6**	**158.9**
Currency swaps	**121.0**	**83.9**
Total exchange rate hedging instruments	**282.5**	**362.2**

28.2. Interest rate risk

VINCI takes a cautious approach to hedging interest rate risk, reflecting the long-term nature of concession activities. At 31 December 2002, 64% of long-term debt was fixed-rate (after hedging), against 56% a year earlier.
Hedging mainly involves swaps, caps and floors, except at Cofiroute (owned 65.3% by VINCI), which has its own credit rating (S&P: A+/Stable/A1). The VINCI and Cofiroute finance departments therefore coordinate their management policies.

Use of derivatives

Interest rate hedging instruments break down as follows by maturity:

in millions of euros	Maturity less than 1 year	Maturity 1 to 5 years	Maturity more than 5 years	Total
Swaps of variable borrower rates	540.9	755.8	1,350.6	**2,647.3**
Swaps of fixed borrower rates	56.7	633.1	734.3	**1,424.1**
Purchase caps	0.9	352.7	1.8	**355.4**
Sale caps	—	30.5	—	**30.5**
Sale floors	—	125.0	—	**125.0**
Collars	22.9	33.9	—	**56.8**
Interest rate options	—	—	500.0	**500.0**
Total	**621.4**	**1,931.0**	**2,586.7**	**5,139.1**

This analysis reflects VINCI's gross position, excluding the offset of derivatives with the same characteristics.

28.3. Securities risk

In 2001, VINCI decided to sell puts on VINCI shares as part of its share buy-back programme. The instruments matured in 2002 and were not renewed.

VINCI also holds a portfolio of shares in listed companies, the value of which fluctuates according to stock prices in financial markets.

VINCI has also sold derivatives on securities. The number of derivatives outstanding and their market value are not significant (see note 29.1). In particular, VINCI sold 250,000 put options on ASF shares.

28.4. 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.

Cash surpluses amounted to €2,280 million at 31 December 2002 and were mainly invested in marketable securities. The parent company manages €1,678 million of that amount directly. VINCI's policy is to invest surplus cash in monetary instruments negotiated with counterparties rated at least BBB+ or A2 (S&P) and Baa1 or P2 (Moody's). Off-balance sheet derivatives are negotiated with leading banks.

VINCI subsidiaries do not carry any significant counterparty risk.

29. Market value of financial instruments

29.1. Market value

VINCI holds the following instruments with estimated market values as shown below:

Assets in millions of euros	**2002 Balance sheet value**	**2002 Market value***
Investments in listed subsidiaries and affiliates (ASF)	1,044.8	901.5
Portfolio investments held as fixed assets (TBI)	83.1	56.2
Investments in unlisted subsidiaries and affiliates	175	175
Equity investments (I)	**1,302.9**	**1,132.7**
Short-term investments (mutual funds and negotiable debt instruments)	2,205.7	2,210.6
Long-term financial receivables	74.3	74.3
Treasury stock	187.8	189.9
Marketable securities (II)	**2,467.8**	**2,474.8**
Total securities portfolio (I+II)	**3,770.7**	**3,607.5**
Cash assets	**898.0**	**898.0**
Total assets	**4,668.7**	**4,505.5**

* Value includes coupons outstanding recorded in the balance sheet.

Liabilities in millions of euros	**2002 Balance sheet value**	**2002 Market value***
Subordinated securities	15.6	15.6
Bonds	4,126.5	4,198.6
Other bank loans	1,118.6	1,135.3
Long-term debt	**5,260.7**	**5,349.5**
Cash liabilities and short-term debt	**598.0**	**598.0**
Total liabilities	**5,858.7**	**5,947.5**

* Value includes coupons outstanding recorded in the balance sheet.

Off-balance sheet in millions of euros	**2002 Balance sheet value***	**2002 Market value ****
Market value	—	0.5
Currency swaps	—	14.1
Currency options	—	0.3
Interest rate swaps	29.4	45.8
Caps, floors and collars	6.1	(1.9)
Options on equities	(2.8)	(0.6)
Total	**32.8**	**58.1**

* Assets/(Liabilities).
** Including amounts recorded in the balance sheet.

29.2. 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 2002.

The main valuation assumptions and methods are as follows:

- **Securities (marketable securities, equity investments in non-consolidated companies and other securities):**
  The market value of listed securities, excluding treasury stock, is the stock price at the end of the trading day on 31 December 2002. The VINCI shares held in treasury are valued at the exercise price for employees under the stock purchase option plans. Equity investments in subsidiaries and unlisted securities are valued on the basis of fair value as represented by book value.
- **Long-term financial receivables:**
  Market value is based on discounted future flows, using interest rates at 31 December 2002. The market value of variable rate receivables is the same as nominal value.
- **Cash and equivalent balances:**
  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 securities corresponds to the security's price on 31 December 2002. The market value of unlisted bonds and financial debt is based on discounted future flows, using interest rates applied to VINCI at 31 December 2002. The market value of variable rate debt is the same as nominal value. The market value of short-term debt and individual items of debt of less than €1 million at 31 December 2002 is represented by book value.
- **Off-balance sheet currency instruments:**
  The market value of currency instruments (swaps, futures purchases and sales and options) is valued on the basis of estimates supplied by bank counterparties and according to financial models traditionally applied in financial markets, using market data as at 31 December 2002.
- **Interest rates instruments:**
  The market value of interest rate instruments (swaps and caps/floors) is valued on the basis of estimates provided by bank counterparties and according to financial models traditionally applied in financial markets, using market data as at 31 December 2002.

F. Additional information

30. Transactions with related parties

Transactions with related parties are essentially transactions with the equity affiliates described in note 16.

31. 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 (performance bonds and guarantees);
- Charges on property (mortgages, pledges and other securities);
- Joint guarantees covering non-consolidated partnerships;
- Other commitments.

The commitments mentioned in this note include all commitments identified by VINCI as being either significant or likely to become significant. They do not include commitments related to the financial instruments described in notes 28 and 29.

31.1. Commitments given

They break down as follows:

in millions of euros	31 Dec. 2002	Pro forma 31 Dec. 2001	Pro forma 31 Dec. 2000
Personal sureties	4,133.4	4,020.8	3,934.8
Charges on property	606.2	539.0	515.6
Joint guarantees covering non-consolidated partnerships	95.2	272.2	151.1
Other commitments*	146.8	115.3	155.3
	4,981.6	**4,947.3**	**4 ,756.9**

* Excluding rental contracts and investment commitments (see notes 31.2 and 31.3)

Breakdown of commitments by business line at 31 December 2002

in millions of euros	Personal sureties	Charges on property	Joint guarantees covering non-consolidated partnerships	Other commitments	Total
Concessions	17.4	511.3	–	23.7	**552.4**
Energy	150.7	5.8	12.1	47.1	**215.7**
Roads	607.8	11.8	75.1	42.3	**737.0**
Construction	2,661.2	77.3	7.3	16.9	**2,762.7**
Holding company and miscellaneous	696.3	–	0.7	16.8	**713.8**
	4,133.4	**606.2**	**95.2**	**146.8**	**4,981.6**

Personal sureties (performance bonds, guarantees and other)

They break down as follows:

in millions of euros	31 Dec. 2002
Personal sureties	
Contract completion	1,977.6
Guarantee retentions	1,043.2
Deferred payments to subcontractors	534.9
Deferred payments to suppliers	78.2
Tender bonds	64.2
Long-term debt	28.1
Overdrafts	22.5
Other	384.7
Total personal sureties	**4,133.4**

Personal sureties are mainly issued to guarantee construction work in progress. When late completion or disputes concerning the execution of a contract make it likely that a liability covered by a guarantee will materialise, that liability is provisioned. VINCI therefore considers that these commitments are unlikely to have a significant impact on group assets.

VINCI also grants two-year and ten-year warranties as part of its business activities. 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.

Charges on property (mortgages and collateral pledged in exchange for finance)

Charges on property guaranteeing finance obtained total €606 million, of which €511 million for loans recorded in the balance sheets of infrastructure concession companies and €69 million for CFE's dredging activities. Mortgages and collateral pledged by the concession business break down as follows:

in millions of euros	Date of start	Date of completion	Amount
Rion-Antirion Bridge	April 2001	December 2004	242.0
Strait Crossing	June 1998	September 2031	98.3
Autopista del Bosque	March 2001	April 2021	171.0
Total			**511.3**

Joint guarantees covering non-consolidated partnerships

Part of VINCI's business in construction and roads is conducted through joint-venture entities, in line with industry practice. In such a partnership, the partners are jointly and severally liable for debt contracted with third parties. To limit risk, the solvency of partners is reviewed before a joint-venture entity is created. When necessary, cross-guarantees are entered into between the partners.

When VINCI becomes aware of a risk related to the activities of a partnership, 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.

In line with legal undertakings, the amount recorded under off-balance sheet commitments corresponds to 100% of the partnership's liabilities, less the equity and accounts (loans and current accounts) in the names of the partners.

Given the quality of VINCI's partners, the risk of having to honour one of these commitments is considered low.

Other commitments

These include all commitments other than those described above, such as return to better fortune clauses and guarantees in respect of liabilities as part of business divestments and terminations.

31.2. Rental contracts

Commitments relating to rental contracts amounted to €196.1 million, of which €57.0 million maturing in less than a year, €112.6 million in one to five years and €26.5 million in over five years.

31.3. Investment commitments

As part of concession contracts, some VINCI entities have commitments to invest in the completion of infrastructure projects. These mainly include commitments by Cofiroute over the next five years (€2,900 million) and by Gefyra, as part of the construction of the Rion-Antirion bridge in Greece (€200 million).

31.4. Commitments received

Commitments received by VINCI, which consist of personal sureties (performance bonds and guarantees), amounted to €681.8 million at 31 December 2002, up from €476.0 million a year earlier.

32. Number of employees

The average number of employees of the consolidated companies breaks down as follows:

	2002	2001	2000
Engineers and managers	15,278	14,121	14,057
Workers and non-managers	112,102	115,378	108,013
	127,380	**129,499**	**122,070**

33. Remuneration of senior executives and board members

The remuneration of senior VINCI management is determined by the Board of Directors on proposal by the Remuneration Committee. Remuneration of senior management includes 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) amounted to €6.4 million in 2002. Directors' fees paid by VINCI to members of the Board of Directors totalled €508,070 in 2002.

Total remuneration, including benefits in kind, paid by VINCI to senior management in 2002 broke down as follows:

in euros **Director**	**Gross fixed salary**	**Gross bonus**	**Net total (1) after tax and social charges**	**Directors' fees**	**Benefits in kind**
Antoine Zacharias, Chairman and CEO	1,282,488	1,676,940	1,242,960	80,000	Company car
Bernard Huvelin, Director and Co-Chief Operating Officer	416,332	457,350	366,946	20,000	Company car
Xavier Huillard, Co-Chief Operating Officer	325,677	304,898	264,842	—	Company car
Roger Martin, Co-Chief Operating Officer	358,905	381,123	310,812	—	Company car
Directors chairing a committee (3 people)	—	—	—	40,000 (2)	—
Other Directors (12 people)	—	—	—	20,000 (2) and (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.
(3) Directors' fees paid in respect of Mr Jaclot (€18,071) and part of the Directors' fees paid in respect of Mr Brongniart and Mr de Silguy (€10,000 each) were paid to Suez at the beginning of 2002.

Some VINCI Directors also received Directors' fees from companies controlled by VINCI:

Director in euros	**Directors' fees**
Antoine Zacharias, Chairman and CEO	4,500
Bernard Huvelin, Director and Co-Chief Operating Officer	10,740
Serge Michel, Director	3,050
Xavier Huillard, Co-Chief Operating Officer	12,095
Roger Martin, Co-Chief Operating Officer	12,312

34. Litigation and arbitration

To VINCI'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 parent company.

• The claim lodged by Nersa against VINCI resulted at the end of 1998 in an award against both VINCI and an Italian entrepreneur, now bankrupt. EDF, having been joined in the action by VINCI, was ordered to guarantee VINCI up to 40% of the amount awarded, which reduces the amount of VINCI's liability to €13.6 million (principal and interest), before insurance claims. Given the circumstances of the case, VINCI lodged an appeal against this decision at the beginning of 1999. Proceedings are still under way. Meanwhile, actions and procedures have been taken since 1999 with regard to VINCI's insurers. A settlement has been reached according to which VINCI will receive a total indemnity of €11.5 million, reducing the charge for VINCI to €2.1 million.

• SNCF lodged a claim with the Paris administrative tribunal in 1997 against a group of construction companies in respect of compensation for the damages it considers it suffered between 1987 and 1990 under the construction contracts for the TGV Nord and Rhône-Alpes lines (and their interconnections). This claim was lodged after the competition council had ruled against the companies in 1995 and after the Paris appeal court (making a second determination following the reversal of its 1997 decision) generally confirmed that ruling. VINCI continues to maintain that SNCF suffered no financial damages upon completion of the contracts with VINCI subsidiaries. The administrative procedure concerning two VINCI contracts is currently being reviewed by experts (other claims are being examined by the court).

• The dispute between VINCI and US company Global Industries concerns the failure (before the Paris tribunal) of the sale of ETPM by GTM to Global Industries. The parties each claim compensation from the other for the damages resulting from the breakdown in negotiations. Even if the outcome is unfavourable, the dispute is unlikely to have a significant impact on VINCI's financial situation.

• In the dispute between VINCI and Bouygues Bâtiment as co-shareholders of Consortium Stade de France, Bouygues Bâtiment claims a right of first refusal for the acquisition of half the shares in this company previously held by GTM and acquired by VINCI after the merger with GTM on 19 December 2000. In a decision handed down on 14 September 2002, the Paris commercial court ruled that Bouygues Bâtiment and VINCI should hold an equal share in the concession company and has appointed an expert to provide information on the basis of which the value of the company's shares can be determined. VINCI has appealed the decision, but does not expect it to have a significant impact on its financial situation, even if the outcome is unfavourable.

• Due to the delayed delivery of a hotel building in Lyons, because of a fire accidentally caused by a subcontractor, Sogea Construction is involved in a dispute with the owner HIL over the penalties for late completion and the assessment of damages. Sogea Construction has appealed the decision of 10 October 2000 of the Lyons commercial court, which sentenced it to pay HIL €9 million. It has also sued the subcontractor causing the accident. The Lyons appeals court could rule on the case in the first half of 2003. Even if the outcome is unfavourable, the dispute is unlikely to have a significant impact on VINCI's financial situation.

• 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 as to US$7.2 million by Coface, which was in turn counter-guaranteed by this Mexican state organisation.

Also, CBC built a hotel in Bratislava (Slovakia) for Intertour, part of whose equity it holds. This transaction was financed through promissory notes issued by CBC and discounted on a non-recourse basis with a French bank, which had counter-guarantees from foreign financial organisations. Following payment default by Intertour, these financial organisations have initiated various legal proceedings, including one before the Paris commercial court, where CBC was charged with guaranteeing the principal amount of €41 million.

Insofar as these two CBC disputes are concerned, the current state of affairs is such that VINCI does not expect any significant impact on its financial situation in the event of an unfavourable outcome.

• Lastly, some of VINCI's subsidiaries are being investigated under competition law. In addition, a number of senior managers are subject, on a personal basis, to judicial inquiry procedures, which seek to determine whether they may have made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. VINCI does not expect these investigations or procedures, even in the event of an unfavourable outcome, to affect its financial situation substantially.

Total claims lodged in respect of the above-mentioned disputes represent approximately €300 million. Since VINCI considers a major part of these claims to be groundless, and given the rulings made by the courts of first instance, the group has assessed the realistic risks associated with these proceedings as being €100 million. Provisions to cover that amount have been made in the accounts of the subsidiaries concerned for the year ended 31 December 2002.

Main consolidated companies at 31 December 2002

	Consolidation method	VINCI group holding
1. Concessions		
VINCI Concessions SA	FC	100.00%
VINCI Park	FC	100.00%
Sogeparc France	FC	99.95%
CGST	FC	100.00%
VINCI Park Services Ltd (UK)	FC	100.00%
Zeson (Hong Kong)	FC	100.00%
TFM (UK)	FC	100.00%
Cofiroute	FC	65.34%
VINCI Infrastructures	FC	100.00%
Stade de France	PC	66.67%
SMTPC (Prado-Carénage tunnel)	EM	31.35%
Lusoponte (bridges over the Tagus river, Portugal)	EM	30.70%
Severn River Crossing (UK)	EM	35.00%
Strait Crossing Development Inc. (Canada)	PC	49.90%
Gefyra (Rion-Antirion bridge, Greece)	FC	53.00%
Autopista del Bosque (Chillan-Collipulli motorway, Chile)	FC	82.95%
VINCI Airports	FC	100.00%
Société Concessionnaire de l'Aéroport de Pochentong (Cambodia)	PC	70.00%
Inversiones Técnicas Aeroportuarias - ITA (Mexico)	EM	24.50%
Servicios de Tecnología Aeroportuaria - SETA (Mexico)	EM	37.25%
ADP Management	EM	34.00%
VINCI Airport 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%
TMS (Austria)	FC	100.00%
Saunier Duval Électricité - SDEL	FC	100.00%
VINCI Energies Deutschland and subsidiaries (Controlmatic, G+H Isolierung, Calanbau)	FC	100.00%
Garczynski Traploir	FC	99.99%
Santerne	FC	99.99%
GTIE Île-de-France	FC	100.00%
Tunzini	FC	100.00%
Tunzini Protection Incendie	FC	100.00%
Emil Lundgren (Sweden)	FC	100.00%
Fournié-Grospaud	FC	99.93%
Graniou Île-de-France	FC	100.00%
GTIE UK (UK)	FC	100.00%
VINCI Energies Activités Spéciales	FC	100.00%
Lefort Francheteau	FC	100.00%
3. Roads		
Eurovia	FC	100.00%
Ringway (UK)	FC	90.65%
Hubbard (USA)	FC	100.00%
SSZ (Czech Republic)	FC	92.06%
Eurovia Champagne-Ardenne Lorraine	FC	100.00%
Eurovia Méditerranée	FC	100.00%
Eurovia Île-de-France	FC	100.00%
Probisa Technologia y Construccion (Spain)	FC	87.84%
Construction DJL (Canada)	FC	95.80%
Eurovia Bretagne	FC	100.00%
EJL Île-de-France	FC	100.00%
Eurovia Alpes	FC	100.00%
Eurovia Normandie	FC	100.00%
Bitumix (Chile)	FC	50.10%
Boucher (Belgium)	FC	100.00%
EJL Sud-Est	FC	100.00%
EJL Est	FC	100.00%
Cestne Stavby Kosice (Slovakia)	FC	94.29%
EJL Centre	FC	100.00%
CTW Strassenbaustoff (Switzerland)	FC	57.43%
EJL Méditerranée	FC	100.00%
SPRD (Poland)	FC	87.27%

FC: full consolidation; PC: proportionate consolidation; EM: equity method

	Consolidation method	VINCI group holding
Eurovia GmbH (Germany)	FC	100.00%
Teerbau	FC	100.00%
Eurovia VBU	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 Island)	FC	100.00%
Hidepitö (Hungary)	FC	97.08%
SMP (Czech Republic)	FC	73.72%
First Czech Construction Company (Czech Republic)	FC	100.00%
Dumez 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%
SKE (Germany)	FC	100.00%
Brüggemann (Germany)	FC	100.00%
SKE SSI (USA)	FC	100.00%
Klee (Germany)	FC	100.00%
VINCI Bautec (Germany)	FC	100.00%
Compagnie d'Entreprises CFE (Belgium)	FC	45.38%
Dredging Environmental and Marine Engineering - DEME	PC	21.67%
MBG	FC	45.38%
Bageci	FC	45.38%
Van Wellen	PC	22.69%
VINCI Construction Grands Projets	FC	100.00%
Socaso	FC	100.00%
Constructora Dumez-GTM Tribasa (Chile)	FC	99.99%
Janin Atlas (Canada)	FC	100.00%
Freyssinet	FC	100.00%
Freyssinet France	FC	100.00%
The Reinforced Earth Cy - RECO (USA)	FC	100.00%
Menard Soltraitement	FC	100.00%
Freyssinet International et C^ie^	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%
Doris Engineering	EM	46.95%

FC: full consolidation; PC: proportionate consolidation; EM: equity method

SUMMARY OF THE NON-CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2002

Report of the Statutory Auditors on the parent company financial statements
(Year ended 31 December 2002)

In accordance with our appointment as auditors by your Shareholders General Meeting,we hereby report to you for the year ended 31 December 2002 on:

– the audit of the accompanying financial statements of VINCI; and

– the specific verifications and information required by law. The financial statements are the responsibility of the Board of Directors of your Company. Our role is to express an opinion on these financial statements based on our audit.

1 – Opinion on the annual financial statements

We conducted the audit in accordance with 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 2002 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.

2 – Specific verifications and information

We have also performed the procedures required by law on the financial information provided by the Board of Directors, in accordance with French professional standards.

We have no comments to make as to the fair presentation and conformity with the annual financial statements of the information given in the management 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 with regard to the acquisition of shares and controlling interests, and the identity of shareholders and holders of voting rights.

Paris and Neuilly sur Seine, 3 April 2003
The Statutory Auditors

RSM Salustro Reydel	Deloitte Touche Tohmatsu
Bernard Cattenoz	Thierry Benoit
Benoît Lebrun	Dominique Descours

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 parent company financial statements for 2002 take into account the impact of the final legal restructuring operations. Commenced in 2001, the restructuring aimed to organise the group into four core business lines, and included:

- The merger by absorption of Entreprise Jean Lefèbvre and GTM Participations by VINCI, effective retroactively on 1 January 2002.
- The transfer of VINCI's shares in SHUK and Freyssinet to VINCI Construction, and of its shares in Sonitsa to Sogea Construction.
- The transfer of VINCI's shares in Lefort Francheteau to VINCI Energies Activités Spéciales (formerly GTIE Thermique), and the subsequent transfer of VINCI Energies Activités Spéciales shares to VINCI Energies (formerly GTIE).

The group also decided to consolidate all concession activities within a new holding company, VINCI Concessions. The reorganisation resulted in the following transfers in the second half of 2002:

- The transfer of ADPM shares to VINCI Airports and of SMTPC and VINCI Concession Canada, Inc. shares to a newly created company called VINCI Infrastructures.
- The sale to VINCI Concessions in December 2002 of 39.1 million Autoroutes du Sud de la France shares acquired by VINCI in the first half of 2002.

These transactions were completed in early 2003 with the transfer to VINCI Concessions of shares held by VINCI in Cofiroute, VINCI Park, VINCI Airports and VINCI Infrastructures.

In addition, SEN shares were transferred to VINCI Airports Services, a wholly-owned VINCI subsidiary created to consolidate all VINCI's airport service activities.

The net impact of these transactions was to increase parent company net income in 2002 by €135.6 million (comprising €41.7 million in net capital gains on the disposal of shares and a €93.9 million merger premium on Entreprise Jean Lefebvre).

Taking into account the impact of the above-mentioned operations, the financial statements of the parent company for 2002 show net income of €338.1 million, down from €507.8 million in 2001.

Summary statement of income

in millions of euros	2002	2001	2000
Net sales	25.2	43.0	58.2
Other operating revenue	59.0	74.1	60.2
Operating expense	(103.2)	(129.5)	(137.9)
Net operating income/(expense)	**(19.0)**	**(12.4)**	**(19.5)**
Net revenue from subsidiaries and affiliated companies	367.3	328.7	216.4
Net interest charge*	(66.9)	(46.4)	(56.2)
Income from currency translation	6.1	0.6	4.2
Other financial and miscellaneous provisions	(106.9)	(19.6)	(57.9)
Net financial income	**199.6**	**263.3**	**106.4**
Net exceptional income/(expense)	**30.3**	**146.8**	**(31.1)**
Income from tax consolidation, less tax charge	127.2	110.1	125.6
Net income	**338.1**	**507.8**	**181.4**

* Including provisions, amounting to €27.5 million in 2002 and €8.6 million in 2001, to cover the redemption premium on OCEANE bonds.

The difference from one year to the next, having regard to the legal restructuring operations already mentioned, is due principally to the following factors:

- A reduction in net financial income from €263.3 million in 2001 to €199.6 million in 2002, resulting from the net impact of:
  - An increase in income from subsidiaries (in the form of dividend payments or income transfers in the case of partnership and limited partnerships) from €328.7 million in 2001 to €367.3 million in 2002.
  - An increase in net interest expense from €46.4 million to €66.9 million (including provisions amounting to €27.5 million to cover the redemption premium on OCEANE bonds), which incorporates the cost of financing the acquisition of 17% of ASF (estimated at €40 million).
  - Net financial provisions totalling €106.9 million, including provisions for amortisation of VINCI Airports shares (€48.8 million), VINCI Deutschland shares (€20.1 million), GTM CI shares (€12.3 million) and Inversiones y Tecnicas shares (€11.3 million).
- A decline in net exceptional income from €146.8 million in 2001 to €30.3 million in 2002, under the combined impact of:
  - €135.6 millions in additional income generated by the above-mentioned legal restructuring transactions.
  - A €25.3 million capital gain on the disposal of Polaris barges, as part of GTM's sale of ETPM's offshore activities to Stolt Comex Seaway at the end of 1999, and which became final in early 2002 when Stolt Comex Seaway exercised its purchase option.
  - The cancellation of €135 million in debt owed by VINCI Deutschland.
  - Various exceptional revenues, including a €6.8 million insurance payment following the settlement of the dispute with Nersa concerning the Creys Malleville power plant.
- A net tax credit including €142 million in tax consolidation income for 2002 and a €10 million tax charge for the VINCI tax group.

Summary balance sheet

Assets in millions of euros	2002	2001	2000
Intangible and tangible fixed assets	31.4	23.8	22.1
Financial assets	5,033.0	3,195.4	2,577.0
Other accounts receivable and currency differences	121.7	194.1	209.8
Marketable securities and cash	2,370.1	2,232.8	1,283.4
Total assets	**7,556.2**	**5,646.1**	**4,092.3**

Shareholders' equity and liabilities in millions of euros	2002	2001	2000
Shareholders' equity	3,200.0	2,242.6	1,405.1
Provisions for liabilities and charges	210.2	177.5	273.2
Debt	3,961.7	3,008.7	2,048.1
Other liabilities and adjustment accounts	184.3	217.3	365.9
Total shareholders' equity and liabilities	**7,556.2**	**5,646.1**	**4,092.3**

Financial assets

On 31 December 2002, financial assets broke down as follows:

in millions of euros	Gross book value at 31 Dec. '02	Depreciation at 31 Dec. '02	Net book value at 31 Dec. '02	Net book value at 31 Dec. '01
Investments in subsidiaries and affiliated companies	5,158.1	(490.7)	4,667.4	2,949.0
Receivables linked to investments in subsidiaries and affiliated companies	342.0	(7.0)	335.0	212.5
Other securities	22.4	(14.9)	7.5	14.4
Other financial assets	26.1	(3.0)	23.1	19.5
Total financial assets	**5,548.6**	**(515.6)**	**5,033.0**	**3,195.4**

The gross book value of investments in subsidiaries totalled €5.2 billion on 31 December 2002, up from €3.3 billion on 31 December 2001. The increase is due essentially to:

- The net positive impact (€910.8 million) of mergers by absorption, effective retroactively on 1 January 2002:
  - VINCI booked the shares received from the mergers or asset transfers (notably €684.4 million for Cofiroute, €517.1 million for Eurovia and €113.9 million for GTM CI).
  - It also removed from its books €410.7 million in shares in the companies absorbed (of which €305 million for Entreprise Jean Lefèbvre and €105.7 million for GTM Participations).
- The main financial transaction of 2002, i.e. the acquisition of 17% of ASF for €1,045 million. The shares were transferred to VINCI Concessions for €939.4 million. At the same time, VINCI increased VINCI Concessions' capital by €900 million.

In 2002, the group also added €96.5 million to provisions for amortisation of investments in subsidiaries (of which €48.8 million for VINCI Airports, €20.1 million for VINCI Deutschland, €12.3 million for GTM CI, and €11.3 million for Inversiones y Tecnicas).

Receivables linked to investments in subsidiaries and affiliated companies include advances that may be capitalised and loans granted by VINCI to its subsidiaries, notably a €280.9 million loan to VINCI Park, up €151.1 million on the amount at 31 December 2001.

Shareholders' equity

in millions of euros	Capital stock	Additional paid-in capital	Reserves	Net income	Total
Shareholders' equity on 31 December 2001	**828.8**	**765.4**	**140.7**	**507.8**	**2,242.6**
Appropriation of net income for 2001	—	—	376.5	(507.8)	(131.3)
Capital increases	30.7	117.3	—	—	148.1
Impact of mergers	—	797.8	—	—	797.8
Reduction of capital through cancellation of shares	(30.8)	(164.6)	—	—	(195.4)
Net income for 2002	—	—	—	338.1	338.1
Shareholders' equity on 31 December 2002	**828.7**	**1,515.9**	**517.2**	**338.1**	**3,200.0**

On 31 December 2002, capital stock amounted to €828.7 million, made up of 82,873,367 shares of €10 each.
The holding company's shareholders' equity totalled €3,200.0 million on 31 December 2002, up from €2,242.6 million the year before.

This includes €797.8 million in capital increases resulting from the merger by absorption transactions effective retroactively on 1 January 2002 (i.e. Entreprise Jean Lefebvre), as well as €128.2 million in capital increases generated by subscriptions to the group savings schemes (of which €73.7 million in subscriptions to Castor Avantage) and €19.8 million from the exercise of stock options.

On 17 December 2002, the Board of Directors decided to reduce capital stock by cancelling 3,085,593 shares held in treasury (3.6% of capital). Shareholders' equity was reduced by €195.4 million, including a €30.8 million reduction of capital stock.

Capital increases and reductions break down as follows:

in millions of euros	Number of new shares	Capital stock	Additional paid-in capital	Total
Impact of mergers	0	0.0	797.8	797.8
Employee subscriptions to group savings schemes	2,472,714	24.7	103.5	128.2
Exercise of share subscription options	604,335	6.1	13.8	19.9
Cancellation of treasury stock	(3,083,593)	(30.8)	(164.6)	(195.4)
Total	**(6,544)**	**0.0**	**750.5**	**750.5**

Net debt

in millions of euros	2002	2001	2000
Convertible bond issues (OCEANE)	1,017.8	517.5	–
Other bond issues	987.2	137.2	137.2
Borrowing from credit institutions	110.8	130.4	118.4
Long-term debt (> 1 year)	**2,115.8**	**785.1**	**255.6**
Bond issues	38.7	6.5	4.0
Borrowing from credit institutions and bank overdrafts	25.7	43.5	205.1
Treasury notes	20.4	528.9	138.2
Current cash accounts of subsidiaries and affiliates	1,761.1	1,632.8	1,533.6
Short-term debt	**1,845.9**	**2,211.7**	**1,880.9**
Total debt	**3,961.7**	**2,996.8**	**2,136.5**
Accounts receivable and loans*	**(330.3)**	**(207.9)**	**(99.9)**
Treasury stock	(187.8)**	(356.2)	(272.9)
Marketable securities	(1,676.7)	(1,405.3)	(715.1)
Current cash accounts of subsidiaries	(475.4)	(458.7)	(90.6)
Cash	(30.1)	(12.6)	(188.7)
Short-term cash	**(2,370.1)**	**(2,232.8)**	**(1,267.4)**
Net debt	**1,261.1**	**556.0**	**769.2**

* Including the share of receivables linked to interests in subsidiaries and affiliates, amounting to €329.5 million in loans granted by VINCI to subsidiaries, of which €280.9 million to VINCI Park, €22.8 million to Freyssinet, and €25.6 million to VINCI Construction.
** i.e. 4,199,699 VINCI shares held in treasury, at an average price of €44.71 per share.

The holding company's net debt at 31 December 2002 amounted to €1,261.1 million, up from €556.0 million the year before, representing a €705.1 million increase .

In April 2002, VINCI launched a €500.3 million issue of OCEANE bonds (i.e. bonds convertible into and/or exchangeable for new and/or existing shares) with a 2% annual coupon, maturing in 2018 (5,558,334 bonds with a nominal value of €90). If the bonds are not converted into or exchanged for VINCI shares, they will be redeemed at €125.46 each on 1 January 2018 , setting yield to maturity at 3.875%.

Other bond issues include €600 million in 7-year bonds issued in July 2002 at 99.58% of nominal value with a 5.875% coupon.

A second issue, assimilated to the first issue and amounting to €250 million, was floated in November 2002 at 102.554% of nominal value.

Treasury notes issued by VINCI amounted to €20.4 million on 31 December 2002, against €528.9 million a year earlier.

Marketable securities are essentially made up of unit trusts, certificates of deposit and mutual funds. The market value of these assets at the end of 2002 was close to their purchase price.

Five-year financial summary

	1998	1999	2000	2001	2002
I – Capital stock at the end of the year					
a – Capital stock *(in thousands of euros)*	537,605.3	523,393.3	791,546.0	828,799.1	828,733.7
b – Number of common shares issued (1)	41,487,757	40,261,023	79,154,601	82,879,911	82,873,367
c – Maximum number of shares to be issued through conversion of bonds (2)	—	—	—	5,750,000	11,308,334
II – Operations and net income/(loss) for the year *(in thousands of euros)*					
a – Net sales before tax	16,758.1	16,253.9	58,164.0	42,960.6	25,201.1
b – Net income/(loss) before tax, employee profit sharing, depreciation and provisions	(37,491.8)	78,509.3	173,289.2	265,770.4	339,922.0
c – Income tax (3)	(44,559.2)	(35,955.4)	(125,615.2)	(110,104.4)	(127,259.4)
d – Net income/(loss) after tax, employee profit sharing, depreciation and provisions	50,851.5	76,667.7	181,372.6	507,760.1	338,138.3
e – Dividends paid	53,229.3	59,093.4	121,108.4	130,946.2	141,679.2 (4)
III – Earnings/(loss) per share *(in euros)*					
a – Earnings/(loss) after tax and employee profit sharing and before depreciation and provisions	0.2	2.8	3.8	4.5	5.6
b – Earnings/(loss) after tax, employee profit sharing, depreciation and provisions	1.2	1.9	2.3	6.1	4.1
c – Net dividend paid per share (excluding tax credit)	1.4	1.6	1.65	1.7	1.8 (5)
IV – Employees					
a – Average number	85	104	150	177	140
b – Salaries and wages *(in thousands of euros)*	7,673.8	10,174.1	18,870.9	39,003.2	27,732.7
c – Social security costs and other social expenses *(in thousands of euros)*	2,961.2	3,678.1	6,503.4	11,481.3	6,941.4

(1) There were no preferred shares 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 shares:
– 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 31 December 2017 at €125.46 euros each.
Of the stock options authorised by the Shareholders Meetings of 18 June 1993, 25 May 1998 and 25 October 1999 and implemented by the Board of Directors' meetings of 4 November 1993, 4 November 1994, 4 March 1998, 9 March 1999, 7 September 1999, 11 January 2000, 3 October 2000, 8 March 2001, 25 January 2002 et 17 December 2002, 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 of 10,179,021 had not yet been exercised at 31 December 2002.
(3) Taxes recovered from subsidiaries under tax consolidation arrangements, less VINCI SA's own tax charge.
(4) Calculated on the basis of the number of shares outstanding at 22 February 2003, less treasury stock at the same date.
(5) Proposal to be made to the Shareholders Meeting of 5 May 2003 (first notice) or 14 May 2003 (second notice).

Subsidiaries and affiliated companies at 31 December 2002

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 appropriation	Percentage share of capital stock held (%)	Book value of shares held (gross)	Book value of shares held (net)	Loans and advances made by VINCI	Sureties and guarantees 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% of capital held by VINCI)										
French subsidiaries										
Cofiroute*	158,282	575,396	65.34	792,464	792,464	—	—	802,448	215,768	72,474
Consortium Stade de France	29,728	767	66.67	19,818	19,818	—	—	79,158	7,198	3,120
Elige Participations	16,000	6,993	100.00	86,469	28,073	—	—	9,392	4,641	5,800
Eurovia	366,400	56,808	100.00	1,034,160	1,034,160	—	—	22,886	110,921	60,685
VINCI Energies	99,511	5,161	99.15	305,026	305,026	—	—	68,188	69,985	62,529
Ornem	322	15	99.98	14,222	252	—	—	—	(62)	204
Snel	2,622	132	99.98	2,742	2,742	—	—	—	701	317
VINCI Airports*	200,000	(44,685)	100.00	200,000	106,501	—	—	848	(48,960)	—
VINCI Airports Services	35,000	(3)	100.00	35,000	34,997	—	—	—	(33)	—
VINCI Assurances	38	—	99.44	38	38	—	—	5,351	2,187	—
VINCI Concessions	900,000	(1)	100.00	899,998	899,998	—	—	—	(9)	—
VINCI Construction	148,807	110,601	86.64	363,265	363,265	—	—	5,427	81,149	71,715
VINCI Infrastructures*	60,000	(1)	100.00	59,999	59,164	—	—	1,187	(834)	—
VINCI Park*	192,533	12,949	100.00	841,674	841,674	226,416	—	52,666	61,119	57,751
Other subsidiaries (together)	—	—	—	157,567	48,066	—	7,470	—	—	—
Foreign subsidiaries										
Autopista del Bosque	39,350	10,489	82.95	46,990	46,990	—	6,352	15,837	2,603	—
Gefyra	65,220	—	53.00	36,972	36,972	—	—	—	—	—
SCA Pochentong	20,978	10,448	70.00	12,901	12,901	8,180	—	23,028	6,567	—
Other subsidiaries (together)	—	—	—	154,163	10,175	—	—	—	—	—
2 – Affiliated companies (10–50% of capital held by VINCI)										
French companies										
Other subsidiaries (together)	—	—	—	14,586	7,206	—	—	—	—	—
Foreign companies										
Inversiones y Tecnicas	113,705	8,610	24.50	26,179	14,839	—	—	3,864	454	1,669
Other subsidiaries (together)	—	—	—	6,082	7	—	—	—	—	—

NB: Net sales and net income of foreign subsidiaries and affiliates are converted into euros at year-end exchange rates.
* Shares transferred to VINCI Concessions on 13 February 2003 as part of the above-mentioned reorganisation.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 6 May 2003 (the "**Subscription Agreement**"), BNP Paribas (the "**Manager**") has agreed to procure subscription and payment for, failing which, to subscribe and pay for, the Bonds at the issue price of 106.156 per cent. of their principal amount less agreed commissions plus an amount corresponding to accrued interest from and including 22 July 2002 to, but excluding, 7 May 2003.

The Issuer will reimburse the Manager in respect of certain of its expenses, and has agreed to indemnify the Manager against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the date of issue of the Bonds within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are being offered and sold only outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

The Manager has represented and agreed that:

(i) it has not offered or sold and, prior to the expiry of the period of six months from the Closing Date, will not offer or sell any Bonds to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act (the "**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Manager and the Issuer has acknowledged that the Bonds are being issued or are deemed issued outside France and has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular or any other offering material relating to the Bonds, and that such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, articles L.411-1 and L.411-2 of the French Code *monétaire et financier* and *décret* no.98- 880 dated 1 October 1998.

General

No action has been taken or will be taken by the Issuer or the Manager that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

1. Authority to issue bonds constituting "*obligations*" under French law was duly granted by the *Assemblée Générale Ordinaire* (Ordinary General Meeting) of the Issuer to the *Conseil d'Administration* (Board of Directors) of the Issuer on 12 December 2001. Such authority was duly delegated by the *Conseil d'Administration* (Board of Directors) of the Issuer to each of its *Président-Directeur Général*, Bernard Huvelin, an *Administrateur-Directeur Général Délégué* and Christian Labeyrie, *Directeur Financier*, acting separately, on 5 March 2003. The issue of the Bonds was duly decided by a decision of Bernard Huvelin dated 5 May 2003.

Listing

2. Application has been made to list the Bonds on the Luxembourg Stock Exchange. A legal notice relating to the issue of the Bonds and the constitutional documents of the Issuer are being lodged with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) where such documents may be examined and copies obtained.

Clearing Systems

3. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The temporary ISIN for the issue of the Bonds is XS0167458040 and the temporary Common Code is 16745804. From the Exchange Date the ISIN for the issue of the Bonds will be XS0151548616 and the Common Code will be 015154861.

No significant change

4. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2002 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2002 in each case which is material in the context of the issue of the Bonds.

Litigation

5. Save as disclosed in note 34 to the 2002 consolidated financial statements of the Issuer, which are reproduced in full in this Offering Circular, neither the Issuer nor any other member of the Group is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which are material in the context of the issue of the Bonds.

Accounts

6. The auditors of the Issuer are Deloitte Touche Tohmatsu and RSM Salustro Reydel who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in the Republic of France for each of the three financial years ended on 31 December 2002. Without qualifying the auditors' opinion, the auditors' report on the consolidated financial statements for 2002 draws attention to Note B of the Notes to the financial statements, which describes two changes in accounting method. These concern the presentation of special concession amortisation provided by motorway concession companies and of deferred expenses related to site installation costs.

U.S. tax

7. The Bonds and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Documents available

8. Copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg so long as any of the Bonds remains outstanding:

   (a) the *statuts* (with an English translation thereof) of the Issuer;

   (b) the audited consolidated and non-consolidated (*comptes sociaux*) financial statements of the Issuer in respect of the financial years ended 31 December 2000, 2001 and 2002 and the pro-forma consolidated financial statements in respect of the financial year ended 31 December 2000 (with an English translation of the consolidated financial statements and of the abbreviated non-consolidated (*comptes sociaux*) financial statements) (the Issuer currently prepares audited consolidated and non-consolidated (*comptes sociaux*) financial statements on an annual basis);

   (c) the most recently published audited annual consolidated and non-consolidated (*comptes sociaux*) financial statements of the Issuer (with an English translation of the annual consolidated financial statements and of the annual abbreviated non-consolidated (*comptes sociaux*) financial statements) (the Issuer currently prepares unaudited interim consolidated financial statements on a semi-annual basis; the Issuer does not currently prepare interim non-consolidated financial statements (*comptes sociaux*));

   (d) a copy of the final Offering Circular;

   (e) the Subscription Agreement; and

   (f) the Agency Agreement.

European Withholding Taxation

9. On 21 January 2003, the European Council of Economics and Finance Ministers (ECOFIN) provisionally agreed on proposals under which Member States will be required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Additionally, it was agreed by ECOFIN that the adoption of the proposals by the European Union would require certain other non-Member State countries to adopt a similar withholding system in relation to such payments. ECOFIN announced that the proposals were to take effect from 1 January 2004 although it is understood that the proposals may now take effect from 1 January 2005, subject to certain conditions being satisfied before 30 June 2004.

Contracts (Rights of Third Parties) Act 1999

10. The Act provides that, in certain circumstances, a person who is not a party to a contract may in his own right enforce a term of the contract. This issue of the Bonds expressly excludes the application of the Act.

THE ISSUER

VINCI
1 cours Ferdinand-De-Lesseps
92851 Rueil-Malmaison Cedex
France

FISCAL AND PAYING AGENT AND LISTING AGENT

Crédit Lyonnais Luxembourg S.A.
26a, Boulevard Royal
L-2449 Luxembourg

LEGAL ADVISERS

To the Manager as to English and French law

Allen & Overy
Edouard VII
26, boulevard des Capucines
75009 Paris
France

To the Issuer as to English and French law

Linklaters
25, rue de Marignan
75008 Paris
France

AUDITORS

Deloitte Touche Tohmatsu
185, avenue Charles de Gaulle
BP 136
92201 Neuilly-sur-Seine
France

RSM Salustro Reydel
8, avenue Delcassé
75008 Paris
France

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